

12. FINANCIAL INFORMATION (cont'd)**(i) Raw materials**

During FYE 2022, our total raw material costs increased by RM3.54 million or 10.45% to RM37.41 million (FYE 2021: RM33.87 million), driven by higher purchase volumes to support increased sales demand. In FYE 2023, raw material costs declined by RM8.08 million or 21.60% due to significant reductions in the prices of key raw materials, particularly water-based synthetic resin and monomer. Raw materials costs further declined in FYE 2024 by a further RM2.72 million or 9.27%, in line with lower cost incurred from the purchase of water-based synthetic resin and monomer. For FYE 2025, raw material costs decreased by RM3.12 million or 11.73% to RM23.48 million (FYE 2024: RM26.60 million). This reduction was primarily driven by lower production volumes and continued reduction in the market prices of raw materials. In FPE 2026, the raw material costs remained stable as compared to FPE 2025. The average purchase price of water-based synthetic resin increased from RM5.25/kg in FYE 2021 to RM6.93/kg in FYE 2022, before declining in the subsequent financial years and period. The average purchase price decreased to RM4.74/kg in FYE 2023, RM3.96/kg in FYE 2024, RM3.11/kg in FYE 2025 before increase up to RM3.15/kg in FPE 2026. Similarly, the average purchase price of monomer rose from RM7.17/kg in FYE 2021 to RM8.87/kg in FYE 2022, before declining to RM4.70/kg in FYE 2023, RM4.24/kg in FYE 2024, RM3.73/kg in FYE 2025 and subsequently increase back to RM4.71/kg in FPE 2026.

For the Financial Years/Period Under Review, we have been able to pass on the increase in cost of raw materials to our customers.

In addition, our sealants segment which commenced manufacturing activities during FPE 2026, incurred raw material costs of RM0.04 million which contributed 0.27% of total cost of sales for the financial period. For further details on our key raw materials and major suppliers, please refer to Sections 7.12 and 7.17 of this Prospectus.

(ii) Direct labour

Direct labour cost refers to staff expenses directly attributable to our production operations in Malaysia, comprising salaries, bonuses, allowances, statutory contributions to the Employees Provident Fund (EPF), and social security. In FYE 2022, direct labour costs increased by 23.50% to RM2.26 million, primarily due to the implementation of the Malaysian Minimum Wages Order 2022, which raised the minimum wage from RM1,200 to RM1,500, as well as a slight increase in our Group's average number of production related staff from 30 in FYE 2021 to 31 in FYE 2022. Subsequent increases of 2.65% in FYE 2023 and 27.16% in FYE 2024 were mainly driven by higher wages, the provision of bonuses and an increase in the average production workforce from 31 staff in FYE 2022 to 46 staff in FYE 2023 and further to 55 staff in FYE 2024. Direct labour costs remained relatively stable at RM2.95 million in FYE 2025 as compared to FYE 2024. For FPE 2026, direct labour costs decreased marginally by RM0.01 million or 0.83% to RM1.20 million (FPE 2025: RM1.21 million), mainly attributable to lower direct labour costs incurred by the industrial adhesives and emulsion polymer segments which declined by RM0.01 million and RM0.02 million, respectively. The decrease was mainly due to lower overtime and coupled with a decrease in the average number of production staff from 53 staff in FPE 2025 to 49 in FPE 2026. For information, the decrease in our Group's average number of production staff, was mainly attributable to normal fluctuations in the workforce, in particular the expiry of employment contracts of certain foreign workers whilst pending replacements of these workers.

12. FINANCIAL INFORMATION (cont'd)

Notwithstanding the lower average headcount, the number of production staff remained within our Group's normal operating range of approximately 45 to 55 employees. Our Group had maintained our production activities and utilisation rates through improved organisation of tasks amongst our manpower.

(iii) Drums and containers

Drums and containers are used for storing and transporting our industrial adhesives and emulsion polymers, which are typically supplied in metal drums or intermediate bulk containers (IBCs). The costs for drums and containers are expensed off as and when incurred. The costs incurred for drums and containers decreased by 11.68% to RM1.74 million in FYE 2022, primarily due to lower purchases for drums and containers used for emulsion polymer following the fire incident at our Valdor factory. In FYE 2023, costs increased by RM0.52 million or 29.89% to RM2.26 million, in tandem with the higher overall volume sold for industrial adhesives in FYE 2023 as well as in anticipation of higher sales activities in FYE 2024. The costs for drums and containers decreased by RM0.13 million or 6.28% to RM1.94 million in FYE 2025 (FYE 2024: RM2.07 million) due to lower purchases during the year for emulsion polymer segment. For FPE 2026, costs incurred for drums and containers increased by RM0.87 million or 140.32% to RM1.49 million (FPE 2025: RM0.62 million). The increase was mainly attributable to higher purchases of drums and containers by the industrial adhesives segment, which rose from RM0.62 million in FPE 2025 to RM1.20 million in FPE 2026, in line with increased production requirements. In addition, the emulsion polymer segment incurred drums and container costs of RM0.29 million in FPE 2026, whereas no such costs were incurred in FPE 2025.

(iv) Packaging materials

Packaging materials relates to carton boxes, plastic wraps and bags. The costs for packaging materials are expensed off as and when incurred. Across the Financial Years/Period Under Review, the packaging materials costs remained fairly consistent.

(v) Repairs and maintenance

Repairs and maintenance mainly relate to costs incurred for replacement of parts for plant and machinery. Routine maintenance of plant and machinery is carried out on an annual basis. Across the Financial Years/Period Under Review, the repairs and maintenance costs remained fairly consistent.

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12. FINANCIAL INFORMATION *(cont'd)*
Analysis of GP and GP margin

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Industrial adhesives	12,900	28.03	12,872	23.98	16,872	32.86	20,799	38.64	20,584	42.26
Emulsion polymer										
- Manufacturing	2,724	29.20	1,672	37.02	502	23.24	797	31.73	671	18.27
- Trading	-	-	44	6.57	(187)	(59)	-	-	-	-
Sealants	-	-	-	-	-	-	-	-	(158)	(292.59)
									-	-
Total	15,624	28.23	14,588	24.78	17,187	31.94	21,596	38.33	21,097	40.23
	FPE 2025		FPE 2026							
	GP	GP margin	GP	GP margin						
	RM'000	%	RM'000	%						
Industrial adhesives	8,929	44.25	10,644	46.99						
Emulsion polymer										
- Manufacturing	259	17.37	402	24.78						
- Trading	-	-	-	-						
Sealants	-	-	(14)	(19.18)						
Total	9,188	42.40	11,032	45.31						

12. FINANCIAL INFORMATION (cont'd)**Comparison between FYE 2021 and FYE 2022**

Our Group's GP declined by RM1.03 million or 6.59% to RM14.59 million (FYE 2021: RM15.62 million), resulting in a lower GP margin of 24.78% compared to 28.23% in the previous year.

For our industrial adhesives segment, the revenue increased by RM7.67 million in FYE 2022 mainly due higher average selling prices. However, the increase in cost of sales by RM7.69 million outpaced the revenue growth, resulting in a slight decline in GP of RM0.03 million.

Meanwhile, our manufacturing emulsion polymer segment suffered a decline of RM1.05 million to RM1.67 million in FYE 2022 as a result of the fire incident at our Valdor Factory which affected our sales. Notwithstanding that, the GP margin has improved to 37.02% from 29.20% in FYE 2021 primarily due to higher average selling price.

The trading of emulsion polymer, which was carried out to retain our emulsion polymer customers following the fire incident at our Valdor Factory, contributed a marginal gross profit margin of 6.57%.

Comparison between FYE 2022 and FYE 2023

Our Group's GP increased by RM2.60 million or 17.82% to RM17.19 million (FYE 2022: RM14.59 million), resulting in a higher GP margin of 31.94% compared to 24.78% in the previous year.

There was an overall decrease of RM6.34 million in cost of sales which outweighed the decrease in revenue of RM2.35 million from industrial adhesives. The decline in the cost of sales was primarily due to a RM7.30 million decrease in raw material costs as a result of lower prices of key raw materials, particularly water-based synthetic resin and monomer which accounts for approximately 70% of our raw material costs.

Our manufacturing emulsion polymer segment suffered a decline of RM1.17 million to RM0.50 million in FYE 2023 mainly due to lower volume sold during the year and the maintenance of fixed costs such as direct labour and overheads.

For FYE 2023, we continued limited trading of emulsion polymer in an effort to retain our emulsion polymer customers, despite incurring a marginal gross loss. Notwithstanding the gross loss margin of up to 59.18%, the weighted impact of the gross loss on the overall GP margin was minimal.

As a result, the overall GP margin still improved from 24.78% to 31.94%.

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12. FINANCIAL INFORMATION (cont'd)**Comparison between FYE 2023 and FYE 2024**

Our Group's GP increased by RM4.41 million or 25.65% to RM21.60 million for FYE 2024 (FYE 2023: RM17.19 million), resulting in a higher GP margin of 38.33%, compared to 31.94% in the previous year.

Despite an increase in revenue from industrial adhesives by RM2.49 million in FYE 2024, the cost of sales declined by RM1.44 million, primarily due to the continued decrease in the prices of key raw materials, particularly water-based synthetic resin and monomer, since FYE 2023. Consequently, the GP margin for industrial adhesives improved to 38.64% in FYE 2024, from 32.86% in FYE 2023.

The emulsion polymer segment recorded an increase in GP of RM0.30 million to RM0.80 million in FYE 2024. This improvement was driven by the higher volume sold during the year, coupled with the decline in prices of key raw materials, particularly monomer, as discussed above. Consequently, the GP margin for emulsion polymer improved to 31.73% in FYE 2024, from 23.24% in FYE 2023.

Comparison between FYE 2024 and FYE 2025

Despite a marginal decline in GP of RM0.50 million or 2.31% to RM21.10 million (FYE 2024: RM21.60 million), our GP margin has improved to 40.23% (FYE 2024: 38.33%).

The industrial adhesives segment recorded a GP of RM20.58 million in FYE 2025, representing a decrease of RM0.22 million or 1.06% from RM20.80 million in FYE 2024. Despite the lower GP, the segment's GP margin improved to 42.26% (FYE 2024: 38.64%). This is primarily due to higher decrease in cost of sales by RM4.90 million or 14.83% from lower raw material costs, particularly water-based synthetic resin, which has been on declining trend since FYE 2023 as compared to the decrease in revenue in FYE 2025 by RM5.11 million or 9.50%.

The emulsion polymer segment recorded a lower GP of RM0.67 million (FYE 2024: RM0.80 million). The decline was mainly attributed to higher raw material costs, particularly additives, as well as increase in the depreciation from new property, plant and equipment at the Valdor Factory. Consequently, the gross profit margin declined to 18.27% in FYE 2025 from 31.73% in FYE 2024.

The sealant, being a newly introduced product in June 2025, recorded a gross loss of RM0.16 million in FYE 2025, mainly attributable to raw material and overhead costs amounting to RM0.21 million incurred during the initial production stage.

Comparison between FPE 2025 and FPE 2026

Our Group's GP increased by RM1.84 million or 20.02% to RM11.03 million in FPE 2026 (FPE 2025: RM9.19 million). Correspondingly, our GP margin improved to 45.31% from 42.40% in FPE 2025.

The industrial adhesives segment recorded a GP of RM10.64 million in FPE 2026, representing an increase of RM1.71 million or 19.14% from RM8.93 million in FPE 2025. The segment's GP margin improved to 46.99% (FPE 2025: 44.25%). The improvement was mainly attributed to higher sales volume and favourable product mix, whereby a higher proportion of sales was generated from industrial adhesives with relatively higher gross margins.

The improvement in the GP margin was also attributable to lower depreciation charges mainly due to disposal of an equipment during the period and certain machinery and equipment having reached the end of their depreciation periods, thereby reducing the depreciation cost charged to production.

12. FINANCIAL INFORMATION (cont'd)

In addition, the segment also benefited from improved cost absorption arising from higher production activities during FPE 2026. The increased production volume enabled the segment to spread its relatively fixed manufacturing overheads over a larger output volume, resulting in lower fixed production costs per unit and better utilisation of production capacity.

The emulsion polymer segment recorded a GP of RM0.40 million in FPE 2026, an increase of RM0.14 million or 53.85% from RM0.26 million in FPE 2025. Its GP margin improved to 24.78% from 17.37% in FPE 2025, mainly attributable to the improved production efficiency and lower raw material costs, particularly in relation to key input materials used in the manufacturing process.

There was no revenue contribution from the sealant segment in FPE 2025 as the product was only introduced in June 2025. The gross loss in FPE 2026 was mainly attributable to the early stage of commercialisation, where sales volume remained relatively low and was insufficient to fully absorb production overheads and other manufacturing costs.

The continuous improvement in our Group's GP margin over the Financial Years/Period Under Review, in particular from FYE 2022 to FYE 2025, was primarily driven by our Group's ability to pass on increase in cost to our customers and also delay the reduction in selling prices when raw material costs start to decline. This can be demonstrated when the average prices of raw materials increased in FPE 2026, our Group was able to pass on such increase in costs to our customers, and consequently recorded a higher GP margin for FPE 2026.

Premised on the above, the improvement in GP margin was not attributable to any one-off or non-recurring items. As disclosed in Section 9.2.1 of this Prospectus, our Group is exposed to fluctuations in raw material and chemical product prices. The prices of certain raw materials and chemical products used in our Group's manufacturing operations, such as water-based synthetic resins, monomers and additives, are subject to price fluctuations arising from factors such as global supply and demand conditions, local and regional economic conditions, as well as uncertainties arising from geopolitical conflicts, all of which are outside our Group's control. For the Financial Years/Period Under Review, our Group has been able to pass on the increase in cost of raw materials to our customers. In the event our Group is unable to pass on such increase in costs to our customers in a timely manner, our financial performance may be adversely affected. For clarification, we do not expect the GP margin to continue to improve perpetually and that such GP margin will start to normalise once the price of raw material and chemical product prices stabilises.

There can also be no assurance that the current GP margin can be sustained at its present level, in particular if raw material prices continue to increase to an extent that affects our Group's competitiveness against other industry players who may choose not to increase their prices, despite facing similar cost fluctuations. This could result in a loss of sales, affecting our business growth and financial performance.

Notwithstanding the above, our Group will continue to closely monitor sales volume growth, product mix and cost absorption, which are considered more structurally sustainable, being factors within our Group's operational control.

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12. FINANCIAL INFORMATION (cont'd)**(c) Other income**

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Dividend income	-	-	-	-	32	0.23	69	1.96	39	5.10
Fair value gains on financial instruments	-	-	-	-	-	-	155	4.42	-	-
Gain on disposal of investment property	-	-	-	-	9,850	69.42	-	-	-	-
Gain on disposal of property, plant and equipment	1	0.10	69	1.42	-	-	55	1.57	266	34.82
Gain on disposal of motor vehicles	142	14.34	-	-	-	-	-	-	-	-
Gain on foreign exchange:										
- Realised	30	3.03	10	0.21	27	0.19	101	2.88	72	9.42
- Unrealised	78	7.88	55	1.13	94	0.66	-	-	81	10.60
Government grants under Wage Subsidy Programme	30	3.03	-	-	-	-	-	-	-	-
Interest income	37	3.74	62	1.28	212	1.49	127	3.62	110	14.40
Insurance claim for consequential loss ⁽¹⁾	-	-	-	-	1,000	7.05	2,887	82.25	196	25.66
Insurance claim for inventories	-	-	3,000	61.82	-	-	-	-	-	-
Insurance claim for property, plant and equipment	-	-	1,000	20.61	2,835	19.98	-	-	-	-
Rental income	504	50.91	504	10.38	66	0.47	-	-	-	-
Others ⁽²⁾	168	16.97	153	3.15	73	0.51	116	3.30	-	-
	990	100.00	4,853	100.00	14,189	100.00	3,510	100.00	764	100.00

12. FINANCIAL INFORMATION (cont'd)
(c) Other income (cont'd)

	FPE 2025		FPE 2026	
	RM'000	%	RM'000	%
Dividend income	39	9.15	-	-
Fair value gains on financial instruments	-	-	62	49.21
Gain on disposal of property, plant and equipment	266	62.44	-	-
Gain on foreign exchange:				
- Realised	79	18.54	-	-
Interest income	42	9.87	55	43.65
Others ⁽²⁾		-	9	7.14
	426	100.00	126	100.00

Notes:

- (1) Being insurance claim proceeds for loss of profit arising from the fire incident at our Valdor Factory. The final claim for the consequential loss was received in September 2025.
- (2) Being miscellaneous income mainly consists of income received from sales of drum and containers and technical support charges.

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12. FINANCIAL INFORMATION *(cont'd)***Comparison between FYE 2021 and FYE 2022**

Our other income increased by RM3.86 million or 389.90% to RM4.85 million in FYE 2022 (FYE 2021: RM0.99 million). The substantial increase was primarily driven by an insurance claim for inventories of RM3.00 million and insurance claim for property, plant and equipment of RM1.00 million, accounting for 61.82% and 20.61% of total other income relates to the fire incident in May 2022. This was partially offset by the absence of gain on disposal of motor vehicles, which decreased from RM0.14 million or 14.34% in FYE 2021 to nil in FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our other income increased by RM9.34 million or 192.58% to RM14.19 million in FYE 2023 (FYE 2022: RM4.85 million). The increase was primarily in relation to a gain on disposal of an investment property (i.e. Bukit Panchor Factory) of RM9.85 million, accounting for 69.42% of total other income. Furthermore, our Group also received additional insurance claim for property, plant and equipment of RM2.84 million as well as insurance claim for consequential loss of RM1.00 million during the year, which relates to the fire incident in May 2022. The overall increase was partially offset by a decrease in rental income, which dropped by RM0.44 million from RM0.50 million in FYE 2022 to RM0.06 million in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our other income declined by RM10.68 million or 75.26% to RM3.51 million in FYE 2024 (FYE 2023: RM14.19 million). The substantial decrease was primarily due to the absence of gain on disposal of investment property in FYE 2024 (FYE 2023: RM9.85 million). The absence of the gain on disposal of investment property was partially mitigated by higher insurance claim for consequential loss by RM1.89 million from RM1.0 million in FYE 2023 to RM2.89 million in FYE 2024.

Comparison between FYE 2024 and FYE 2025

Our other income decreased by RM2.75 million, or 78.35% to RM0.76 million in FYE 2025 (FYE 2024: RM3.51 million). The decrease was primarily attributable to a lower insurance claim for consequential loss, which decreased by RM2.69 million from RM2.89 million in FYE 2024 to RM0.20 million in FYE 2025 which relates to the fire incident that occurred in May 2022. The impact of this non-recurring item was partially offset by a higher gain on disposal of property, plant and equipment, which increased by RM0.21 million from RM0.06 million in FYE 2024 to RM0.27 million in FYE 2025.

Comparison between FPE 2025 and FPE 2026

Our other income decreased by RM0.30 million, or 69.78%, to RM0.13 million in FPE 2026 (FPE 2025: RM0.43 million). The decrease was primarily attributable to the absence of gain on disposal of property, plant and equipment of RM0.27 million, realised foreign exchange gain of RM0.08 million and dividend income of RM0.04 million recognised in FPE 2025.

The decrease was partially offset by the recognition of fair value gains on financial instruments of RM0.06 million in FPE 2026 and an increase in interest income of RM0.02 million, from RM0.04 million in FPE 2025 to RM0.06 million in FPE 2026.

12. FINANCIAL INFORMATION (cont'd)
(d) Administrative and general expenses

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Depreciation	697	13.29	744	6.89	812	8.65	876	12.76	672	9.83
Donations and gifts	127	2.42	161	1.49	101	1.08	107	1.56	70	1.02
Entertainment	113	2.15	250	2.31	303	3.23	287	4.18	191	2.79
Inventories written down	-	-	3,164	29.29	-	-	-	-	-	-
Loss on foreign exchange:										
- Realised	-	-	-	-	-	-	-	-	11	0.16
- Unrealised	-	-	-	-	-	-	75	1.09	-	-
Property, plant and equipment written off	4	0.08	1,674	15.50	-	-	29	0.42	30	0.44
Professional fee	157	2.99	217	2.01	222	2.36	209	3.04	384	5.62
Quit rent and assessment	75	1.43	75	0.69	64	0.68	55	0.80	49	0.72
Repair and maintenance	6	0.11	6	0.06	3,158	33.62	7	0.11	8	0.11
Staff related expenses	3,343	63.73	3,709	34.34	3,875	41.26	4,097	59.65	4,338	63.44
Others ⁽¹⁾	724	13.80	802	7.42	857	9.12	1,126	16.39	1,085	15.87
	5,246	100.00	10,802	100.00	9,392	100.00	6,868	100.00	6,838	100.00

12. FINANCIAL INFORMATION (cont'd)
(d) Administrative and general expenses (cont'd)

	FPE 2025		FPE 2026	
	RM'000	%	RM'000	%
Depreciation	274	9.59	286	10.03
Donations and gifts	53	1.85	56	1.96
Entertainment	102	3.57	81	2.84
Property, plant and equipment written off	15	0.52	2	0.07
Loss/(Gain) on foreign exchange:				
- Realised	125	4.37	17	0.60
- Unrealised	(32)	(1.12)	10	0.35
Loss on disposal of property, plant and equipment	-	-	3	0.10
Professional fee	99	3.46	55	1.93
Quit rent and assessment	20	0.70	26	0.91
Repair and maintenance	5	0.18	2	0.07
Staff related expenses	1,797	62.88	1,880	65.92
Others ⁽¹⁾	400	14.00	434	15.22
	2,858	100.00	2,852	100.00

Note:

⁽¹⁾ Comprising mainly bank charges, office expenses, road tax and insurance and security charges.

12. FINANCIAL INFORMATION (cont'd)**Comparison between FYE 2021 and FYE 2022**

Our administrative and general expenses increased by RM5.55 million or 105.71% to RM10.80 million in FYE 2022 (FYE 2021: RM5.25 million), mainly attributable to:

- (i) increase in staff related expenses by RM0.37 million, from RM3.34 million in FYE 2021 to RM3.71 million in FYE 2022, mainly due to annual salary adjustments and the implementation of the new minimum wage policy in May 2022, which raised the minimum monthly wages from RM1,200 to RM1,500; and
- (ii) significantly high inventories written down of RM3.16 million and property, plant and equipment written off amounting to RM1.67 million in FYE 2022 pursuant to our Valdor factory fire incident.

Comparison between FYE 2022 and FYE 2023

Our administrative and general expenses decreased by RM1.41 million or 13.06% to RM9.39 million in FYE 2023 (FYE 2022: RM10.80 million), mainly attributable to absence of inventories written down and property, plant and equipment written off, which amounted to RM3.16 million and RM1.67 million respectively in FYE 2022.

However, the decrease was partially offset by:

- (i) significantly high repair and maintenance expenses for machinery damaged in the fire incident of FYE 2022;
- (ii) increase in staff related expenses by RM0.17 million, from RM3.71 million to RM3.88 million, mainly due to an increase in employee headcount and the provision of bonuses to reward our employees; and
- (iii) increase in depreciation from RM0.74 million to RM0.81 million due to purchase of new fixed assets such as plant and machinery.

Comparison between FYE 2023 and FYE 2024

Our administrative and general expenses decreased by RM2.52 million or 26.84% to RM6.87 million in FYE 2024 (FYE 2023: RM9.39 million), mainly due to the decrease of repair and maintenance expenses by RM3.16 million to RM0.01 million.

However, the decrease was partially offset by:

- (i) an increase in staff related expenses by RM0.22 million, mainly due to annual increment of the staffs' salaries;
- (ii) an increase in depreciation by RM0.07 million to RM0.88 million, arising from newly capitalised fixed assets; and
- (iii) an increase in loss in foreign exchange by RM0.20 million.

12. FINANCIAL INFORMATION *(cont'd)***Comparison between FYE 2024 and FYE 2025**

Our administrative and general expenses decreased marginally by RM0.03 million, or 0.44%, to RM6.84 million in FYE 2025 (FYE 2024: RM6.87 million). The decrease was mainly attributable to lower depreciation expenses of RM0.21 million, lower entertainment expenses of RM0.10 million, lower donations and gifts of RM0.04 million, and a reduction in realised foreign exchange losses of RM0.06 million.

However, the decrease was partially offset by:

- (i) increase in staff-related expenses of RM0.25 million arising from annual salary increments and related employee benefits; and
- (ii) increase in professional fees of RM0.18 million incurred during the financial year. The professional fees were incurred mainly for the application for the revised CCC for our Bukit Panchor HQ to rectify and include the car park shed and storage shed constructed subsequent to the issuance of the CFO, and the preparation of transfer pricing documentation.

Comparison between FPE 2025 and FPE 2026

Our administrative and general expenses decreased marginally by RM0.01 million, or 0.35% to RM2.85 million in FPE 2026 (FPE 2025: RM2.86 million). This was primarily due to a reduction in other administrative expenses, mainly office expenses, which decreased by RM0.03 million from RM0.40 million in FPE 2025 to RM0.43 million in FPE 2026. The decrease was further attributable to lower professional fees of RM0.04 million and lower entertainment expenses of RM0.02 million.

However, the decrease was partially offset by:

- (i) increase in staff-related expenses by RM0.08 million, mainly due to annual salary increments; and
- (ii) increase in depreciation by RM0.02 million, arising from newly capitalised fixed assets.

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12. FINANCIAL INFORMATION (cont'd)
(e) Selling and distribution expenses

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Advertisement and promotion	-	-	8	0.23	1	0.03	37	0.97	28	0.72
Commission	93	2.66	84	2.39	70	2.08	122	3.20	34	0.88
Staff related expenses	1,199	34.27	1,543	43.95	1,708	50.79	1,766	46.39	1,870	48.41
Transportation fee	1,900	54.30	1,493	42.52	1,111	33.04	1,332	34.99	1,406	36.40
Travelling expenses	307	8.77	383	10.91	473	14.06	550	14.45	525	13.59
	3,499	100.00	3,511	100.00	3,363	100.00	3,807	100.00	3,863	100.00
	FPE 2025		FPE 2026							
	RM'000	%	RM'000	%						
Advertisement and promotion	27	1.78	26	1.35						
Commission	20	1.32	2	0.10						
Staff related expenses	742	48.98	962	49.93						
Transportation fee	695	45.87	883	45.82						
Travelling expenses	31	2.05	54	2.80						
	1,515	100.00	1,927	100.00						

12. FINANCIAL INFORMATION (cont'd)**Comparison between FYE 2021 and FYE 2022**

Our selling and distribution expenses increased marginally by RM0.01 million or 0.29% to RM3.51 million in FYE 2022 (FYE 2021: RM3.50 million), mainly attributable to:

- (i) an increase in staff-related expenses by RM0.34 million to RM1.54 million in FYE 2022 (FYE 2021: RM1.20 million), in line with salary adjustments in compensation to support growing operations; and
- (ii) increase in travelling expenses of RM0.07 million, reflecting increased travel activities as business resumed normal operations post-pandemic.

However, the increase was partially offset by a decrease in transportation fee by RM0.41 million to RM1.49 million due to rebates and better transportation rates.

Comparison between FYE 2022 and FYE 2023

Our selling and distribution expenses decreased by RM0.15 million or 4.27% to RM3.36 million in FYE 2023 (FYE 2022: RM3.51 million), mainly attributable to a decline in transportation fee by RM0.38 million. This was largely due to a decline in overseas sales volume, particularly in markets like Thailand and Indonesia. With fewer international deliveries required, our distribution activities were more focused domestically, resulting in lower logistics costs. However, the decrease was partially offset by an increase in staff-related expenses by RM0.17 million, mainly due to annual salary adjustments.

Comparison between FYE 2023 and FYE 2024

Our selling and distribution expenses increased by RM0.45 million or 13.39% to RM3.81 million in FYE 2024 (FYE 2023: RM3.36 million), mainly attributable to:

- (i) an increase in staff-related expenses by RM0.06 million, in line with salary adjustments in compensation to support growing operations; and
- (ii) a higher advertisement and promotion spending of RM0.04 million from higher spending on e-commerce advertising as the Group boost visibility and brand awareness via online marketing; and
- (iii) transportation fees increased by RM0.22 million to RM1.33 million (FYE 2023: RM1.11 million), consistent with the growth in domestic sales.

Comparison between FYE 2024 and FYE 2025

Our selling and distribution expenses recorded a slight increase of RM0.05 million or 1.31% to RM3.86 million in FYE 2025 (FYE 2024: RM3.81 million). The increase was mainly attributable to higher transportation fees, which increased by RM0.08 million to RM1.41 million in FYE 2025 (FYE 2024: RM1.33 million), largely driven by higher logistics and delivery-related charges and increase in staff related expenses of RM0.10 million due to annual salary adjustments.

These increases were partially offset by decrease in commission expenses by RM0.09 million to RM0.03 million (FYE 2024: RM0.12 million), mainly due to fewer repeat orders from existing customers, resulting in reduced commission payments to sales agents.

12. FINANCIAL INFORMATION *(cont'd)*

Comparison between FPE 2025 and FPE 2026

Our selling and distribution expenses increased by RM0.41 million or 26.97% to RM1.93 million in FPE 2026 (FPE 2025: RM1.52 million), mainly attributable to:

- (i) an increase in staff-related expenses by RM0.22 million to RM0.96 million (FPE 2025: RM0.74 million), primarily due to higher marketing staff bonuses which was performance-based, in line with higher sales activity during the period;
- (ii) an increase in transportation fees by RM0.18 million to RM0.88 million (FPE 2025: RM0.70 million), reflecting higher distribution volume and increased logistics-related costs including petrol and diesel expenses; and

Overall, the increase was consistent with higher operational activity and sales volume during the period, resulting in higher logistics and sales-driven incentive costs.

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12. FINANCIAL INFORMATION *(cont'd)*
(f) Finance costs

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bankers' acceptance	143	23.06	180	16.38	194	25.29	147	20.36	114	19.62
Lease liabilities	75	12.10	64	5.82	69	9.00	81	11.22	58	9.98
Letter of credit	43	6.94	58	5.28	38	4.95	52	7.20	61	10.50
Term loan	359	57.90	797	72.52	466	60.76	442	61.22	348	59.90
	620	100.00	1,099	100.00	767	100.00	722	100.00	581	100.00
	FPE 2025		FPE 2026							
	RM'000	%	RM'000	%						
Bankers' acceptance	50	15.87	38	17.04						
Lease liabilities	24	7.62	25	11.21						
Letter of credit	17	5.40	31	13.90						
Term loan	224	71.11	129	57.85						
	315	100.00	223	100.00						

12. FINANCIAL INFORMATION (cont'd)**Comparison between FYE 2021 and FYE 2022**

Our finance costs increased significantly by RM0.48 million or 77.42% to RM1.10 million in FYE 2022 (FYE 2021: RM0.62 million), which was mainly attributable to:

- (i) an increase in bankers' acceptance interest by RM0.04 million or 28.57% to RM0.18 million (FYE 2021: RM0.14 million) as we utilised more trade facilities during the year to support our business growth in the developing and manufacturing of industrial adhesives products segment; and
- (ii) a higher interest expense on term loans, which increased by RM0.44 million or 122.22% to RM0.80 million in FYE 2022, compared to RM0.36 million in FYE 2021. The increase was mainly due to the floating interest rate of the term loans, where the effective interest rates rose from a range of 3.40% to 3.50% in FYE 2021 to 3.50% to 4.50% in FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our finance costs decreased by RM0.33 million or 30.00% to RM0.77 million in FYE 2023 (FYE 2022: RM1.10 million), mainly due to a RM0.33 million reduction in term loan interest. The decrease was attributed to scheduled repayments, lower outstanding loan balances, and the early settlement of a term loan following the disposal of Bukit Panchor Factory previously classified as assets held for sale. However, such decrease was partially offset by a marginal increase in bankers' acceptance interest of RM0.01 million in FYE 2023, reflecting increased short-term funding usage for operational cash flow.

Comparison between FYE 2023 and FYE 2024

Our finance costs decreased slightly by RM0.05 million or 6.49% to RM0.72 million in FYE 2024 compared to RM0.77 million in FYE 2023. The decrease was mainly attributable to a reduction in bankers' acceptance interest by RM0.04 million or 21.05% to RM0.15 million, reflecting more efficient working capital management, as well as a lower term loan interest by RM0.03 million, in line with loan repayments made during the year.

Comparison between FYE 2024 and FYE 2025

Our finance costs decreased by RM0.14 million, or 19.44%, to RM0.58 million in FYE 2025 (FYE 2024: RM0.72 million), mainly due to lower interest expenses on term loans and hire purchase facilities. The decrease was attributable to scheduled repayments made during the period, resulting in lower outstanding loan balances.

Comparison between FPE 2025 and FPE 2026

Our finance costs decreased by RM0.10 million or 31.25% to RM0.22 million in FPE 2026 (FPE 2025: RM0.32 million), which was mainly attributable to lower interest expenses on term loans by RM0.09 million due to scheduled repayments as well as reduction in bankers' acceptance interest by RM0.01 million, reflecting lower utilisation on short-term financing facility.

12. FINANCIAL INFORMATION *(cont'd)*
(g) Impairment losses on financial assets

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Impairment losses on financial assets	8	100.00	-	-	-	-	122	100.00	56	100.00
	FPE 2025		FPE 2026							
	RM'000	%	RM'000	%						
Impairment losses/ (Reversal of impairment losses) on financial assets	(122)	100.00	90	100.00						

The increase in impairment losses on financial assets was mainly due to higher expected credit losses (ECL) recognised in FYE 2024 and FYE 2025. This reflects a reassessment of credit risk associated with trade receivables, resulting in a higher provision due to deteriorating credit profiles or revised forward-looking economic assumptions.

Our Group recorded an impairment loss on financial assets of RM0.09 million in FPE 2026, compared to a reversal of impairment loss of RM0.12 million in FPE 2025. The movement was mainly attributable to the reassessment of expected credit losses on trade receivables, taking into consideration historical collection experience, ageing profiles and customers' credit risk characteristics during the respective financial periods.

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12. FINANCIAL INFORMATION *(cont'd)*
(h) Loss on derecognition of financial assets measured at amortised cost

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Loss on derecognition of financial assets measured at amortised cost	4	100.00	-	-	13	100.00	-	-	-	-
	FPE 2025		FPE 2026							
	RM'000	%	RM'000	%						
Loss on derecognition of financial assets measured at amortised cost	-	-	3	100.00						

The impairment losses on financial assets and losses on derecognition of financial assets measured at amortised cost over the Financial Years/Period Under Review primarily related to trade receivables, which were individually assessed at the end of each financial year/period. The losses on derecognition arose mainly from the write-off of trade receivables assessed to be irrecoverable.

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12. FINANCIAL INFORMATION *(cont'd)***(i) PBT and PAT margins**

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2025	FPE 2026
PBT (RM'000)	7,237	4,029	17,841	13,587	10,523	5,048	6,063
PBT margin (%)	13.07	6.84	33.15	24.12	20.07	23.29	24.90
PAT (RM'000)	6,399	3,101	14,426	10,378	8,202	3,860	4,554
PAT margin (%)	11.56	5.27	26.81	18.42	15.64	17.81	18.71
Adjusted PAT (RM'000)	6,399	3,704	5,043	8,184	8,054	3,860	4,554
Adjusted PAT margin (%)	11.56	6.29	9.37	14.53	15.36	17.81	18.71

Comparison between FYE 2021 and FYE 2022

We recorded a decrease in PBT of RM3.21 million or 44.34% to RM4.03 million in FYE 2022 (FYE 2021: RM7.24 million) mainly attributable to the decrease in GP by RM1.20 million as explained in the Section 12.2.3(b) above and higher administrative expenses, particularly the inventories written down and write-off of property, plant and equipment amounting to RM3.16 million and RM1.67 million respectively, as detailed in Section 12.2.3(d).

Consequently, the Group's PBT margin declined from 13.07% in FYE 2021 to 6.84% in FYE 2022. Correspondingly, PAT decreased by RM3.30 million or 51.56% to RM3.10 million (FYE 2021: RM6.40 million), with the PAT margin falling from 11.56% to 5.27%. The Adjusted PAT also decreased by RM2.70 million or 42.12% to RM3.70 million (FYE 2021: RM6.40 million), with the Adjusted PAT margin falling from 11.56% to 6.29%.

Comparison between FYE 2022 and FYE 2023

Our Group recorded a significant increase in PBT of RM13.81 million or 342.68% to RM17.84 million in FYE 2023 (FYE 2022: RM4.03 million) mainly attributable to the following:-

- (i) increase in GP by RM2.77 million as explained in the Section 12.2.3(b) above; and
- (ii) gain on disposal of investment property of RM9.85 million as explained in Section 12.2.3(c) above.

As a result, the Group's PBT margin rose from 6.84% in FYE 2022 to 33.15% in FYE 2023. In line with the higher PBT, our Group's PAT increased by RM11.33 million or 365.48% to RM14.43 million (FYE 2022: RM3.10 million), with the PAT margin improving from 5.27% to 26.81%. The Adjusted PAT increased by RM1.34 million or 36.15% to RM5.04 million (FYE 2022: RM3.70 million), with the Adjusted PAT margin increasing from 6.29% to 9.37%.

12. FINANCIAL INFORMATION *(cont'd)***Comparison between FYE 2023 and FYE 2024**

Our Group recorded a decrease in PBT of RM4.25 million or 23.82% to RM13.59 million in FYE 2024 (FYE 2023: RM17.84 million) despite a higher GP of RM4.41 million. The decline in PBT was primarily attributable to higher administrative expenses, including staff-related and upkeep costs as detailed in Section 12.2.3(d) above, as well as higher selling and distribution expenses as explained in Section 12.2.3(e) above. Additionally, the absence of one-off gains specifically, the RM9.85 million gain on disposal of investment property recognised in FYE 2023, also contributed to the lower profitability.

As a result, the Group's PBT margin declined from 33.15% to 24.12%, although it remained above pre-FYE 2023 levels. Correspondingly, PAT decreased by RM4.05 million or 28.07% to RM10.38 million in FYE 2024 (FYE 2023: RM14.43 million), with the PAT margin reducing from 26.81% to 18.42%. The Adjusted PAT increased by RM3.14 million or 62.28% to RM8.18 million (FYE 2023: RM5.04 million), with the Adjusted PAT margin increasing from 9.37% to 14.53%.

Comparison between FYE 2024 and FYE 2025

Our Group recorded a decrease in PBT of RM3.07 million or 22.59% to RM10.52 million in FYE 2025 (FYE 2024: RM13.59 million). The decline was mainly attributable to the lower GP by RM0.50 million, as explained in Section 12.2.3(b), and the absence of the one-off insurance claims for consequential loss amounting to RM2.89 million recognised in FYE 2024.

Consequently, the Group's PBT margin declined from 24.12% in FYE 2024 to 20.07% in FYE 2025. In line with the lower PBT, PAT decreased by RM2.18 million or 21.00% to RM8.20 million in FYE 2025 (FYE 2024: RM10.38 million). The PAT margin decreased from 18.42% to 15.64%, reflecting the absence of non-recurring insurance income in the prior year.

Notwithstanding the lower PAT, Adjusted PAT decreased marginally by RM0.13 million or 1.59% to RM8.05 million in FYE 2025 (FYE 2024: RM8.18 million), while the Adjusted PAT margin improved from 14.53% to 15.36%. The marginal decrease was mainly due to lower underlying profitability during the year.

Comparison between FPE 2025 and FPE 2026

Our Group recorded an increase in PBT of RM1.01 million, or 20.00%, to RM6.06 million in FPE 2026 (FPE 2025: RM5.05 million), primarily attributable to the higher GP of RM1.84 million as discussed in Section 12.2.3(b) above. The improvement in profitability was also supported by lower administrative and general expenses and lower finance costs during the period.

As a result, our Group's PBT margin improved from 23.29% in FPE 2025 to 24.90% in FPE 2026. Correspondingly, PAT increased by RM0.69 million, or 17.88%, to RM4.55 million in FPE 2026 (FPE 2025: RM3.86 million), with the PAT margin increasing from 17.81% to 18.71%.

Since there were no one-off adjustment items in both FPE 2025 and FPE 2026, the Adjusted PAT is the same as PAT.

12. FINANCIAL INFORMATION (cont'd)
(j) Tax expense

	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>	<u>FPE 2025</u>	<u>FPE 2026</u>
Tax expense (RM'000) ⁽¹⁾	838	928	3,415	3,209	2,321	1,188	1,509
Statutory tax rate (%)	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Effective tax rate (%) ⁽²⁾	11.58	23.03	19.14	23.62	22.06	23.53	24.89

Notes:

⁽¹⁾ The following table sets out the details of our tax expenses for the Financial Years/Period Under Review:

	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>	<u>FPE 2025</u>	<u>FPE 2026</u>
Tax based on result for the year:							
Current tax	916	992	2,401	3,239	2,629	1,188	1,415
Deferred tax	36	16	(349)	188	(62)	-	31
Real property gains tax	-	-	1,094	-	-	-	-
	<u>952</u>	<u>1,008</u>	<u>3,146</u>	<u>3,427</u>	<u>2,567</u>	<u>1,188</u>	<u>1,446</u>
Tax (over)/under provided in prior year:							
Current tax	(67)	(41)	282	(247)	(374)	-	39
Deferred tax	(47)	(39)	(13)	29	128	-	24
	<u>838</u>	<u>928</u>	<u>3,415</u>	<u>3,209</u>	<u>2,321</u>	<u>1,188</u>	<u>1,509</u>

⁽²⁾ Calculated based on tax expense over PBT for each financial year/period.

12. FINANCIAL INFORMATION *(cont'd)***Comparison between FYE 2021 and FYE 2022**

In FYE 2022, our Group's effective tax rate rose significantly to 23.03% from 11.58% in FYE 2021. This increase was primarily due to the absence of tax-exempt pioneer income amounting to RM3.45 million that had been recognised in FYE 2021. The tax exemption had materially reduced our Group's tax liability in FYE 2021, thereby lowering the effective tax rate. Without such exempt income in FYE 2022, our Group's effective tax rate realigned closer to the statutory rate.

Comparison between FYE 2022 and FYE 2023

For FYE 2023, our Group's effective tax rate declined to 19.14% from 23.03% in the preceding year, despite an increase in profit before tax. This was mainly attributable to the recognition of Real Property Gains Tax (RPGT) amounting to RM1.09 million, arising from the disposal of Bukit Panchor Factory. The inclusion of RPGT, a capital gains tax, effectively diluted our Group's overall tax rate due to its non-recurring and separate tax treatment. If the impact of RPGT were excluded, the effective tax rate would have been higher, consistent with the increased taxable income and continued recognition of non-deductible expenses.

Comparison between FYE 2023 and FYE 2024

In FYE 2024, our Group's effective tax rate rose to 23.62%, up from 19.14% in FYE 2023. The increase reflects the absence of RPGT and the corresponding gain on disposal recorded in the prior year. Additionally, the higher current tax expense was in line with the elevated profit before tax, while the Group also continued to incur non-deductible expenses. The tax rate was further impacted by adjustments to prior year tax provisions, including an under-provision of deferred tax and a reversal of over-provision in current tax, contributing to the overall increase in effective tax rate for the year.

Comparison between FYE 2024 and FYE 2025

Our Group's effective tax rate decreased from 23.62% in FYE 2024 to 22.06% in FYE 2025. The reduction was mainly attributable to lower non-deductible expenses such as unrealised foreign exchange losses and fair value adjustments during the financial year. The effective tax rate remained below the statutory tax rate of 24%, reflecting the impact of these tax adjustments and incentives.

Comparison between FPE 2025 and FPE 2026

Our Group's effective tax rate increased from 23.53% in FPE 2025 to 24.89% in FPE 2026. The increase was mainly attributable to the recognition of under provision of current and deferred tax in respect of prior year amounting to RM0.06 million, comprising current tax under provision of RM0.04 million and deferred tax under provision of RM0.02 million. In addition, the deferred tax expenses increased from nil in FPE 2025 to RM0.03 million in FPE 2026. The increase was further contributed by the increase in tax expense of RM1.51 million in FPE 2026 (FPE 2025: RM1.19 million), representing an increase of RM0.32 million or 26.89%, primarily due to higher taxable profits.

12. FINANCIAL INFORMATION *(cont'd)*
12.2.4 Review of financial position
(i) Assets

	Audited				
	As at 31 December				
	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	14,662	13,248	17,619	21,116	19,547
Investment properties	6,237	-	-	-	-
Right-of-use assets	335	269	189	69	281
Other investments	-	-	978	1,233	-
Deferred tax assets	16	25	81	30	52
Total non-current assets	21,250	13,542	18,867	22,448	19,880
Current assets					
Assets held for sale	-	6,150	5,677	7,033	-
Inventories	10,167	9,687	8,723	10,115	10,617
Trade receivables	17,163	13,191	13,149	11,369	11,110
Other receivables and deposits	320	2,415	93	201	240
Derivatives	-	-	-	1	-
Prepayments	966	657	764	721	2,233
Current tax assets	1,217	1,575	792	548	804
Cash and cash equivalents	7,206	9,804	10,060	9,319	10,721
Total current assets	37,039	43,479	39,258	39,307	35,725
Total assets	58,289	57,021	58,125	61,755	55,605

12. FINANCIAL INFORMATION (*cont'd*)**Comparison between FYE 2021 and FYE 2022**Non-current assets

Our Group's non-current assets decreased by RM7.71 million or 36.28% from RM21.25 million as at 31 December 2021 to RM13.54 million as at 31 December 2022. This was mainly attributable to reclassification of investment properties (i.e. a Bukit Panchor Factory) to assets held for sale under current assets of RM6.15 million, coupled with the decrease on the property, plant and equipment by RM1.41 million as a result of depreciation.

Current assets

Our Group's current assets increased by RM6.44 million or 17.39% from RM37.04 million as at 31 December 2021 to RM43.48 million as at 31 December 2022 mainly attributable to the reclassification of assets held for sale from investment properties amounting to RM6.15 million and increase in cash and bank balances by RM2.59 million.

The aforementioned increase in current assets was partially offset by the decrease in inventories and receivables by RM0.48 million and RM1.87 million respectively.

Comparison between FYE 2022 and FYE 2023Non-current assets

Our Group's non-current assets increased by RM5.33 million or 39.36% from RM13.54 million as at 31 December 2022 to RM18.87 million as at 31 December 2023. This was mainly due to additions of property, plant and equipment amounting to RM5.40 million, which comprises of purchase of plant and machinery, renovations, and reconstruction of the Valdor factory which was damaged by the fire incident in May 2022. In addition, our Company had in FYE 2023 invested in the quoted shares of a listed company in Malaysia.

Current assets

Our Group's current assets decreased by RM4.22 million or 9.71% from RM43.48 million as at 31 December 2022 to RM39.26 million as at 31 December 2023 mainly attributable to the decrease in receivables by RM2.37 million, inventories by RM0.97 million and current tax assets by RM0.78 million.

Comparison between FYE 2023 and FYE 2024Non-current assets

Our Group's non-current assets increased by RM3.58 million or 18.97% from RM18.87 million as at 31 December 2023 to RM22.45 million as at 31 December 2024. This was mainly due to an increase of property, plant and equipment by RM3.50 million, primarily for the purchase of solar panels and new plant and machinery for the Valdor factory. In addition, our Company had in FYE 2024 further invested in the quoted shares of RM0.10 million and fair value gains on the quoted shares amounting to RM0.16 million.

12. FINANCIAL INFORMATION (cont'd)Current assets

Our Group's current assets increased slightly by RM0.05 million or 0.13% from RM39.26 million as at 31 December 2023 to RM39.31 million as at 31 December 2024. This was mainly attributable to the increase in assets held for sale by RM1.35 million. Apart from that, the inventories have also increased by RM1.40 million due to higher stock levels maintained to meet growing customer demand. However, the aforementioned increase in the assets held for sale and inventories were offset by the decrease in the receivables, and cash and cash equivalents by RM1.67 million and RM0.74 million respectively.

Comparison between FYE 2024 and FYE 2025Non-current assets

Our Group's non-current assets decreased by RM2.57 million or 11.45% from RM22.45 million as at 31 December 2024 to RM19.88 million as at 31 December 2025. The decrease was mainly attributable to the disposal of investment in quoted shares of a listed company in Malaysia, which were carried at a fair value of RM1.23 million, and the disposal of motor vehicles amounting to RM0.71 million.

Current assets

Our Group's current assets decreased by RM3.58 million or 9.11% from RM39.31 million as at 31 December 2024 to RM35.73 million as at 31 December 2025. This was mainly due to the dividend paid during FYE 2025 amounting to RM11.37 million which was paid via the proceeds received from the disposal of assets held for sale and cash and cash equivalents. These decreases were partially offset by an increase in prepayments and inventories by RM1.51 million and RM0.50 million respectively.

Comparison between FYE 2025 and FPE 2026Non-current assets

Our Group's non-current assets increased slightly by RM0.02 million or 0.10% from RM19.88 million as at 31 December 2025 to RM19.90 million as at 31 May 2026, mainly due to increases in deferred tax assets and right-of-use assets. The increase was partially offset by the decrease in property, plant and equipment of RM0.49 million.

Current assets

Our Group's current assets increased by RM6.87 million or 19.23% from RM35.73 million as at 31 December 2025 to RM42.60 million as at 31 May 2026, mainly attributable to higher cash and cash equivalents of RM1.69 million, inventories of RM2.07 million, trade receivables of RM2.27 million and prepayments of RM1.18 million. The increase was partially offset by the current tax asset of RM0.33 million.

12. FINANCIAL INFORMATION (cont'd)**(ii) Liabilities**

	Audited					
	As at 31 December					As at 31 May
	2021	2022	2023	2024	2025	2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current liabilities						
Loans and borrowings	15,062	14,479	7,915	7,149	6,389	6,090
Hire purchase payables	1,018	1,015	1,394	1,002	681	557
Lease liabilities	239	173	72	-	193	237
Deferred tax liabilities	653	639	333	499	587	1,091
Total non-current liabilities	16,972	16,306	9,714	8,650	7,850	7,975
Current liabilities						
Trade payables	8,600	6,337	5,079	4,379	5,110	7,841
Other payables and accruals	3,437	3,608	6,994	8,100	2,512	2,252
Loans and borrowings	5,667	6,092	3,652	2,530	2,896	2,238
Hire purchase payables	300	379	494	479	286	292
Lease liabilities	97	101	123	71	90	112
Derivatives	-	10	1	-	49	-
Contract liabilities	24	-	-	-	-	-
Current tax liabilities	-	-	1,522	422	60	485
Total current liabilities	18,125	16,527	17,865	15,981	11,003	13,220
Total liabilities	35,097	32,833	27,579	24,631	18,853	21,195

12. FINANCIAL INFORMATION *(cont'd)***Comparison between FYE 2021 and FYE 2022**Non-current liabilities

Our Group's non-current liabilities marginally decreased by RM0.66 million or 3.89% from RM16.97 million as at 31 December 2021 to RM16.31 million as at 31 December 2022. This was mainly due to decrease in loans and borrowings, and lease liabilities by RM0.58 million and RM0.07 million, respectively, as a result of the repayment during the financial year.

Current liabilities

Our Group's current liabilities decreased by RM1.60 million or 8.83% from RM18.13 million as at 31 December 2021 to RM16.53 million as at 31 December 2022. This was mainly due to the decrease in payables by RM2.09 million as a result of the lower purchases toward year-end and prompt supplier payments. The aforementioned decrease in the payables was partially offset by the increase in loans and borrowings by RM0.42 million mainly due to greater use of short-term borrowings, i.e. trade financing facilities.

Comparison between FYE 2022 and FYE 2023Non-current liabilities

Our Group's non-current liabilities significantly decreased by RM6.60 million or 40.47% from RM16.31 million as at 31 December 2022 to RM9.71 million as at 31 December 2023. This was mainly due to a substantial repayment of a term loan amounted to RM6.80 million during the year. For information, the said term loan was for the acquisition of the Bukit Panchor Factory.

Current liabilities

Our Group's current liabilities increased by RM1.34 million or 8.11% from RM16.53 million as at 31 December 2022 to RM17.87 million as at 31 December 2023. This was mainly due to the increase in payables by RM2.13 million attributable to the dividend payable to shareholders for dividends declared in respect of FYE 2023. In addition, the current tax liabilities has also increased by RM1.52 million which is in line with the better profit during the year. The aforementioned increase was partially offset by the decrease in loans and borrowings by RM2.44 million mainly due to the lower reliance on trade financing and short-term bank facilities during the year.

Comparison between FYE 2023 and FYE 2024Non-current liabilities

Our Group's non-current liabilities decreased by RM1.06 million or 10.92% from RM9.71 million as at 31 December 2023 to RM8.65 million as at 31 December 2024. This was mainly due to decrease in loans and borrowings, and lease liabilities by RM0.77 million and RM0.47 million, respectively, as a result of the repayment during the financial year.

12. FINANCIAL INFORMATION (cont'd)Current liabilities

Our Group's current liabilities decreased by RM1.89 million or 10.58% from RM17.87 million as at 31 December 2023 to RM15.98 million as at 31 December 2024. This was mainly due to the decrease in the current tax liabilities by RM1.10 million, which is in line with the lower profit in FYE 2024, and coupled with lower loans and borrowings by RM1.12 million as a result of repayment during the year. The aforementioned decrease was partially offset by the increase in payables by RM0.41 million mainly due to advances received from director.

Comparison between FYE 2024 and FYE 2025Non-current liabilities

Our Group's non-current liabilities decreased slightly by RM0.80 million or 9.25% from RM8.65 million as at 31 December 2024 to RM7.85 million as at 31 December 2025. This was mainly due to decrease in loans and borrowings, and hire purchase payables by RM0.76 million and RM0.32 million, respectively, as a result of the repayment during the financial year.

Current liabilities

Our Group's current liabilities decreased by RM4.98 million or 31.16% from RM15.98 million as at 31 December 2024 to RM11.00 million as at 31 December 2025. The reduction was mainly due to a decrease in other payables by RM5.59 million, following the settlement of dividend payable to shareholders and the repayment of advances received from director.

Comparison between FYE 2025 and FPE 2026Non-current liabilities

Our Group's non-current liabilities increased slightly by RM0.13 million or 1.66% from RM7.85 million as at 31 December 2025 to RM7.98 million as at 31 May 2026. This was mainly due to increase in deferred tax liabilities and lease liabilities of RM0.50 million and RM0.05 million respectively. The increase was partially offset by the decrease in loans and borrowings and hire purchase payables by RM0.30 million and RM0.12 million, respectively, following the repayment of borrowings during the period.

Current liabilities

Our Group's current liabilities increased by RM2.22 million or 20.18% from RM11.00 million as at 31 December 2025 to RM13.22 million as at 31 May 2026. The increase was mainly due to a rise in trade payables by RM2.73 million, in line with higher purchases of raw materials and operating activities. This was partially offset by a decrease in loans and borrowings of RM0.66 million following the repayment of bank borrowings during the period.

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12. FINANCIAL INFORMATION (cont'd)

12.2.5 Review of cash flows

	Audited					
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	3,469	7,047	8,105	8,200	11,593	3,120
Net cash (used in)/from investing activities	(244)	(647)	10,608	(4,207)	3,028	(125)
Net cash used in financing activities	(1,601)	(3,792)	(18,454)	(4,738)	(13,212)	(1,306)
Currency translation differences	-	(10)	(3)	4	(7)	-
Net increase/(decrease) in cash and cash equivalents	1,624	2,598	256	(741)	1,402	1,689
Cash and cash equivalents at the beginning of the financial year/period	5,582	7,206	9,804	10,060	9,319	10,721
Cash and cash equivalents at end of the financial year/period	7,206	9,804	10,060	9,319	10,721	12,410

FYE 2021

Net cash from operating activities

For FYE 2021, we recorded net cash from operating activities of RM3.47 million. Operating profit before changes in working capital changes of RM8.61 million was adjusted for negative changes in working capital of RM4.56 million comprising mainly the following:

- (i) higher level of inventories maintained by an amount of RM2.05 million to support the increase in our Group's business;
- (ii) slower collections from customers which resulted in higher receivables and contributed to lower working capital cashflow by an amount of RM3.34 million, mainly due to slower collection of trade receivables amidst the Covid-19 pandemic period; and
- (iii) slower settlement of suppliers and trade creditors which resulted in higher payables balance and contributed to higher working capital cashflow by an amount of RM0.84 million.

12. FINANCIAL INFORMATION (cont'd)**Net cash from investing activities**

For FYE 2021, we recorded a net cash outflow of RM0.24 million from our investing activities, mainly due to acquisition of furniture and fittings, motor vehicles, plant and machinery, office equipment and renovations amounting to RM0.71 million which was partially offset by proceeds from the disposal of used motor vehicle of RM0.46 million.

Net cash from financing activities

For FYE 2021, we recorded a net cash outflow of RM1.60 million from our financing activities, mainly due to the following:

- (i) dividend paid of RM2.59 million in respect of FYE 2021;
- (ii) interest paid of RM0.62 million, primarily relating to term loans, bankers' acceptances, and lease liabilities;
- (iii) repayment of lease liabilities of RM0.56 million, pursuant to hire purchase arrangements for motor vehicles and rental of premises; and
- (iv) repayment of term loans of RM0.60 million, following scheduled instalments during the year.

These outflows were partially offset by a drawdown of new term loans amounting to RM1.08 million to redeem existing facility and refinance a single storey detached factory with a three storey office, as well as a net increase in short-term borrowings of RM1.69 million, mainly from additional utilisation of trade financing facilities.

FYE 2022**Net cash from operating activities**

For FYE 2022, we recorded net cash from operating activities of RM7.05 million. Operating profit before changes in working capital of RM10.84 million was adjusted for negative changes in working capital of RM2.55 million, which mainly comprised the following:

- (i) higher level of inventories maintained by an amount of RM2.68 million to support the increase in our Group's business;
- (ii) faster collections from customers which resulted in lower receivables and contributed to higher working capital cashflow by an amount of RM1.89 million, mainly due to higher collection of trade debts after the Covid-19 pandemic period; and
- (iii) faster settlement of suppliers and trade creditors which resulted in lower payables balance and contributed to lower working capital cashflow by an amount of RM2.04 million.

Net cash from investing activities

For FYE 2022, we recorded a net cash outflow of RM0.65 million from our investing activities, mainly due to acquisition of plant and machinery, furniture, fittings and office equipment and renovations amounting to RM0.72 million which was partially offset by proceeds from the disposal of property, plant and equipment of RM0.07 million.

12. FINANCIAL INFORMATION (cont'd)**Net cash from financing activities**

For FYE 2022, we recorded a net cash outflow of RM3.79 million from our financing activities, mainly due to the following:

- (i) dividend paid of RM2.10 million in respect of FYE 2022; and
- (ii) interest paid of RM1.10 million, primarily relating to term loans, bankers' acceptances, and lease liabilities; and
- (iii) repayment of lease liabilities of RM0.43 million, pursuant to hire purchase arrangements for motor vehicles and rental of premises; and
- (iv) repayment of term loans of RM0.67 million, following scheduled instalments during the year.

These outflows were partially offset by a net increase in short-term borrowings of RM0.51million, mainly from greater use of trade financing facilities.

FYE 2023**Net cash from operating activities**

For FYE 2023, we recorded net cash from operating activities of RM8.11 million. Operating profit before changes in working capital of RM9.89 million was adjusted for negative changes in working capital of RM0.52 million, which mainly comprised the following:

- (i) decrease in inventories of RM0.69 million, mainly due to lesser purchase of materials towards end of the year;
- (ii) decrease in receivables of RM2.36 million, mainly attributable to repayments from related parties and director;
- (iii) increase in payables of RM2.22 million, mainly due to dividend payable to shareholders for dividends declared in respect of FYE 2023; and
- (iv) reclassification of investment in Gooi Brothers United and Gooi Brothers Capital, as well as the amount due by them to assets held for sale amounting to RM5.68 million.

Net cash from investing activities

For FYE 2023, we recorded a net cash from investing activities of RM10.61 million mainly due to the following:

- (i) proceeds of RM16.00 million from the disposal of Bukit Panchor Factory, which had been classified as an asset held for sales in FYE 2022 ; and
- (ii) dividend income of RM0.03 million from quoted shares investment.

However, the abovementioned cash inflow were partially offset by the followings:

- (i) acquisition of other investments of RM1.01 million, primarily attributable to the investment in quoted shares; and
- (ii) acquisition of property, plant and equipment amounted to RM4.41 million, which primarily comprises of purchase of plant and machinery, renovations, and the reconstruction of our Valdor factory damaged by the fire incident in May 2022;

12. FINANCIAL INFORMATION (cont'd)**Net cash from financing activities**

For FYE 2023, we recorded net cash used in financing activities of RM18.45 million mainly due to the following:

- (i) dividend paid of RM8.07 million in respect of FYE 2023;
- (ii) interest paid of RM0.77 million, primarily related to term loans, trade financing facilities, and lease liabilities;
- (iii) net repayment of short-term borrowings of RM2.20 million, reflecting reduced reliance on trade financing and bank facilities during the year;
- (iv) repayment of hire purchase payables and lease liabilities totaling to RM0.61 million, mainly for hire purchase obligations on motor vehicles and lease for a premise located at Kota Kemuning; and
- (v) repayment of term loans amounted to RM6.80 million, that financed our working capital requirements.

FYE 2024**Net cash from operating activities**

For FYE 2024, we recorded net cash from operating activities of RM8.20 million. Operating profit before changes in working capital of RM16.04 million was adjusted for negative working capital changes of RM4.11 million, which mainly comprised the following:

- (i) higher level of inventories maintained by an amount of RM1.88 million to support the increase in our Group's business;
- (ii) decrease in receivables of RM1.56 million, mainly due to better collection from customers;
- (iii) decrease in payables of RM2.48 million, mainly due to repayment made to the trade creditors; and
- (iv) increase in assets held for sale of RM1.36 million, mainly due to investment in Gooi Brothers Capital of RM1.00 million and net changes to the amount due from subsidiaries under the assets held for sale of RM0.36 million.

Net cash from investing activities

For FYE 2024, we recorded net cash used in investing activities of RM4.21 million, mainly due to the followings:-

- (i) acquisition of plant and machinery amounts to RM4.88 million, primarily for the purchase of solar panels and new plant and machinery for the fire-damaged factory, as part of its recovery and resumption of normal operations; and
- (ii) acquisition of other investments of RM0.10 million, primarily attributable to the investment in quoted shares.

However, it was partially offset by proceeds from disposal of property, plant and equipment of RM0.71 million, largely from the sale of used motor vehicles, as well as dividend income of RM0.07 million from quoted shares investment.

12. FINANCIAL INFORMATION (cont'd)**Net cash from financing activities**

For FYE 2024, we recorded net cash used in financing activities of RM4.74 million mainly due to the following:

- (i) payment of dividend of RM1.00 million in respect of FYE 2024;
- (ii) interest paid of RM0.64 million, primarily related to servicing of term loans and lease obligations;
- (iii) net repayment of short-term borrowings of RM1.25 million;
- (iv) repayment of hire purchase facilities of RM1.08 million for motor vehicles; and
- (v) repayment of term loans of RM1.69 million, comprising scheduled principal repayments for borrowings that financed our capital expenditure and working capital requirements.

However, the decrease was partially offset by a drawdown of term loan amounting to RM1.05 million to part finance the acquisition of solar system.

FYE 2025**Net cash from operating activities**

For FYE 2025, our Group recorded net cash from operating activities of RM11.59 million, an increase compared to RM8.20 million in FYE 2024. Operating profit before changes in working capital amounted to RM11.79 million was adjusted for positive working capital changes of RM2.56 million, which mainly comprised the following:

- (i) decrease in assets held for sale of RM5.83 million;
- (ii) increase in prepayments of RM1.51 million, mainly attributable to higher professional fees; and
- (iii) decrease in payables of RM1.93 million, mainly due to settlement of dividend payable in FYE 2024 and advances received from director.

Net cash from investing activities

For FYE 2025, we recorded net cash from investing activities of RM3.03 million, mainly attributable to the following:

- (i) proceeds of RM1.20 million from the disposal of investments in unquoted shares of two local companies;
- (ii) proceeds of RM1.17 million from the disposal of investment in quoted shares of a listed company; and
- (iii) proceeds of RM0.97 million from disposal of property, plant and equipment, largely from the sale of used motor vehicles.

However, it was partially offset by acquisition of property, plant and equipment of RM0.36 million.

12. FINANCIAL INFORMATION (cont'd)**Net cash from financing activities**

For FYE 2025, we recorded net cash used in financing activities of RM13.10 million mainly due to the following:

- (i) payment of dividend of RM11.37 million in FYE 2025;
- (ii) interest paid of RM0.49 million, primarily related to servicing of term loans and lease obligations;
- (iii) repayment of hire purchase facilities of RM0.81 million for motor vehicles; and
- (iv) repayment of term loans of RM0.93 million, comprising scheduled principal repayments for borrowings that financed our capital expenditure and working capital requirements.

These outflows were partially offset by a net increase in short-term borrowings of RM0.53 million, mainly from greater use of trade financing facilities.

FPE 2026**Net cash from operating activities**

For FPE 2026, our Group recorded net cash from operating activities of RM3.12 million. Operating profit before changes in working capital of RM6.94 million was adjusted for negative working capital changes of RM3.18 million, which mainly comprised the following:

- (i) maintained higher level of inventories of RM2.11 million to support the increase in our Group's business;
- (ii) increase in receivables of RM2.36 million, mainly attributable to higher sales during the period, whilst the credit period granted to customer had not yet matured;
- (iii) increase in prepayment of RM1.17 million, mainly attributable to higher professional fees; and
- (iv) increase in payables of RM2.46 million, mainly due to higher purchase of raw materials to support the higher sales during the period.

Net cash from investing activities

For FPE 2026, our Group recorded net cash used in investing activities of RM0.13 million, mainly attributable to the acquisition and disposal of property, plant and machinery of RM0.20 million and RM0.07 respectively.

Net cash from financing activities

For FPE 2026, our Group recorded net cash used in financing activities of RM1.31 million, mainly due to the following:

- (i) interest paid of RM0.18 million, primarily related to servicing of term loans and lease obligations;
- (ii) repayment of short-term loans and borrowings of RM0.67 million;
- (iii) repayment of hire purchase facilities of RM0.12 million for motor vehicles; and
- (iv) repayment of term loans of RM0.29 million, comprising scheduled principal repayments for borrowings that financed our capital expenditure and working capital requirements.

12. FINANCIAL INFORMATION (cont'd)**12.3 LIQUIDITY AND CAPITAL RESOURCES****12.3.1 Working capital**

We finance our operations with cash generated from operations, supplier's credit, various credit facilities extended by financial institutions as well as existing cash and bank balances. Our credit facilities from financial institutions comprise bankers' acceptance, term loans, bank overdrafts and finance lease liabilities.

The decision to utilise either internally generated funds or borrowings for our business operations depends on, amongst others, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements and interest rates on borrowings. We carefully consider our cash position and ability to obtain further financing before making significant capital commitments.

Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

- (a) our cash and cash equivalents of approximately RM13.48 million as at 31 July 2026;
- (b) our expected future cash flows from operations after servicing of bank borrowings;
- (c) our total banking facilities limit as at 31 July 2026 of RM21.10 million (excluding hire purchase facilities, term loans used for capital expenditure, lease liabilities for rental of building, and forward contracts entered into for hedging purposes), of which RM7.30 million have been utilised; and
- (d) our pro forma gearing level of 0.17 times, based on our pro forma statements of financial position as at 31 May 2026 after the Acquisition, Public Issue and utilisation of proceeds.

At this juncture, we do not foresee any circumstances which may materially affect our liquidity. Our Group has not encountered any major disputes with our debtors. Our finance and accounting team work closely with our sales and marketing team for the collection of outstanding balances on a monthly basis. This measure has proven to be effective while maintaining a cordial relationship with our customers.

12. FINANCIAL INFORMATION (cont'd)**12.4 BORROWINGS**

As at 31 May 2026, our Group's total outstanding borrowings stood at RM9.18 million, details of which are set out below:

	<u>Purpose</u>	<u>Tenure of facility</u>	<u>Security</u>	<u>Effective interest rate</u> %	<u>As at 31 May 2026</u> RM'000
Current					
Banker acceptances	For importation and local purchases of goods related to the business	80 to 150 days	(i) Joint and several guarantee by Dato' Gooi, being the Promoter, Specified Shareholder, substantial shareholder, and Managing Director and Gooi Zi Jing, being the Executive Director; (ii) Legal charge over Valdor Factory; (iii) Assignment of Life Assurance Policy by Executive Director, Gooi Zi Jing; and (iv) Corporate guarantee by GB Bond; and (v) Corporate guarantee by GB Chemical.	4.24 - 4.26	1,535
Term loans	To part finance the purchase of Bukit Panchor HQ and solar system	7 to 15 years	(i) Joint and several guarantee by Dato' Gooi, being the Promoter, Specified Shareholder, substantial shareholder, and Managing Director and Gooi Zi Jing, being the Executive Director; (ii) Legal charge over Bukit Panchor HQ; (iii) Government guarantee provided by SJPP; (iv) Corporate guarantee by GB Bond.	4.50	703
Hire purchases	Finance the purchase of motor vehicles	4 to 7 years	Personal guarantee by Dato' Gooi, being the Promoter, Specified Shareholder, substantial shareholder, and Managing Director	4.09 - 5.82	292
					2,530

12. FINANCIAL INFORMATION (cont'd)
Non-current

Term loans	To part finance the purchase of Bukit Panchor HQ and solar system	7 to 15 years	(i) Joint and several guarantee by Dato' Gooi, being the Promoter, Specified Shareholder, substantial shareholder, and Managing Director and Gooi Zi Jing, being the Executive Director; (ii) Legal charge over Bukit Panchor HQ; (iii) Government guarantee provided by SJPP; (iv) Corporate guarantee by GB Bond.	4.50	6,090
Hire purchases	Finance the purchase of motor vehicles	4 to 7 years	Personal guarantee by Dato' Gooi, being the Promoter, Specified Shareholder, substantial shareholder, and Managing Director	4.09 - 5.82	557

6,647

Total borrowings

9,177

Gearing (times)

After Acquisitions but before Public Issue and utilisation of proceeds⁽¹⁾

0.22

After Public Issue and utilisation of proceeds⁽²⁾

0.17

Notes:

(1) Computed based on our pro forma total equity of RM41.31 million after the Acquisitions but before Public Issue and utilisation of proceeds.

(2) Computed based on our pro forma total equity of RM52.88 million after Public Issue and utilisation of proceeds.

12. FINANCIAL INFORMATION (cont'd)

The maturity profile of our total outstanding borrowings as at 31 May 2026 is as follows:

	RM'000
Within 1 year	2,530
1 to 5 years	3,642
More than 5 years	3,005
Total	9,177

As at LPD, all of our borrowings are interest bearing and denominated in RM.

We have not defaulted on payments of principal sums and/or interests in respect of any borrowings throughout Financial Years/Period Under Review and up to LPD.

As at LPD, our Group is not in breach of any terms, conditions or covenants associated with credit arrangements or bank loans, which can materially affect our financial position and results or business operations or the investments by holders of our securities. During Financial Years/Period Under Review, we did not experience any claw back or reduction in the facilities limit granted to us by our lenders.

12.5 FINANCIAL INSTRUMENTS, TREASURY POLICIES AND OBJECTIVES

Save as disclosed in Section 12.4, we do not utilise any other financial instruments. We receive proceeds in USD in respect of our foreign sales and pay for purchases denominated in USD from our foreign currency accounts.

We finance our operations mainly through cash generated from our operations, credit extended by trade payables as well as external sources of funds which mainly comprise borrowings. Our Group's lease liabilities and part of the loan and borrowings which carry fixed interest rates, while some of other borrowings bear variable interest rates based on the bank's cost of funds plus a rate which varies depending on the different types of bank facilities.

12.6 MATERIAL CAPITAL COMMITMENTS

As at LPD, save for the planned capital expenditures as disclosed in Section 4.10 which has been approved but not contracted for, we do not have any other material capital commitments.

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12. FINANCIAL INFORMATION (cont'd)

12.7 MATERIAL INVESTMENT AND MATERIAL DIVESTITURES

We have undertaken material investments and material divestitures for the Financial Years/Period Under Review and up to the LPD as follows:

(i) Material investments:

Save for the expenditures disclosed below, there were no other capital expenditures made by our Group for the Financial Years/Period Under Review and up to LPD:

	At cost						From 1 June
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2026	2026 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investments							
<u>Classified under PPE</u>							
Buildings	-	-	⁽²⁾ 1,991	74	55	-	-
Plant and machinery	71	282	⁽³⁾ 1,373	⁽⁵⁾ 4,426	51	106	-
Furniture, fixtures, and fittings	2	7	17	10	1	2	-
Motor vehicles	⁽¹⁾ 1,227	628	⁽⁴⁾ 1,181	864	461	-	-
Renovation	368	137	633	58	22	23	-
Office equipment	37	65	74	34	66	64	-
Capital work-in-progress	-	-	133	90	-	-	-
<u>Classified under other investments</u>							
Quoted shares	-	-	⁽⁶⁾ 1,014	⁽⁶⁾ 102	-	-	-
Total	1,705	1,119	6,416	5,658	656	195	-

12. FINANCIAL INFORMATION *(cont'd)*

Notes:

- (1) The additions in motor vehicles during FYE 2021 were related to the purchase of a motor vehicle for our Executive Directors for business purposes.
- (2) The additions in buildings during FYE 2023 were mainly related to construction cost incurred for our Valdor Factory.
- (3) The additions in plant and machinery during FYE 2023 were primarily attributable to the replacement of damaged machinery components.
- (4) The additions in motor vehicles during FYE 2023 were related to the purchase of motor vehicles for our Executive Directors for business purposes.
- (5) The additions in plant and machinery during FYE 2024 were mainly related to the purchase of 4 units of emulsion polymerisation reactor for our Valdor Factory and 1 unit of sealant machine for our Bukit Panchor HQ.
- (6) The additions in other investment were related to investment in quoted shares of a listed company (i.e. Malayan Banking Berhad).

The above capital expenditures were primarily financed by a combination of bank borrowings, finance lease, insurance claims and our internally generated funds.

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12. FINANCIAL INFORMATION *(cont'd)*
(ii) Material divestitures:

Save for the divestitures disclosed below, there were no other divestitures made by our Group for the Financial Years/Period Under Review and up to LPD:

	Carrying amount						From 1 June 2026 up to LPD
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2026	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Divestitures							
<u>Classified under PPE</u>							
Plant and machinery	-	5	-	-	-	-	-
Furniture and fittings	-	-	-	-	-	-	-
Motor vehicles	318	-	2	652	⁽²⁾ 708	-	-
Renovation	-	-	-	-	-	-	-
Office equipment	-	1	-	-	-	-	-
Signboard	-	-	-	-	-	-	-
<u>Classified under other investments</u>							
Quoted shares	-	-	-	-	⁽³⁾ 1,233	-	-
<u>Classified under assets held for sale</u>							
Freehold land and building	-	-	⁽¹⁾ 6,150	-	-	-	-
Subsidiaries	-	-	-	-	⁽⁴⁾ 7,033	-	-
Total	318	6	6,152	652	8,974	-	-

12. FINANCIAL INFORMATION (cont'd)**Notes:**

- (1) Being the disposal of our Bukit Panchor Factory.
- (2) Being the disposal of 6 motor vehicles intended for ordinary daily use by the executive directors to Dato Gooi.
- (3) Being the disposal of 120,400 quoted shares (i.e. Malayan Banking Berhad) to Dato' Gooi via direct business transaction at the prevailing market price.
- (4) Being the Disposal of the Gooi Brothers United and Disposal of Gooi Brothers Capital to Dato' Gooi.

As at the LPD, save for the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.10 of this Prospectus, we do not have any other material capital expenditures and divestitures currently in progress, within or outside Malaysia.

12.8 MATERIAL LITIGATION AND CONTINGENT LIABILITIES**(i) Material litigation**

Save as disclosed below, our Group is not involved in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus:

- (1) Penang High Court Civil Suit Petition No. PA-23NCvC-19-11/2024: Tan Mooi Hiang (trading under the name and style of HS General Trading) against GB Bond:
 - (a) Pursuant to the Writ and Statement of Claim dated 18 November 2024, the suit brought by Tan Mooi Hiang (sole proprietor of HS General Trading (Registration No. 201803336663 (PG0459523-X)) as the Plaintiff in Penang High Court Suit No. PA-23NCvC-19-11/2024.
 - (b) The original Defendant of this suit was GB Chemical being the registered proprietor of the land where Valdor Factory was built on and was later substituted by GB Bond being the tenant and occupant of Valdor Factory.
 - (c) The suit relates to a fire outbreak in Valdor Factory which happened on 6 May 2022. The fire had spread to the Plaintiff's premise which was situated adjacent to the Valdor Factory. The Plaintiff is claiming for loss or damage to its premises and its machineries at and materials stored at the Plaintiff's premises. The claim is as follows:

Plaintiff's Claim	USD	RM
Costs of rebuilding and repairs to premises	-	521,250
Costs on new machineries	227,000	⁽¹⁾ 1,005,156
Loss of raw materials	-	742,500
Total		2,268,906

Note:

- (1) Based on the exchange rate of USD1 = RM4.428 as at 21 March 2025 according to Bank Negara Malaysia's official website.

12. FINANCIAL INFORMATION (cont'd)

- (d) Based on the report dated 26 May 2022 issued by Bomba, the fire was caused by an accident and the source of ignition was due to resistance heating in the electrical wires in the production area of Valdor Factory.
- (e) The nature of the Plaintiff's claim is covered under the Public Liability-Premises policy insured by Allianz General Insurance Berhad ("**AGIB**"), which indemnifies GB Bond on any of its legal liability of up to a limit of RM5,000,000.00 for any loss or damage to the property incurring in Malaysia arising out of the fault and negligence of GB Bond whilst engaged in GB Bond's trade or business or for any defects in the buildings, ways, works or plant or machinery at Valdor Factory. Any excess above the limit of RM5,000,000.00 would have to be borne by GB Bond.
- (f) On 30 September 2025, a consent judgment was recorded by the High Court where parties agreed to settle without admission to liabilities. GB Bond shall pay RM900,000.00 to the Plaintiff as full and final settlement of the suit. AGIB has agreed to the consent judgment and AGIB will cover this sum under the said Public Liability-Premises policy. The payment is required to be settled within 30 days from the date of the consent judgment. AGIB had on 29 October 2025 made the payment to the Plaintiff's lawyers.

Taking into consideration that the civil suit is settled and the full and final settlement sum has been covered by AGIB under the Public Liability-Premises policy and subsequently paid on 29 October 2025, Malacca Securities is satisfied that the litigation does not have any material adverse impact on our Group's business operations or financial condition.

(ii) Contingent liabilities

As at LPD, there are no material contingent liabilities incurred by our Group, which upon becoming enforceable, may have a material effect on our Group's business, financial results and financial position.

12.9 KEY FINANCIAL RATIOS

The key financial ratios of our Group for Financial Years/Period Under Review are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2026
Trade receivables turnover (days) ⁽¹⁾	102	94	89	79	78	76
Trade payables turnover (days) ⁽²⁾	80	64	73	62	73	88
Inventory turnover (days) ⁽³⁾	84	82	92	99	121	132
Current ratio (times) ⁽⁴⁾	2.04	2.63	2.20	2.46	3.25	3.22
Gearing ratio (times) ⁽⁵⁾	0.95	0.91	0.44	0.30	0.28	0.22

Notes:

- (1) Computed based on average trade receivables as at financial year/period-end over revenue for the respective financial years/period, multiplied by 365/151 days for each financial year/period.
- (2) Computed based on average trade payables as at financial year/period-end over total purchases for the respective financial years/period, multiplied by 365/151 days for each financial year/period.

12. FINANCIAL INFORMATION (cont'd)

- (3) Computed based on average inventories as at financial year/period-end over cost of sales for the respective financial years/period, multiplied by 365/151 days for each financial year/period.
- (4) Computed based on current assets over current liabilities as at the end of the respective financial years/period.
- (5) Computed based on interest-bearing borrowings and hire purchase over total equity as at the end of the respective financial years/period.

12.9.1 Trade receivables turnover

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January	13,667	17,163	13,191	13,149	11,369	11,110
Balance as at 31 December / 31 May	17,163	13,191	13,149	11,369	11,110	13,380
	30,830	30,354	26,340	24,518	22,479	24,490
Average trade receivables	15,415	15,177	13,170	12,259	11,240	12,245
Revenue	55,352	58,872	53,818	56,338	52,439	24,346
Trade receivables turnover (days)	102	94	89	79	78	76

The normal credit terms granted by our Group to our customers range from 30 to 120 days from the date of invoice. Our credit terms to customers are assessed and approved on a case-by-case basis taking into consideration various factors such as relationship with customers, customers' payment history, credit worthiness and quantum of amount owing. We use ageing analysis to monitor the credit quality of our trade receivables.

Our average trade receivables turnover days for the Financial Years/Period Under Review were 102 days, 94 days, 89 days, 79 days, 78 days and 76 days respectively, which were generally within our credit period. The reduction from 102 days in FYE 2021 to 94 days in FYE 2022 was primarily due to improved collections following the recovery from the Covid-19 pandemic period in FYE 2021. The turnover days continued to improve to 89 days in FYE 2023 and further to 79 days in FYE 2024, reflecting strengthened credit control policies and more efficient receivables management.

For FYE 2025, the trade receivables turnover period remained stable at 78 days, indicating the Group's continued effectiveness in managing customer credit and collection activities despite the slight decline in revenue during the year. In FPE 2026, the turnover period improved further to 76 days, mainly attributable to more efficient collection of trade receivables and higher revenue growth, resulting in a shorter receivables collection cycle and continued efficient working capital management.

Overall, the Group continued to maintain an efficient credit control and collection process, with trade receivables turnover remaining at a healthy level, supporting the Group's working capital management and cash flow requirements.

12. FINANCIAL INFORMATION (cont'd)

The ageing analysis of our trade receivables as at 31 May 2026 is as follows:

	Trade receivables as at 31 May 2026		Collection from 1 June 2026 up to LPD	Balance as at LPD
	RM'000	%	RM'000	RM'000
Neither past due nor impaired	9,616	71.87	6,304	3,312
Past due but not impaired:				
- less than 30 days	3,084	23.05	2,997	87
- 31 to 60 days	777	5.81	771	6
- 61 to 90 days	102	0.76	81	21
- over 90 days	69	0.52	51	18
	4,032	30.14	3,900	132
Less:				
Impairment losses ⁽¹⁾	(268)	(2.01)	-	-
Total	13,380	100.00	10,204	3,444

As at LPD, we had collected RM10.20 million, representing approximately 76.26% of our trade receivables outstanding as at 31 May 2026.

Note:-

- (1) The impairment loss relates to expected credit losses arising from credit risk associated with the trade receivables, assessed based on the respective credit profiles and forward-looking economic assumptions.

Our Group has in place a credit procedure to monitor and minimise the exposure of default. Receivables are monitored on a regular and ongoing basis. Credit evaluations are performed on all customers requiring credit. We use suppliers' reference and external information services to evaluate our customers' credit standing and financial health. Based on these evaluations, approvals are sought from designated authorised management personnel, depending on the credit limit. For existing customers, we also review their payment record and current credit standing with us before accepting any new orders, where we will evaluate the projects that are being undertaken as well as any peculiar circumstances that affects these customers, such as restrictions by pandemic, if any.

All our outstanding debts are closely monitored by our management personnel and reported to authorised management personnel on a periodic basis. We also conduct periodic credit control meetings with our sales team to monitor collections and recoverability of our debts.

12. FINANCIAL INFORMATION (cont'd)**12.9.2 Trade payables turnover**

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January	6,646	8,600	6,337	5,079	4,379	5,110
Balance as at 31 December / 31 May	8,600	6,337	5,079	4,379	5,110	7,841
	15,246	14,937	11,416	9,458	9,489	12,951
Average trade payables	7,623	7,469	5,708	4,729	4,745	6,476
Purchases	34,829	42,321	28,641	27,668	23,649	11,108
Trade payables turnover (days)	80	64	73	62	73	88

The normal credit terms granted to us by our suppliers range from 60 to 90 days from the date of invoice. Our trade payables turnover days for the Financial Years/Period Under Review were 80 days, 64 days, 73 days, 62 days, 73 days and 88 days for FYE 2021, FYE 2022, FYE 2023, FYE 2024, FYE 2025, and FPE 2026 respectively, and remained within the normal credit period granted by our suppliers. As we have maintained timely payments and ongoing communication with our suppliers, they have continued to extend favourable credit terms and uninterrupted supply of inventories.

In FYE 2022, our trade payables turnover days decreased from 80 days in FYE 2021 to 64 days, mainly due to prompt settlements made to suppliers, particularly for purchases of raw materials.

In FYE 2023, our trade payables turnover days increased to 73 days, reflecting bulk purchases of raw materials towards the year-end to support anticipated sales growth and ensure supply stability.

In FYE 2024, the turnover days decreased slightly to 62 days, attributable to more frequent and consistent payments made to suppliers during the year, in line with our improved operating cash flows.

In FYE 2025, trade payables turnover increased to 73 days from 62 days, driven by more consistent payment patterns and improved cash flow management.

In FPE 2026, trade payables turnover further increased to 88 days from 73 days in FYE 2025. The increase was mainly due to the timing of payments to suppliers, as certain outstanding payables from period-end purchases were settled later in the period. The increase remained within the normal credit period granted.

12. FINANCIAL INFORMATION (cont'd)

The ageing analysis of our trade payables as at 31 May 2026 is as follows:

	Trade payables as at 31 May 2026		Payment from 1 June 2026 up to LPD	Balance as at LPD
	RM'000	%	RM'000	RM'000
Within credit period	7,025	89.59	4,608	2,417
Exceeding credit period:				
- 1 to 30 days	816	10.41	816	-
- 31 to 60 days	-	-	-	-
- 61 to 90 days	-	-	-	-
	816	10.41	816	-
Total	7,841	100.00	5,424	2,417

As at LPD, we had settled RM5.42 million, representing approximately 69.17%% of our total outstanding trade payables as at 31 May 2026. The remaining outstanding balance amounted to RM2.42 million, of which the entirety was within the credit period granted by suppliers. As at 31 May 2026, there were no outstanding disputes in respect of our trade payables and no legal action had been initiated by our suppliers to demand payment from us.

12.9.3 Inventory turnover

Our Group's inventories mainly comprise materials and finished goods. The materials including those in transits accounted for 71.40%, 72.18%, 75.40%, 68.45%, 76.21% and 74.51% of our total inventories for the Financial Years/Period Under Review respectively.

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January	8,119	10,167	9,687	8,723	10,115	10,617
Balance as at 31 December	10,167	9,687	8,723	10,115	10,617	12,692
	18,286	19,854	18,410	18,838	20,732	23,309
Average inventories	9,143	9,927	9,205	9,419	10,366	11,655
Cost of sales	39,728	44,284	36,631	34,742	31,342	13,314
Inventory turnover (days)	84	82	92	99	121	132

Our inventories turnover period decreased from 84 days in FYE 2021 to 82 days in FYE 2022, before rising back to 92 days in FYE 2023 and further increasing to 99 days in FYE 2024.

The reduction in turnover period in FYE 2022 reflected better inventory management and more efficient usage of raw materials and finished goods, in line with improved production planning. However, in FYE 2023, despite a slight decrease in total inventory levels to RM8.72 million, the turnover period rose again to 92 days, due to a decrease in finished goods turnover and lower sales volume during the year.

12. FINANCIAL INFORMATION (cont'd)

In FYE 2024, inventories increased significantly to RM10.12 million was primarily due to higher purchasing activity and a buildup of stock to meet anticipated customer demand. The longer turnover period of 99 days reflects the timing mismatch between procurement and actual delivery, as well as a strategic move to ensure readiness for quicker turnaround orders, especially given the improved demand outlook for industrial adhesives.

For FYE 2025, the inventories turnover period further increased to 121 days, mainly due to slower sales during the year and higher stockholding of raw materials and finished goods in anticipation of higher sales towards the end of the year. For information, our industrial adhesives and emulsion polymers typically have a shelf life of 3 months to 1 year from the date of manufacture. Should the products reach expiry, they may be reprocessed with their respective raw materials and chemical products and manufactured into a new batch.

For FPE 2026, the inventory turnover period increased to 132 days from 121 days in FYE 2025, mainly due to higher inventory holdings of raw materials and goods-in-transit maintained to support anticipated higher sales demand and operational requirements during the period.

We review our slow moving/obsolete inventories of more than 12 months by adopting a specific identification approach which requires our management to consider the frequency of demand of our inventories and ensure that no inventories are over kept or over produced. As the judgement and estimates of our management are required, possible changes in these estimates could result in impairment to the inventories.

As at 31 May 2026, the inventory ageing analysis is as follows:

	1-30 days	31-60 days	61-90 days	More than 90 days but less than 1 year	More than 1 year⁽¹⁾	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Raw materials	5,454	1,242	537	1,490	735	9,458
Finished goods	2,213	391	105	467	58	3,234
	7,667	1,633	642	1,957	793	12,692

Note:

(1) Consists of raw materials and finished goods which have long lifespan.

12.9.4 Current ratio

Our current ratio throughout the Financial Years/Period Under Review are as follows:

	As at 31 December					As at 31 May
	2021	2022	2023	2024	2025	2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current assets	37,039	43,479	39,258	39,307	35,726	42,602
Current liabilities	18,125	16,527	17,865	15,981	11,003	13,220
Net current assets	18,914	26,952	21,393	23,326	24,723	29,382
Current ratio (times)	2.04	2.63	2.20	2.46	3.25	3.22

12. FINANCIAL INFORMATION (cont'd)

Our current ratios range between 2.04 times to 3.25 times for the Financial Years/Period Under Review. This indicates that our Group is capable of meeting short-term obligations as our current assets, such as trade receivables and inventories, which can be readily converted to cash, together with our cash and cash equivalents, are enough to meet our current liabilities.

The increase in the Group's current ratio from 2.04 times in FYE 2021 to 2.63 times in FYE 2022 was mainly driven by stronger liquidity, supported by higher cash and bank balances arising from business growth and positive cash flows generated from operating activities. In addition, the improvement was further contributed by a reduction in current liabilities, following repayments made towards loans and borrowings during the financial year.

The Group's current ratio decreased to 2.20 times in FYE 2023. This decline was mainly due to the recognition of dividend payables to shareholders, as well as an increase in lease liabilities arising from hire purchase facilities. In addition, repayments received from related parties led to a reduction in receivables, further contributing to the overall decrease in the current ratio.

The increase in current ratio to 2.46 times in FYE 2024 was primarily attributable to repayments made towards loans and borrowings and lease liabilities.

For FYE 2025, the Group's current ratio further improved to 3.25 times, mainly attributable to the decrease in current liabilities, particularly from the settlement of dividends payable and advances from a director. The higher ratio reflects the Group's strong liquidity position and continued ability to meet short-term financial obligations.

For FPE 2026, the Group's current ratio remained relatively stable at 3.22 times (FYE 2025: 3.25 times). Despite the slight decrease in the current ratio, the Group maintained a strong liquidity position, with net current assets increasing to RM29.38 million, demonstrating its ability to comfortably meet its short-term financial obligations.

12.9.5 Gearing ratio

Our gearing ratio throughout the Financial Years/Period Under Review are as follows:

	As at 31 December					As at 31 May
	2021	2022	2023	2024	2025	2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total borrowings ⁽¹⁾	22,047	21,965	13,455	11,160	10,252	9,177
Total equity	23,192	24,188	30,546	37,124	36,752	41,306
Gearing ratio (times)	0.95	0.91	0.44	0.30	0.28	0.22

Note:

- (1) Based on total interest bearing borrowings and hire purchase as at 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026.

Our Group's gearing ratio declined steadily from 0.95 times in FYE 2021 to 0.30 times in FYE 2024, reflecting the strengthening of our financial position over the years.

In FYE 2022, our gearing ratio was 0.91 times, which was lower compared to 0.95 times in FYE 2021. This was mainly due to the repayment of term loans and hire purchase facilities.

12. FINANCIAL INFORMATION (cont'd)

In FYE 2023, our gearing ratio declined to 0.44 times from 0.91 times in FYE 2022. This was mainly attributable to the early settlement of a term loan, which had originally been secured for the acquisition of Bukit Panchor Factory. Following the disposal of the said property during the year, the associated term loan was fully settled ahead of schedule, leading to a notable reduction in our total borrowings and consequently improving our gearing position.

In FYE 2024, our gearing ratio declined further to 0.30 times from 0.44 times in FYE 2023. This was mainly due to higher repayment of term loans and hire purchase facilities.

For FYE 2025, our gearing ratio decreased slightly to 0.28 times, reflecting a continued strengthening of the Group's capital structure. The reduction was supported by lower borrowing levels due to repayment of term loans and hire purchase facilities during the year.

For FPE 2026, our gearing ratio decreased further to 0.22 times from 0.28 times as at 31 December 2025. The improvement was mainly attributable to a reduction in total borrowings and an increase in total equity. This reflects the Group's continued efforts to reduce its debt and maintain a healthy and conservative capital structure.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Save for policies in relation to COVID-19 pandemic, there were no government, economic, fiscal or monetary policies or factors which have materially affected our financial performance during the Financial Years/Period Under Review. There is no assurance that our financial performance will not be adversely affected by the impact of further changes in government, economic, fiscal or monetary policies or factors moving forward.

Risks relating to government, economic, fiscal or monetary policies or factors which may adversely and materially affect our operations are set out in Section 9.

12.11 IMPACT OF INFLATION

During the Financial Years/Period Under Review, our financial performance was not materially affected by the impact of inflation. However, there is no assurance that our financial performance will not be adversely affected by the impact of inflation moving forward. Any significant increase in our costs of sales in the future may adversely affect our operations and performance if we are unable to pass on the higher costs to our customers through an increase in selling prices.

12.12 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS**(i) Impact of foreign exchange rates**

We have minimal exposure to foreign currency in terms of our sales as 81.96%, 88.42%, 91.84%, 91.85%, 90.92% and 92.31% of our total revenue were denominated in RM for the Financial Years/Period Under Review respectively.

However, our purchases denominated in USD made up of 45.67%, 48.24%, 52.71%, 59.69%, 63.82% and 68.24% of our total purchases for the Financial Years/Period Under Review respectively. As such, any significant change in foreign exchange rates may affect our financial performance if we are unable to pass on the higher costs to our customers.

12. FINANCIAL INFORMATION (cont'd)

Our Group's gain or loss from foreign exchange fluctuations for the Financial Years/Period Under Review are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gain on foreign exchange	134	114	132	145	153	-
Loss on foreign exchange	(26)	(49)	(11)	(119)	(11)	(27)
Net gain/(loss)	108	65	121	26	142	(27)

Based on the table above, our Group has not been materially impacted by the foreign exchange fluctuations.

(ii) Impact of interest rates

Our financial results for Financial Years/Period Under Review were not materially affected by fluctuations in interest rates.

12.13 ORDER BOOK

There is no order book as our sales are mainly based on purchase orders received from customers with specifications and quantity required on an on-going basis.

12.14 DIRECTORS' STATEMENT ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:

- (a) our revenue will remain sustainable with an upward growth trend, in line with positive outlook of the industrial adhesives and emulsion polymer industry as set out in the IMR Report in Section 8;
- (b) our liquidity will improve subsequent to the Public Issue, given the additional funds to be raised for our Group to carry out our future plans business strategies as stated in Section 7.5; and
- (c) our capital resources will strengthen, considering the proceeds to be raised from the Public Issue as well as internally generated funds. We may consider debt funding for our business expansion should the need arise.

In addition to the above, our Board confirms that there are no circumstances which would result in a significant decline in our revenue and GP margins or know of any factors that are likely to have a material impact on our liquidity, revenue or profitability.

12. FINANCIAL INFORMATION (*cont'd*)**12.15 TREND INFORMATION**

As at LPD, after all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 12.9, 12.10 and 12.11;
- (ii) material commitments for capital expenditure as disclosed in Section 12.6;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 7.14 and 9;
- (iv) known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue save for those that had been discussed in Sections 12.2 and 12.11; and
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical combined financial statements not necessarily indicative of the future financial performance and position other than those discussed in Sections 12.2, 12.9 and 12.11.

Based on the above, our Board is optimistic about the future prospects of our Group given the long term positive outlook of the industrial adhesive, emulsion polymer and sealant industry in Malaysia and Vietnam as set out in the IMR Report in Section 8, our Group's competitive strengths set out in Section 7.4 and our Group's intention to implement the business strategies as set out in Section 7.5.

12.16 DIVIDEND POLICY

Our Group presently does not have any formal dividend policy and the declaration of dividends and other distribution are subject to the discretion of our Board. It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business.

As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries will require its financiers' consent as set out in the respective facility agreements to pay dividends to our Company. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there are no legal, financial, or economic restrictions on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

12. FINANCIAL INFORMATION (cont'd)

During the Financial Years/Period Under Review and up to LPD, we declared the following dividends:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FPE 2026	1 June 2026 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Dividend declared	2,587	2,105	8,068	3,800	8,574	-	-
Dividend paid	2,587	2,105	8,068	1,000	11,374	-	-

There were no further dividends declared and/or paid up to LPD. Further to the above, we do not intend to declare and pay any dividends from LPD up to our Listing.

Any dividend declared will be at the discretion of our Board and any final dividends declared will be subject to approval of our shareholders at our AGM.

You should take note that this dividend policy merely describes our current intention and shall not constitute legally binding statements in respect of our future dividends that are subject to our Board's discretion.

When recommending the actual dividends for approval by shareholders or when declaring any interim dividends, our Board will consider, amongst others:

- (i) our anticipated future operating conditions as well as future expansion, capital expenditures and investment plans;
- (ii) our operating cash flow requirements and financing commitments;
- (iii) our expected financial performance including return on equity and retained earnings;
- (iv) any restrictive covenants contained in our current and future financing arrangements;
- (v) the availability of adequate reserves and cash flows; and
- (vi) any material impact of tax laws and regulatory requirements.

12. FINANCIAL INFORMATION (cont'd)**12.17 CAPITALISATION AND INDEBTEDNESS**

The table below summarises our capitalisation and indebtedness:

- (a) Based on latest unaudited combined financial information of our Group as at 31 July 2026; and
- (b) After adjusting for the effects of the Public Issue and utilisation of proceeds.

	Unaudited	I	II
	As at 31 July 2026	After Public Issue	After I and Utilisation of proceeds
	RM'000	RM'000	RM'000
Capitalisation			
Share capital	30,276	46,351	45,274
Total capitalisation	30,276	46,351	45,274
Indebtedness			
<u>Current</u>			
<u>Secured</u>			
Bankers' acceptances	2,179	2,179	2,179
Term loans	709	709	709
Hire purchase payables	292	292	292
<u>Non-current</u>			
<u>Secured</u>			
Term loans	5,969	5,969	5,969
Hire purchase payables	509	509	509
Total indebtedness	9,658	9,658	9,658
Total capitalisation and indebtedness	39,934	56,009	54,932
Debt-to-capital ratio (times) ⁽¹⁾	0.32	0.21	0.21

Note:

- (1) Calculated based on total indebtedness divided by total capitalisation.

12. FINANCIAL INFORMATION *(cont'd)*

12.18 Reporting Accountants' Assurance Report On Compilation Of Pro Forma Combined Statements Of Financial Position as at 31 May 2026



Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 6, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 George Town
Penang, Malaysia
Main +6 04 2277 061
Email info.pg@crowe.my
www.crowe.my

The Board of Directors
GB Bond Holdings Berhad
Third Floor, No. 77, 79 & 81,
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor

Dear Sirs,

GB BOND HOLDINGS BERHAD ("GB" OR "THE COMPANY") REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2026 INCLUDE IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of Pro Forma Combined Statements of Financial Position of GB and its subsidiaries (collectively known as "the Group" or "GB Group") prepared by the Board of Directors of the Company. The Pro Forma Combined Statements of Financial Position consists of the Combined Statements of Financial Position as at 31 May 2026 together with the accompanying notes thereon, for which we have stamped for the purpose of identification.

The application criteria on the basis of which the Board of Directors of the Company have compiled the Pro Forma Combined Statements of Financial Position are described in the notes thereon to the Pro Forma Combined Statements of Financial Position, and is prepared in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Note").

The Pro Forma Combined Statements of Financial Position have been compiled by the Board of Directors of the Company to illustrate the impact of the transactions as set out in notes to the Pro Forma Combined Statements of Financial Position as at 31 May 2026 as if the events have been effected on 31 May 2026. As part of this process, information about the Group's financial position as at 31 May 2026 has been extracted by the Board of Directors of the Company from the Group's audited financial statements for the financial period ended 31 May 2026.

THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling Pro Forma Combined Statements of Financial Position on the basis as described in the notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

12. FINANCIAL INFORMATION (cont'd)**REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL**

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

Our firm applies International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines about whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in notes thereon of the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with the International Standard on Assurance Engagement 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of the Company has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the Pro Forma Combined Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling Pro Forma Combined Statements of Financial Position.

The purpose of Pro Forma Combined Statements of Financial Position included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Combined Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Combined Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of Pro Forma Combined Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

12. FINANCIAL INFORMATION (cont'd)



OPINION

In our opinion, the Pro Forma Combined Statements of Financial Position of the Group has been compiled, in all material respects, on the basis as described in notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

OTHER MATTER

This letter has been prepared solely for the purpose stated above, in connection with the listing of and quotation for the entire enlarged issued share capital of GB on the ACE Market of Bursa Malaysia Securities Berhad. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

A handwritten signature in black ink, appearing to be "Pae", written over a large, loopy circular flourish.

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

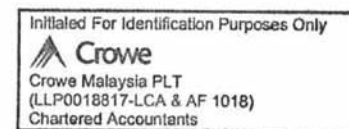
Penang

24 AUG 2026

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Eddy Chan Wai Hun
02182/10/2027 J
Chartered Accountant

12. FINANCIAL INFORMATION (cont'd)



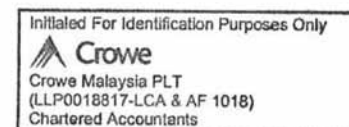
APPENDIX A

GB BOND HOLDINGS BERHAD

1. Pro Forma Combined Statements of Financial Position as at 31 May 2026

			Pro Forma I		Pro Forma II		Pro Forma III	
	Note	As at 31 May 2026* RM'000	Acquisitions RM'000	After Acquisitions RM'000	Public Issue RM'000	After Pro Forma I and Public Issue RM'000	Utilisation of Proceeds RM'000	After Pro Forma II and Utilisation of Proceeds RM'000
Non-current assets								
Property, plant and equipment		19,055	-	19,055	-	19,055	-	19,055
Right-of-use assets		343	-	343	-	343	-	343
Deferred tax assets		501	-	501	-	501	-	501
		19,899	-	19,899	-	19,899	-	19,899
Current assets								
Inventories		12,692	-	12,692	-	12,692	-	12,692
Receivables		13,615	-	13,615	-	13,615	-	13,615
Derivatives		13	-	13	-	13	-	13
Prepayments	8.1	3,405	-	3,405	-	3,405	(2,438)	967
Current tax assets		467	-	467	-	467	-	467
Cash and cash equivalents	8.2	12,410	-	12,410	16,075	28,485	(2,062)	26,423
		42,602	-	42,602	16,075	58,677	(4,500)	54,177
Current liabilities								
Payables		10,093	-	10,093	-	10,093	-	10,093
Loans and borrowings		2,238	-	2,238	-	2,238	-	2,238
Hire purchase payables		292	-	292	-	292	-	292
Lease liabilities		112	-	112	-	112	-	112
Current tax liabilities		485	-	485	-	485	-	485
		13,220	-	13,220	-	13,220	-	13,220
Net current assets		29,382	-	29,382	16,075	45,457	(4,500)	40,957
Non-current liabilities								
Loans and borrowings		6,090	-	6,090	-	6,090	-	6,090
Hire purchase payables		557	-	557	-	557	-	557
Lease liabilities		237	-	237	-	237	-	237
Deferred tax liabilities		1,091	-	1,091	-	1,091	-	1,091
		7,975	-	7,975	-	7,975	-	7,975
Net assets		41,306	-	41,306	16,075	57,381	(4,500)	52,881

12. FINANCIAL INFORMATION (cont'd)



APPENDIX A

GB BOND HOLDINGS BERHAD

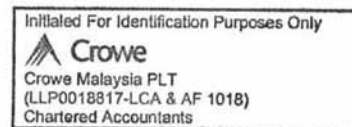
1. Pro Forma Combined Statements of Financial Position as at 31 May 2026 (cont'd)

			Pro Forma I		Pro Forma II		Pro Forma III	
	Note	As at 31 May 2026* RM'000	Acquisitions RM'000	After Acquisitions RM'000	Public Issue RM'000	After Pro Forma I and Public Issue RM'000	Utilisation of Proceeds RM'000	After Pro Forma II and Utilisation of Proceeds RM'000
Equity								
Share capital	8.3	[^]	30,276	30,276	16,075	46,351	(1,077)	45,274
Invested capital	8.4	1,100	(1,100)	-	-	-	-	-
Reorganisation reserve	8.5	-	(29,176)	(29,176)	-	(29,176)	-	(29,176)
Retained profits	8.6	40,206	-	40,206	-	40,206	(3,423)	36,783
Total equity		<u>41,306</u>	<u>-</u>	<u>41,306</u>	<u>16,075</u>	<u>57,381</u>	<u>(4,500)</u>	<u>52,881</u>
Number of ordinary shares ('000)	8.3	[^]		348,000	64,300	412,300		412,300
NA attributable to owners of the Company (RM'000)		41,306		41,306		57,381		52,881
NA per ordinary share (sen)		41,306,000		12		14		13
Gearing ratio (times)		0.22		0.22		0.16		0.17

Notes:

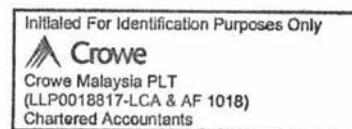
* Extracted from the Group's audited combined financial statements for the financial period ended 31 May 2026

[^] This represents 100 shares of RM1.00 each in GB Bond Holdings Berhad

12. FINANCIAL INFORMATION (cont'd)**APPENDIX A****GB BOND HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026 (CONT'D)****2. Abbreviation**

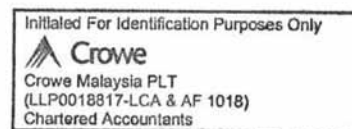
Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:

ACE Market	: ACE Market of Bursa Securities
Acquisition of 49% of Purebond Adhesive	: Acquisition by GB Chemical of 49% equity interest of Purebond Adhesive from Supermulti Team for a total purchase consideration of RM606,581.40, which was entirely satisfied via the issuance and allotment of 6,972,200 new GB Shares at an issue price of RM0.0870 each
	The Acquisition of 49% of Purebond Adhesive was completed on 23 July 2026
Acquisition of GB Bond	: Acquisition by GB of the entire equity interest of GB Bond from the Vendors for a total purchase consideration of RM10,200,960.71, which was entirely satisfied via the issuance and allotment of 117,252,422 new GB Shares at an issue price of RM0.0870 each
	The Acquisition of GB Bond was completed on 23 July 2026
Acquisition of GB Chemical	: Acquisition by GB of the entire equity interest of GB Chemical from the Vendors for a total purchase consideration of RM19,468,449.19, which was entirely satisfied via the issuance and allotment of 223,775,278 new GB Shares at an issue price of RM0.0870 each
	The Acquisition of GB Chemical was completed on 23 July 2026
Acquisitions	: Collectively, the Acquisition of GB Chemical, Acquisition of GB Bond and Acquisition of 49% of Purebond Adhesive
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Dato' Gooi	: Dato' Gooi Ching Koay, being a Promoter, Specified Shareholder, substantial shareholder, Selling Shareholder and Managing Director of the Company
GB or Company	: GB Bond Holdings Berhad (Registration No. 202501019253 (1620666-T))
GB Bond	: GB Bond Sdn Bhd (Registration No. 201301007688 (1037529-T)), a wholly owned subsidiary of the Company
GB Chemical	: GB Chemical (M) Sdn Bhd (Registration No. 200001027230 (529837-H)), a wholly owned subsidiary of the Company

12. FINANCIAL INFORMATION (cont'd)**APPENDIX A****GB BOND HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026 (CONT'D)****2. Abbreviation (cont'd)**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (cont'd):

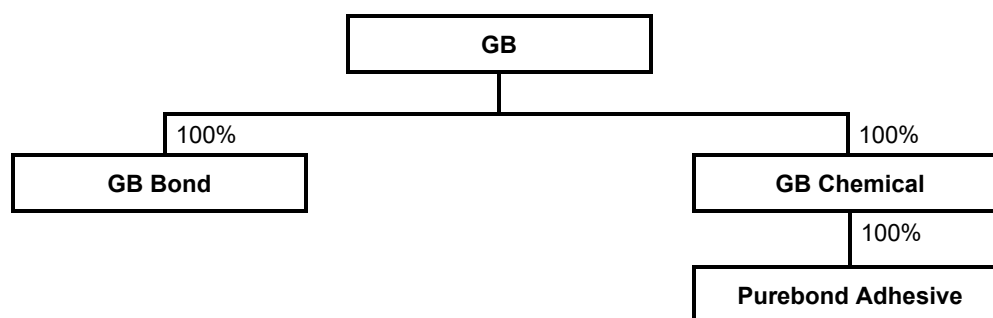
GB Group or Group	: GB and its subsidiaries, collectively
GB Shares or Shares	: Ordinary shares in GB
IPO	: Initial public offering comprising the Public Issue and Offer for Sale, collectively
IPO Price	: Issue / Offer price of RM0.25 per share under the Public Issue and Offer For Sale
IPO Share(s)	: Collectively, the Issue Share(s) and the Offer Share(s)
Issue Share(s)	: 64,300,000 new Shares to be issued under the Public Issue
Listing	: Admission of GB to the Official List of Bursa Securities and the listing and quotation of its entire enlarged issued share capital comprising 412,300,000 Shares on the ACE Market
Malaysian Public	: Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia but excludes Directors of our Group, our substantial shareholders and person connected with them
Lee Kim Wei	: Lee Kim Wei, being a Promoter, Specified Shareholder, substantial shareholder, and Executive Director of the Company
MITI	: Ministry of Investment, Trade and Industry
NA	: Net assets
Offer for Sale	: Offer for sale by the Selling Shareholder of 42,880,000 Offer Shares at the IPO Price
Offer Share(s)	: The existing Shares to be offered by the Selling Shareholder pursuant to the Offer for Sale
Prospectus	: This Prospectus in relation to the IPO
Public Issue	: Public issue of 64,300,000 Issue Shares at the IPO Price
Purebond Adhesive	: Purebond Adhesive (M) Sdn Bhd (Registration No. 201101015731 (943865-X)), a subsidiary of GB Chemical
Selling Shareholder	: Dato' Gooi
Supermulti Team	: Supermulti Team Sdn Bhd (Registration No. 201101015782 (943916-W))
Vendors	: Collectively, Dato' Gooi and Lee Kim Wei
RM and sen	: Ringgit Malaysia and sen, respectively

12. FINANCIAL INFORMATION (cont'd)**APPENDIX A****GB BOND HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2026 (CONT'D)****3. Introduction**

The Pro Forma Combined Statements of Financial Position of the Group as at 31 May 2026 together with the notes thereon, for which the Board of Directors of the Company ("the Directors") are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus of the Company to be issued in conjunction with the listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities and should not be relied upon for any other purposes.

4. Group structure

The group structure of GB after the Acquisitions will be as follows:

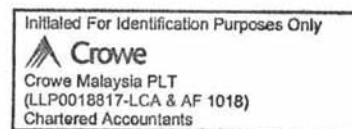


The financial positions of GB Group are combined using the merger method as the companies are under common control by the same parties, both before and after the Acquisitions, and control is not transitory. When the merger method is used, the difference between the cost of investment recorded by GB (i.e. the consideration for the Acquisitions) and the share capital of GB Chemical, GB Bond and Purebond Adhesive is accounted for as re-organisation reserve in the Pro Forma Combined Statements of Financial Position, as follows:

	RM'000
New shares issued by the Company as consideration for the Acquisitions	30,276
Less: Reversal of issued share capital as at 31 May 2026 of:	
- GB Chemical	(1,000)
- GB Bond	(100)
- 49% of Purebond Adhesive	*
	(1,100)
Reorganisation reserve	<u>29,176</u>

Note:

* Less than RM1,000

12. FINANCIAL INFORMATION (cont'd)**APPENDIX A****GB BOND HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026 (CONT'D)****5. Basis of Preparation**

The Pro Forma Combined Statements of Financial Position have been prepared based on the audited combined statements of financial position of the Group as at 31 May 2026, which was prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, and in a manner consistent with the format of the financial statements and the accounting policies of the Group.

The Pro Forma Combined Statements of Financial Position together with the related notes thereon, have been prepared solely to illustrate the impact of the events and transactions set out in Note 6 to the Pro Forma Combined Statements of Financial Position on the audited financial statements of the Group as at 31 May 2026 had the events occurred or transactions been undertaken on 31 May 2026.

The financial statements used in preparation of this Pro Forma Combined Statements of Financial Position as at 31 May 2026 were not subject to any qualification, modification or disclaimer of opinion.

The Pro Forma Combined Statements of Financial Position are not necessary indicative of the financial position that would have been attained had the IPO actually occurred at the respective dates. The Pro Forma Combined Statements of Financial Position have been prepared for illustrative purpose only, and because of this nature, may not give a true picture of the actual financial position of the Group.

6. Listing scheme

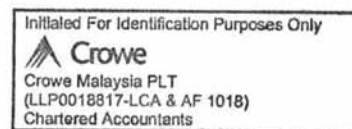
The following proposals were undertaken in conjunction with, and as an integral part of the Listing:

6.1 Acquisition of GB Bond and Acquisition of GB Chemical

On 14 August 2025, the Company had entered into a conditional share sale agreement with Dato' Gooi and Lee Kim Wei to acquire the entire equity interest in GB Bond comprising 100,000 ordinary shares for a total purchase consideration of RM10,200,960.71 and the entire equity interest in GB Chemical comprising 1,000,000 ordinary shares for a total purchase consideration of RM19,468,449.19.

The total purchase consideration of RM10,200,960.71 for the Acquisition of GB Bond, being approximately the audited NA of GB Bond as at 31 December 2024, shall be satisfied by the issuance of 117,252,422 new GB shares at an issue price of RM0.0870 per Share in the following proportions:

Shareholders	No. of shares in GB Bond	%	No. of Consideration Shares issued
Dato' Gooi	85,000	85.00	99,664,559
Lee Kim Wei	15,000	15.00	17,587,863
Total	100,000	100.00	117,252,422

12. FINANCIAL INFORMATION (cont'd)**APPENDIX A****GB BOND HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026 (CONT'D)****6. Listing scheme (Cont'd)****6.1 Acquisition of GB Bond and Acquisition of GB Chemical (Cont'd)**

The total purchase consideration of RM19,468,449.19 for the Acquisition of GB Chemical, being approximately the adjusted NA of GB Chemical as at 31 December 2024, shall be satisfied by the issuance of 223,775,278 new GB shares at an issue price of RM0.0870 per Share in the following proportions:

Shareholders	No. of shares in GB Chemical	%	No. of Consideration Shares issued
Dato' Gooi	909,080	90.91	203,434,105
Lee Kim Wei	90,920	9.09	20,341,173
Total	1,000,000	100.00	223,775,278

The Acquisition of GB Bond and Acquisition of GB Chemical were completed on 23 July 2026 and consequently, GB Bond and GB Chemical became wholly owned subsidiaries of the Company.

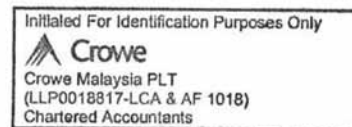
6.2 Acquisition of 49% of Purebond Adhesive

On 14 August 2025, the Company, GB Chemical and Supermulti Team entered into a tri-partite conditional share sale agreement to which GB Chemical will acquire 49% equity interest in Purebond Adhesive comprising 490 ordinary shares for a purchase consideration of RM606,581.40. GB will settle the purchase consideration on behalf of GB Chemical through an issuance of 6,972,200 new GB shares to Supermulti Team at an issue price of RM0.0870 per Share.

The total purchase consideration of RM606,581.40, being 49% of the audited NA of Purebond Adhesive as at 31 December 2024 of RM1,238,309.00

The Acquisition of 49% of Purebond Adhesive was completed on 23 July 2026 and consequently, Purebond Adhesive became a wholly owned subsidiary of GB Chemical.

12. FINANCIAL INFORMATION (cont'd)



APPENDIX A

GB BOND HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2026 (CONT'D)

6. Listing scheme (Cont'd)

6.3 IPO

The IPO comprises the following:

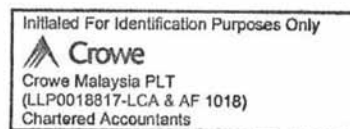
- (i) Public Issue of 64,300,000 Issue Shares in the following manner:
 - (a) 20,615,000 Issue Shares for application by the Malaysian Public;
 - (b) 4,123,000 Issue Shares for application by the eligible directors, employees and persons who have contributed to the success of the Group;
 - (c) 39,562,000 Issue Shares by way of private placement to Bumiputera investors approved by MITI; and
- (ii) Offer for Sale of 42,880,000 Offer Shares by way of private placement in the following manner:
 - (a) 11,975,500 Offer Shares to Bumiputera investors approved by MITI; and
 - (b) 30,904,500 Offer Shares to selected investors

at IPO Price.

Upon completion of the Public Issue, the share capital of GB shall increase from RM 30,276,091 comprising 348,000,000 shares to RM46,351,091 comprising 412,300,000 shares in GB.

6.4 Listing on Bursa Securities

The admission of GB to the Official List of Bursa Securities, and the entire enlarged issued share capital of RM46,351,091 (before deducting the estimated listing expenses directly attributable to the issuance of new shares in GB) comprising 412,300,000 shares in GB shall be listed on the ACE Market of Bursa Securities upon completion of the IPO.

12. FINANCIAL INFORMATION (cont'd)**APPENDIX A****GB BOND HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026 (CONT'D)****7. Pro Forma Adjustments to the Pro Forma Combined Statements of Financial Position**

The Pro Forma Combined Statements of Financial Position as at 31 May 2026 have been prepared solely for illustration purposes only to show the effects of the following transactions based on the assumptions that they had been undertaken on 31 May 2026:

7.1 Pro Forma I

Pro Forma I incorporates the effects after the Acquisitions as set out in Section 6.

7.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and effect of the Public Issue as set out in Section 6.3 above.

7.3 Pro Forma III

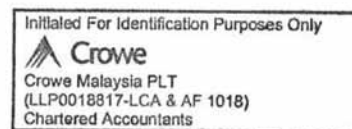
Pro Forma III incorporates the effects of Pro Forma I, Pro Forma II and effect of the utilisation of the proceeds from the Public Issue. The proceeds from Public Issue are intended to be used as follows:

Utilisation of proceeds	RM'000	%	Estimated timeframe for utilisation
Rental and purchase of machinery and equipment for new factory ⁽¹⁾	5,500	34.21	Within 36 months
Expansion to Vietnam ⁽¹⁾	3,500	21.77	Within 36 months
Working capital ⁽¹⁾	1,175	7.31	Within 24 months
Purchase of equipment for product formulation ⁽¹⁾	900	5.60	Within 24 months
Marketing expenses for products ⁽¹⁾	500	3.11	Within 24 months
Listing expenses ⁽²⁾	4,500	28.00	Within 1 month
Total	16,075	100.00	

Notes:

(1) These utilisations of proceeds are not adjusted in the Pro Forma III as they are not supported by any purchase order, sale and purchase agreement or any other contractual binding agreement, and hence, they remained in the cash and cash equivalents.

(2) The estimated listing expenses to be borne by the Company are estimated to be RM4.50 million comprising professional fees, underwriting commission, brokerage fees and placement fees and miscellaneous expenses. A total of RM1.08 million is assumed to be directly attributable to the issuance of new shares and therefore will be set off against share capital. The remaining expenses of RM3.42 million are assumed to be attributable to the listing and therefore charged to the statements of profit or loss and other comprehensive income. As at 31 May 2026, RM2.44 million has been paid and debited into prepayments.

12. FINANCIAL INFORMATION (cont'd)**APPENDIX A****GB BOND HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026 (CONT'D)****8. Effects on the Pro Forma Combined Statements of Financial Position****8.1 Prepayments****RM'000**

As at 31 May 2026 / As per Pro Forma I and II	3,405
Pursuant to prepaid listing expenses ^(#)	(2,438)
As per Pro Forma III	<u>967</u>

Note:

^(#) As at 31 May 2026, RM2.44 million of listing expenses have been recognised as prepayments. The listing expenses will be offset against share capital and expense off to profit or loss upon Listing.

8.2 Cash and cash equivalents**RM'000**

As at 31 May 2026 / As per Pro Forma I	12,410
Pursuant to Public Issue	16,075
As per Pro Forma II	<u>28,485</u>
Pursuant to estimated listing expenses ^(*)	(2,062)
As per Pro Forma III	<u>26,423</u>

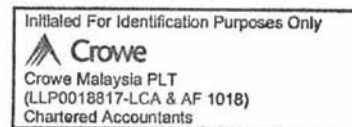
^(*) The estimated listing expenses to be borne by the Company are estimated to be RM4.50 million comprising professional fees, underwriting commission, brokerage fees and placement fees and miscellaneous expenses of which RM2.44 million has been paid.

8.3 Share capital

	Number of Ordinary Shares (^{'000})	Amount of Share Capital RM'000
As at 31 May 2026	#	^
Pursuant to Acquisitions	348,000	30,276
As per Pro Forma I	348,000	30,276
Pursuant to Public Issue	64,300	16,075
As per Pro Forma II	412,300	46,351
Estimated listing expenses (Section 7.3)	-	(1,077)
As per Pro Forma III	<u>412,300</u>	<u>45,274</u>

Represent 100 ordinary shares

^ Represent RM100

12. FINANCIAL INFORMATION (cont'd)**APPENDIX A****GB BOND HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026 (CONT'D)****8. Effects on the Pro Forma Combined Statements of Financial Position (cont'd)****8.4 Invested capital****RM'000**

As at 31 May 2026	1,100
Pursuant to Acquisitions	(1,100)
As per Pro Forma I, II and III	<u>-</u>

8.5 Reorganisation reserve**RM'000**

As at 31 May 2026	-
Pursuant to Acquisitions	(29,176)
As per Pro Forma I, II and III	<u>(29,176)</u>

8.6 Retained profits**RM'000**

As at 31 May 2026 / As per Pro Forma I and II	40,206
Estimated listing expenses (Section 7.3)	(3,423)
As per Pro Forma III	<u>36,783</u>

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12. FINANCIAL INFORMATION *(cont'd)*

APPENDIX A

GB BOND HOLDINGS BERHAD

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated **24 AUG 2026**

On behalf of the Board of Directors,


Dato' Gooi Ching Koay


Lee Kim Wei

13. ACCOUNTANTS' REPORT



Crowe Malaysia PLT
 201906000005 (LLP0018817-LCA) & AF 1018
 Chartered Accountants
 Level 6, Wisma Penang Garden
 42 Jalan Sultan Ahmad Shah
 10050 George Town
 Penang, Malaysia
 Main +6 04 2277 061
 Email info.pg@crowe.my
www.crowe.my

The Board of Directors
GB Bond Holdings Berhad
 Third Floor, No. 77, 79 & 81,
 Jalan SS21/60, Damansara Utama
 47400 Petaling Jaya
 Selangor

Dear Sirs

REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF GB BOND HOLDINGS BERHAD ("GB" OR "THE COMPANY")

Opinion

We have audited the financial information of GB and its subsidiaries ("the Group"), which comprise the combined statements of financial position as at 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026 and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for each of the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, 31 December 2025 and the financial period ended 31 May 2026 and notes to the combined financial statements, including material accounting policy information, as set out on pages 4 to 55.

This historical financial information has been prepared for inclusion in the prospectus of GB in connection with the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("the Prospectus"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia ("the Guidelines") and is given for the purpose of complying with the Guidelines and for no other purposes.

In our opinion, the financial information gives a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026 and of their financial performance and their cash flows for each of the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, 31 December 2025 and the financial period ended 31 May 2026 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 *Reporting Accountants' Responsibilities for the Audit* of the financial information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

13. ACCOUNTANTS' REPORT (cont'd)**Independence and other ethical responsibilities**

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

Responsibilities of the Directors for the financial information

The Directors of GB are responsible for the preparation of the financial information of the Group that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information of the Group that is free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Group, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

Reporting accountants' responsibility for the audit of financial information

Our objectives are to obtain reasonable assurance about whether the financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 this financial information.

As a 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 information of the Group, 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

13. ACCOUNTANTS' REPORT (cont'd)



Reporting accountants' responsibility for the audit of financial information (cont'd)

- Evaluate the overall presentation, structure and content of the financial information of the Group, including the disclosures, and whether the financial information of the Group represents 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 financial information of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

The significant events during and subsequent to the end of the financial period ended 31 May 2026 have been disclosed in Note 32 to the combined financial statements.

Restriction on distribution and use

This report is made solely to the Group for inclusion in the Prospectus to be issued in relation to the listing of and quotation for the entire enlarged issue share capital on the ACE Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. We do not assume responsibility to any other person for the content of this report.

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

Penang

24 AUG 2026

Eddy Chan Wai Hun
02182/10/2027 J
Chartered Accountant

13. ACCOUNTANTS' REPORT *(cont'd)*
GB BOND HOLDINGS BERHAD
COMBINED STATEMENTS OF FINANCIAL POSITION

	Note	31-Dec-21 RM'000	31-Dec-22 RM'000	31-Dec-23 RM'000	31-Dec-24 RM'000	31-Dec-25 RM'000	31-May-26 RM'000
Non-current assets							
Property, plant and equipment	4	14,662	13,248	17,619	21,116	19,547	19,055
Investment properties	5	6,237	-	-	-	-	-
Right-of-use assets	6	335	269	189	69	281	343
Other investments	7	-	-	978	1,233	-	-
Deferred tax assets	8	16	25	81	30	52	501
		<u>21,250</u>	<u>13,542</u>	<u>18,867</u>	<u>22,448</u>	<u>19,880</u>	<u>19,899</u>
Current assets							
Assets held for sale	9	-	6,150	5,677	7,033	-	-
Inventories	10	10,167	9,687	8,723	10,115	10,617	12,692
Receivables	11	17,483	15,606	13,242	11,570	11,350	13,615
Derivatives	12	-	-	-	1	-	13
Prepayments		966	657	764	721	2,233	3,405
Current tax assets		1,217	1,575	792	548	804	467
Cash and cash equivalents	13	7,206	9,804	10,060	9,319	10,721	12,410
		<u>37,039</u>	<u>43,479</u>	<u>39,258</u>	<u>39,307</u>	<u>35,725</u>	<u>42,602</u>
Current liabilities							
Payables	14	12,037	9,945	12,073	12,479	7,622	10,093
Loans and borrowings	15	5,667	6,092	3,652	2,530	2,896	2,238
Hire purchase payables	16	300	379	494	479	286	292
Lease liabilities	17	97	101	123	71	90	112
Derivatives	12	-	10	1	-	49	-
Contract liabilities	18	24	-	-	-	-	-
Current tax liabilities		-	-	1,522	422	60	485
		<u>18,125</u>	<u>16,527</u>	<u>17,865</u>	<u>15,981</u>	<u>11,003</u>	<u>13,220</u>
Net current assets		18,914	26,952	21,393	23,326	24,722	29,382

13. ACCOUNTANTS' REPORT *(cont'd)*
GB BOND HOLDINGS BERHAD
COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	31-Dec-21 RM'000	31-Dec-22 RM'000	31-Dec-23 RM'000	31-Dec-24 RM'000	31-Dec-25 RM'000	31-May-26 RM'000
Non-current liabilities							
Loans and borrowings	15	15,062	14,479	7,915	7,149	6,389	6,090
Hire purchase payables	16	1,018	1,015	1,394	1,002	681	557
Lease liabilities	17	239	173	72	-	193	237
Deferred tax liabilities	8	653	639	333	499	587	1,091
		<u>16,972</u>	<u>16,306</u>	<u>9,714</u>	<u>8,650</u>	<u>7,850</u>	<u>7,975</u>
Net assets		<u>23,192</u>	<u>24,188</u>	<u>30,546</u>	<u>37,124</u>	<u>36,752</u>	<u>41,306</u>
Equity							
Invested capital	19	1,100	1,100	1,100	1,100	1,100	1,100
Retained profits		<u>22,092</u>	<u>23,088</u>	<u>29,446</u>	<u>36,024</u>	<u>35,652</u>	<u>40,206</u>
Total equity		<u>23,192</u>	<u>24,188</u>	<u>30,546</u>	<u>37,124</u>	<u>36,752</u>	<u>41,306</u>

13. ACCOUNTANTS' REPORT *(cont'd)*
GB BOND HOLDINGS BERHAD
COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Year ended 31-Dec-21 RM'000	Year ended 31-Dec-22 RM'000	Year ended 31-Dec-23 RM'000	Year ended 31-Dec-24 RM'000	Year ended 31-Dec-25 RM'000	Period ended 31-May-26 RM'000
Revenue	20	55,352	58,872	53,818	56,338	52,439	24,346
Cost of goods sold		(39,728)	(44,284)	(36,631)	(34,742)	(31,342)	(13,314)
Gross profit		15,624	14,588	17,187	21,596	21,097	11,032
Other income		990	4,853	14,189	3,510	764	126
Administrative and general expenses		(5,246)	(10,802)	(9,392)	(6,868)	(6,838)	(2,852)
Selling and distribution expenses		(3,499)	(3,511)	(3,363)	(3,807)	(3,863)	(1,927)
Finance costs		(620)	(1,099)	(767)	(722)	(581)	(223)
Impairment losses on financial assets	21	(8)	-	-	(122)	(56)	(90)
Loss on derecognition of financial assets measured at amortised cost		(4)	-	(13)	-	-	(3)
Profit before tax	22	7,237	4,029	17,841	13,587	10,523	6,063

13. ACCOUNTANTS' REPORT *(cont'd)*
GB BOND HOLDINGS BERHAD
COMBINED STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

	Note	Year ended 31-Dec-21 RM'000	Year ended 31-Dec-22 RM'000	Year ended 31-Dec-23 RM'000	Year ended 31-Dec-24 RM'000	Year ended 31-Dec-25 RM'000	Period ended 31-May-26 RM'000
Tax expense	23	(838)	(928)	(3,415)	(3,209)	(2,321)	(1,509)
Profit for the financial year/period		<u>6,399</u>	<u>3,101</u>	<u>14,426</u>	<u>10,378</u>	<u>8,202</u>	<u>4,554</u>
Other comprehensive income for the financial year/period		-	-	-	-	-	-
Comprehensive income for the financial year/period		<u>6,399</u>	<u>3,101</u>	<u>14,426</u>	<u>10,378</u>	<u>8,202</u>	<u>4,554</u>
Basic earnings per share (RM)	24	<u>5.82</u>	<u>2.82</u>	<u>13.11</u>	<u>9.43</u>	<u>7.46</u>	<u>4.14</u>

13. ACCOUNTANTS' REPORT *(cont'd)***GB BOND HOLDINGS BERHAD****COMBINED STATEMENTS OF CHANGES IN EQUITY**

	Invested capital RM'000	Retained profits RM'000	Total equity RM'000
Balance at 1 January 2021	1,100	18,280	19,380
Dividends (representing total transactions with owners) (Note 25)	-	(2,587)	(2,587)
Profit (representing comprehensive income) for the financial year	-	6,399	6,399
Balance at 31 December 2021	<u>1,100</u>	<u>22,092</u>	<u>23,192</u>
Dividends (representing total transactions with owners) (Note 25)	-	(2,105)	(2,105)
Profit (representing comprehensive income) for the financial year	-	3,101	3,101
Balance at 31 December 2022	<u>1,100</u>	<u>23,088</u>	<u>24,188</u>
Dividends (representing total transactions with owners) (Note 25)	-	(8,068)	(8,068)
Profit (representing comprehensive income) for the financial year	-	14,426	14,426
Balance at 31 December 2023	<u>1,100</u>	<u>29,446</u>	<u>30,546</u>
Dividends (representing total transactions with owners) (Note 25)	-	(3,800)	(3,800)
Profit (representing comprehensive income) for the financial year	-	10,378	10,378
Balance at 31 December 2024	<u>1,100</u>	<u>36,024</u>	<u>37,124</u>
Dividends (representing total transactions with owners) (Note 25)	-	(8,574)	(8,574)
Profit (representing comprehensive income) for the financial year	-	8,202	8,202
Balance at 31 December 2025	<u>1,100</u>	<u>35,652</u>	<u>36,752</u>
Profit (representing comprehensive income) for the financial period	-	4,554	4,554
Balance at 31 May 2026	<u>1,100</u>	<u>40,206</u>	<u>41,306</u>

13. ACCOUNTANTS' REPORT (cont'd)
GB BOND HOLDINGS BERHAD
COMBINED STATEMENTS OF CASH FLOWS

	Note	Year ended 31-Dec-21 RM'000	Year ended 31-Dec-22 RM'000	Year ended 31-Dec-23 RM'000	Year ended 31-Dec-24 RM'000	Year ended 31-Dec-25 RM'000	Period ended 31-May-26 RM'000
Cash flows from operating activities							
Profit before tax		7,237	4,029	17,841	13,587	10,523	6,063
Adjustments for:							
Depreciation		999	1,053	1,149	1,498	1,609	663
Dividend income		-	-	(32)	(69)	(39)	-
Fair value losses/(gains) on financial instruments		-	10	27	(155)	112	(62)
Gain on disposal of assets held for sale		-	-	(9,850)	-	-	-
(Gain)/Loss on disposal of property, plant and equipment		(143)	(69)	-	(55)	(266)	3
Impairment losses on financial assets		8	-	-	122	56	90
Interest expense		620	1,099	767	644	508	184
Interest income		(37)	(62)	(212)	(127)	(110)	(55)
Inventories written down		-	3,164	279	760	217	256
Inventories written off		-	-	-	5	-	-
Loss on derecognition of financial assets measured at amortised cost		4	-	13	-	-	3
Property, plant and equipment written off		4	1,674	-	29	30	2
Reversal of inventories written down		-	-	-	(279)	(760)	(217)
Unrealised (gain)/loss on foreign exchange		(78)	(55)	(94)	75	(81)	10
Operating profit before working capital changes		8,614	10,843	9,888	16,035	11,799	6,940
Changes in:							
Assets held for sale		-	-	(5,677)	(1,356)	5,833	-
Inventories		(2,048)	(2,684)	685	(1,878)	41	(2,114)
Receivables		(3,343)	1,886	2,356	1,557	126	(2,361)

13. ACCOUNTANTS' REPORT *(cont'd)*
GB BOND HOLDINGS BERHAD
COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Year ended 31-Dec-21 RM'000	Year ended 31-Dec-22 RM'000	Year ended 31-Dec-23 RM'000	Year ended 31-Dec-24 RM'000	Year ended 31-Dec-25 RM'000	Period ended 31-May-26 RM'000
Changes in:							
Prepayments		47	309	(107)	43	(1,512)	(1,172)
Payables		842	(2,036)	2,220	(2,480)	(1,931)	2,464
Contract liabilities		(61)	(24)	-	-	-	-
Cash generated from operations		4,051	8,294	9,365	11,921	14,356	3,757
Interest received		37	62	212	127	110	55
Tax paid		(944)	(1,309)	(1,840)	(3,848)	(3,209)	(1,188)
Tax refunded		325	-	368	-	336	496
Net cash from operating activities		3,469	7,047	8,105	8,200	11,593	3,120
Cash flows from investing activities							
Acquisition of other investments		-	-	(1,014)	(102)	-	-
Acquisition of property, plant and equipment	26	(705)	(719)	(4,412)	(4,881)	(356)	(195)
Acquisition of right-of-use assets	26	-	(3)	-	-	-	-
Dividend received		-	-	32	69	39	-
Proceeds from disposal of assets held for sale		-	-	16,000	-	1,200	-
Proceeds from disposal of other investments		-	-	-	-	1,171	-
Proceeds from disposal of property, plant and equipment		461	75	2	707	974	70
Net cash (used in)/from investing activities		(244)	(647)	10,608	(4,207)	3,028	(125)

13. ACCOUNTANTS' REPORT *(cont'd)*
GB BOND HOLDINGS BERHAD
COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Year ended 31-Dec-21 RM'000	Year ended 31-Dec-22 RM'000	Year ended 31-Dec-23 RM'000	Year ended 31-Dec-24 RM'000	Year ended 31-Dec-25 RM'000	Period ended 31-May-26 RM'000
Cash flows from financing activities							
Dividend paid		(2,587)	(2,105)	(8,068)	(1,000)	(11,374)	-
Drawdown of term loans	26	1,078	-	-	1,053	-	-
Interest paid		(620)	(1,099)	(767)	(644)	(508)	(184)
Net increase/(decrease) in short-term loans and borrowings	26	1,694	515	(2,202)	(1,250)	531	(672)
Payment of hire purchase payables	26	(462)	(324)	(496)	(1,082)	(814)	(118)
Payment of lease liabilities	26	(104)	(106)	(119)	(124)	(122)	(47)
Repayment of term loans	26	(600)	(673)	(6,802)	(1,691)	(925)	(285)
Net cash used in financing activities		(1,601)	(3,792)	(18,454)	(4,738)	(13,212)	(1,306)
Currency translation differences		-	(10)	(3)	4	(7)	-
Net increase/(decrease) in cash and cash equivalents		1,624	2,598	256	(741)	1,402	1,689
Cash and cash equivalents brought forward		5,582	7,206	9,804	10,060	9,319	10,721
Cash and cash equivalents carried forward	13	7,206	9,804	10,060	9,319	10,721	12,410

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. General information**

GB Bond Holdings Berhad ("GB") was incorporated in Malaysia as a private limited company under the name of GB Bond Holdings Sdn. Bhd. on 5 May 2025 under the Companies Act 2016.

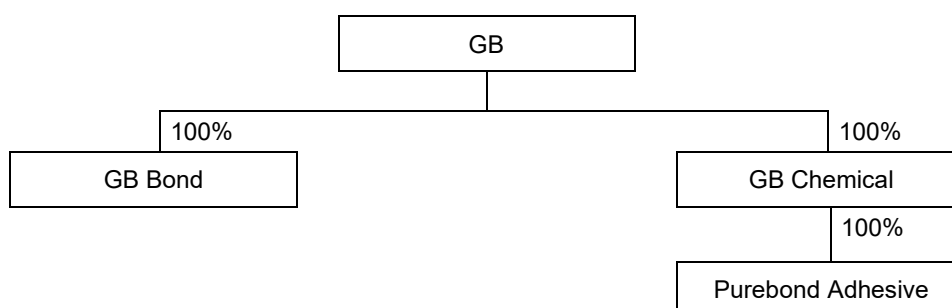
On 15 August 2025, GB was converted from a private company to public company limited by shares and assumed its present name of GB Bond Holdings Berhad.

As an integral part of listing of GB on the ACE Market of Bursa Malaysia Securities Berhad, GB:

- (i) entered into a conditional share sale agreement dated 14 August 2025 to acquire the entire issued share capital of GB Chemical (M) Sdn Bhd ("GB Chemical") comprising 1,000,000 ordinary shares for a total purchase consideration of RM19,468,449.19, which was entirely satisfied via the issuance of 223,775,278 new GB Shares at an issue price of RM0.0870. The Acquisition of GB Chemical was completed on 23 July 2026 and consequently GB Chemical became a wholly owned subsidiary of GB;
- (ii) entered into a conditional share sale agreement dated 14 August 2025 to acquire the entire issued share capital of GB Bond Sdn Bhd ("GB Bond") comprising 100,000 ordinary shares for a total purchase consideration of RM10,200,960.71, which was entirely satisfied via the issuance of 117,252,422 new GB Shares at an issue price of RM0.0870. The Acquisition of GB Bond was completed on 23 July 2026 and consequently GB Bond became a wholly owned subsidiary of GB;
- (iii) entered into a tri-partite conditional share sale agreement to which GB Chemical acquires 49% of the issued share capital of Purebond Adhesive (M) Sdn Bhd ("Purebond Adhesive") on 14 August 2025 comprising 490 ordinary shares from Supermulti Team Sdn Bhd ("Supermulti Team") for a total purchase consideration of RM606,581.40, which was entirely satisfied via the issuance of 6,972,200 new GB Shares at an issue price of RM0.0870. The Acquisition of 49% of Purebond Adhesive was completed on 23 July 2026 and consequently, Purebond Adhesive became a wholly owned subsidiary of GB Chemical.

As at the date of this report, the Acquisition of GB Chemical, the Acquisition of GB Bond and the Acquisition of 49% equity interest in Purebond Adhesive (collectively known as "the Acquisitions") have been completed on 23 July 2026. Accordingly, all relevant conditions precedent, including the approval from Bursa Securities for the Listing, have been fulfilled.

- (iv) The Group structure after the Acquisitions is as follows:



The principal activities, registered office and principal place of business of GB and the combining entities (collectively known as the "Group") are as follows:

Name of company	Principal activities	Registered office	Principal place of business
GB Bond Holdings Berhad	Investment holding	Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor	No. 1744, Jalan Industri 2, Kawasan Industri Bukit Panchor, 14300 Nibong Tebal, Pulau Pinang

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. General information (cont'd)**

Name of company	Principal activities	Registered office	Principal place of business
GB Chemical (M) Sdn Bhd	Manufacture of emulsion polymer products, industrial glues and adhesives, transport agent and providing transportation and related services and manufacturer of and dealer in all kinds of sealant products	Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor	No. 1744, Jalan Industri 2, Kawasan Perindustrian Bukit Panchor, 14300 Nibong Tebal, Pulau Pinang
GB Bond Sdn Bhd	Manufacture of emulsion polymer products and industrial glues	Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor	No. 21 & 23 Lorong Seruling 2, Kawasan Perindustrian Valdor, 14200 Sungai Jawi, Pulau Pinang
Purebond Adhesive (M) Sdn Bhd	Trading of chemical products	Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor	No. 2A, Tingkat Bawah & 1, Jalan Kemuning Prima D 33/D, Taman Kemuning Utama, Seksyen 33, 40400 Shah Alam, Selangor

2. Basis of preparation

As the Acquisitions were only completed on 23 July 2026, there are no consolidated financial statements of GB for financial years ended 31 December 2021, 2022, 2023, 2024 and 2025 and the financial period ended 31 May 2026 ("the relevant reporting period").

For the purpose of inclusion in the prospectus of GB in connection with the listing of and quotation for its entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad in accordance with the Chapter 10, Part II, Division 1 : Prospectus Guidelines issued by the Securities Commission Malaysia, the combined financial statements of GB, which are the combination or aggregation of the financial statements of the following combining entities, have been prepared based on the separate financial statements for the relevant reporting periods as follows:

Combining Entity	Relevant Reporting Periods	Accounting Standards Applied	Auditors
GB	FPE 31 May 2026 FPE 31 December 2025	MFRSs MFRSs	Crowe Malaysia PLT Crowe Malaysia PLT
GB Chemical	FPE 31 May 2026 FYE 31 December 2025 FYE 31 December 2024 FYE 31 December 2023 FYE 31 December 2022 FYE 31 December 2021	MFRSs MFRSs MFRSs MFRSs MFRSs MFRSs	Crowe Malaysia PLT Crowe Malaysia PLT Crowe Malaysia PLT Crowe Malaysia PLT Crowe Malaysia PLT Crowe Malaysia PLT
GB Bond	FPE 31 May 2026 FYE 31 December 2025 FYE 31 December 2024 FYE 31 December 2023 FYE 31 December 2022 FYE 31 December 2021	MFRSs MFRSs MFRSs MFRSs MFRSs MFRSs	Crowe Malaysia PLT Crowe Malaysia PLT Crowe Malaysia PLT Crowe Malaysia PLT Crowe Malaysia PLT Crowe Malaysia PLT

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****2. Basis of preparation (cont'd)**

Combining Entity	Relevant Reporting Periods	Accounting Standards Applied	Auditors
Purebond Adhesive	FPE 31 May 2026	MFRSs	Crowe Malaysia PLT
	FYE 31 December 2025	MFRSs	Crowe Malaysia PLT
	FYE 31 December 2024	MFRSs	Crowe Malaysia PLT
	FYE 31 December 2023	MFRSs	Crowe Malaysia PLT
	FYE 31 December 2022	MFRSs	Crowe Malaysia PLT
	FYE 31 December 2021	MFRSs	Crowe Malaysia PLT

Notes:

FYE = Financial year ended

FPE = Financial period ended

MFRSs = Malaysian Financial Reporting Standards

The combined financial statements of the Group for the relevant reporting period were prepared in a manner similar to the "pooling-of-interest" method, as if entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entities within the Group, if later. Such manner of presentation reflects the economic substance of the combining entities, which were under common control throughout the relevant reporting period.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory.

The financial statements of common controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases. The identified assets and liabilities of all commonly controlled entities are accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies by the Group.

Any excess or deficiency of the nominal value of the shares acquired is taken to the shareholders' equity as a merger reserve or deficit.

All material intra-group transactions and balances have been eliminated on combination.

The combined financial statements of the Group have been prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the material accounting policy information, and in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

The audited financial statements used to prepare the financial statements are not subject to any audit qualifications, modifications or disclaimers.

The following MFRSs became effective for the FPE 31 May 2026 under review:

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****2. Basis of preparation (cont'd)**

The Group has not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective for the financial period ended 31 May 2026:

<u>MFRS (issued as at the end of the reporting period)</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027

Except for the adoption of MFRS 18, management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18, which will replace MFRS 101 *Presentation of Financial Statements* upon its adoption, aims to provide better information about entities' financial performance and enhance financial reporting quality. The key changes introduced by MFRS 18 are:

- classification of income and expenses into five categories (i.e. operating, investing, financing, income taxes and discontinued operations);
- presentation of two defined subtotals (i.e. operating profit or loss and profit or loss before financing and income taxes) in the statement of profit or loss;
- disclosures about management-defined performance measures; and
- new principles for aggregation and disaggregation of information.

The Group will initially apply the new requirements of MFRS 18 in the financial year ending 31 December 2027.

2.1 Statement of compliance

The financial statements have been prepared in accordance with MFRS and IFRS.

2.2 Functional and presentation currency

The functional and presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

3. Material accounting policy information**3.1 Critical accounting estimates and judgements****Key sources of estimation uncertainty**

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 10).

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. Material accounting policy information (cont'd)****3.1 Critical accounting estimates and judgements (cont'd)*****Key sources of estimation uncertainty (cont'd)***Impairment of receivables

The Group recognises loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 11).

3.2 Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets acquired are not a business, the transaction or other event is accounted for as an asset acquisition.

Business combinations are accounted for using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:

- (a) the aggregate of:
 - (i) the acquisition-date fair value of the consideration transferred;
 - (ii) the amount of any non-controlling interests; and
 - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.
- (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

3.3 Basis of consolidationAcquisition method

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. Material accounting policy information (cont'd)****3.3 Basis of consolidation (cont'd)**

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

Merger method

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflects the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities has always combined since the date for which entities had come under common control.

The difference between cost of the merger and the share capital and capital reserves of the merger entities is reflected within equity as reorganisation reserve.

Intragroup balances, transactions, income and expenses are eliminated in full on consolidation.

3.4 Property, plant and equipment

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

Freehold land and capital work-in-progress are not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:

Buildings	2%
Furniture and fittings	10% - 12%
Motor vehicles	10% - 16%
Office equipment	10% - 33%
Plant and machinery	10% - 12%
Renovation	10%
Signboard	10%

3.5 Right-of-use assets and lease liabilities**(a) Short-term leases and leases of low-value assets**

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

(b) Right-of-use assets

Right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liabilities.

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

(c) Lease liabilities

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

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. Material accounting policy information (cont'd)****3.6 Inventories**

Inventories are valued at the lower of cost (determined principally on the first-in, first-out basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

3.7 Contract assets and contract liabilities

A contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

3.8 Financial instruments**(a) Financial assets**Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes include interest income.

Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial liabilitiesFinancial liabilities through profit or loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes include interest expense.

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. Property, plant and equipment

	Freehold land RM'000	Buildings RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Renovation RM'000	Signboard RM'000	Capital work-in-progress RM'000	Total RM'000
Cost										
Balance at 1 January 2021	4,010	7,877	137	2,194	206	2,401	513	3	-	17,341
Additions	-	-	2	1,227	37	71	368	-	-	1,705
Disposals/Write-offs	-	-	-	(611)	(20)	-	-	-	-	(631)
Balance at 31 December 2021	4,010	7,877	139	2,810	223	2,472	881	3	-	18,415
Additions	-	-	7	628	65	282	137	-	-	1,119
Disposals/Write-offs	-	(1,797)	-	(165)	(38)	(46)	(4)	(3)	-	(2,053)
Balance at 31 December 2022	4,010	6,080	146	3,273	250	2,708	1,014	-	-	17,481
Additions	-	1,991	17	1,181	74	1,373	633	-	133	5,402
Disposals/Write-offs	-	-	-	(3)	-	-	-	-	-	(3)
Balance at 31 December 2023	4,010	8,071	163	4,451	324	4,081	1,647	-	133	22,880
Additions	-	74	10	864	34	4,426	58	-	90	5,556
Disposals/Write-offs	-	-	(93)	(709)	(12)	(25)	-	-	-	(839)
Balance at 31 December 2024	4,010	8,145	80	4,606	346	8,482	1,705	-	223	27,597
Additions	-	55	1	461	66	51	22	-	-	656
Transfers	-	223	-	-	-	-	-	-	(223)	-
Disposals/Write-offs	-	-	(5)	(2,479)	(41)	(510)	(38)	-	-	(3,073)
Balance at 31 December 2025	4,010	8,423	76	2,588	371	8,023	1,689	-	-	25,180
Additions	-	-	2	-	64	106	23	-	-	195
Disposals/Write-offs	-	-	-	-	(9)	(104)	-	-	-	(113)
Balance at 31 May 2026	4,010	8,423	78	2,588	426	8,025	1,712	-	-	25,262

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. Property, plant and equipment (cont'd)

	Freehold land RM'000	Buildings RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Renovation RM'000	Signboard RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation										
Balance at 1 January 2021	-	441	104	1,179	142	1,248	137	1	-	3,252
Depreciation	-	158	13	329	21	210	79	-	-	810
Disposals/Write-offs	-	-	-	(293)	(16)	-	-	-	-	(309)
Balance at 31 December 2021	-	599	117	1,215	147	1,458	216	1	-	3,753
Depreciation	-	136	12	366	25	227	87	-	-	853
Disposals/Write-offs	-	(168)	-	(165)	(30)	(8)	(1)	(1)	-	(373)
Balance at 31 December 2022	-	567	129	1,416	142	1,677	302	-	-	4,233
Depreciation	-	125	4	496	32	256	116	-	-	1,029
Disposals/write-offs	-	-	-	(1)	-	-	-	-	-	(1)
Balance at 31 December 2023	-	692	133	1,911	174	1,933	418	-	-	5,261
Depreciation	-	163	5	628	37	378	167	-	-	1,378
Disposals/Write-offs	-	-	(91)	(57)	(2)	(8)	-	-	-	(158)
Balance at 31 December 2024	-	855	47	2,482	209	2,303	585	-	-	6,481
Depreciation	-	166	6	400	42	706	167	-	-	1,487
Disposals/Write-offs	-	-	(5)	(1,770)	(40)	(494)	(26)	-	-	(2,335)
Balance at 31 December 2025	-	1,021	48	1,112	211	2,515	726	-	-	5,633
Depreciation	-	70	2	125	122	192	101	-	-	612
Disposals/Write-offs	-	-	-	-	(6)	(32)	-	-	-	(38)
Balance at 31 May 2026	-	1,091	50	1,237	327	2,675	827	-	-	6,207
Carrying amount										
Balance at 1 January 2021	4,010	7,436	33	1,015	64	1,153	376	2	-	14,089
Balance at 31 December 2021	4,010	7,278	22	1,595	76	1,014	665	2	-	14,662
Balance at 31 December 2022	4,010	5,513	17	1,857	108	1,031	712	-	-	13,248
Balance at 31 December 2023	4,010	7,379	30	2,540	150	2,148	1,229	-	133	17,619
Balance at 31 December 2024	4,010	7,290	33	2,124	137	6,179	1,120	-	223	21,116
Balance at 31 December 2025	4,010	7,402	28	1,476	160	5,508	963	-	-	19,547
Balance at 31 May 2026	4,010	7,332	28	1,351	99	5,350	885	-	-	19,055

13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

4. Property, plant and equipment (cont'd)

The carrying amounts of property, plant and equipment pledged as security for credit facilities granted to the Group are as follows:

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Freehold land and buildings	11,288	9,523	11,389	11,300	11,412	11,342
Plant and machinery	-	-	-	1,160	1,043	995
	<u>11,288</u>	<u>9,523</u>	<u>11,389</u>	<u>12,460</u>	<u>12,455</u>	<u>12,337</u>

The Group leases certain building under operating leases for 1 year. The undiscounted lease payments to be received are as follows:

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Within 1 year	-	-	1,046	247	-	-

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13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

5. Investment properties

	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
Balance at 1 January 2021 / 31 December 2021	2,523	4,327	6,850
Transfer to assets held for sale	(2,523)	(4,327)	(6,850)
Balance at 31 December 2022 / 31 December 2023 / 31 December 2024 / 31 December 2025 / 31 May 2026	-	-	-
Accumulated depreciation			
Balance at 1 January 2021	-	526	526
Depreciation	-	87	87
Balance at 31 December 2021	-	613	613
Depreciation	-	87	87
Transfer to assets held for sale	-	(700)	(700)
Balance at 31 December 2022 / 31 December 2023 / 31 December 2024 / 31 December 2025 / 31 May 2026	-	-	-
Carrying amount			
Balance at 1 January 2021	2,523	3,801	6,324
Balance at 31 December 2021	2,523	3,714	6,237
Balance at 31 December 2022 / 31 December 2023 / 31 December 2024 / 31 December 2025 / 31 May 2026	-	-	-
Fair value			
Estimated fair value at 31 December 2021	4,600	5,400	10,000

The fair values of investment properties were determined based on management's estimates by reference to relevant market information.

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

5. Investment properties (cont'd)

The Group leases the investment properties to unrelated party for 3 years. The undiscounted lease payments to be received are as follows:

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Within 1 year	504	60	-	-	-	-
1 to 2 years	53	-	-	-	-	-
	<u>557</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. Right-of-use assets

	Building RM'000	Forklifts RM'000	Total RM'000
Balance at 1 January 2021	-	68	68
Remeasurement of lease liabilities	-	369	369
Depreciation	-	(102)	(102)
Balance at 31 December 2021	-	335	335
Additions	95	-	95
Depreciation	(21)	(92)	(113)
Derecognition	-	(48)	(48)
Balance at 31 December 2022	74	195	269
Remeasurement of lease liabilities	-	40	40
Depreciation	(32)	(88)	(120)
Balance at 31 December 2023	42	147	189
Depreciation	(32)	(88)	(120)
Balance at 31 December 2024	10	59	69
Remeasurement of lease liabilities	132	202	334
Depreciation	(33)	(89)	(122)
Balance at 31 December 2025	109	172	281
Remeasurement of lease liabilities	-	113	113
Depreciation	(14)	(37)	(51)
Balance at 31 May 2026	<u>95</u>	<u>248</u>	<u>343</u>

The Group leases the building as office for 2 years, with an option to extend for 1 year. The Group also leases the forklifts for 2 to 4 years.

13. ACCOUNTANTS' REPORT (cont'd)
GB BOND HOLDINGS BERHAD
NOTES TO THE COMBINED FINANCIAL STATEMENTS
7. Other investments

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Quoted shares - at fair value	-	-	978	1,233	-	-

The fair values of quoted investments were directly measured using their unadjusted closing prices in active markets.

8. Deferred tax assets and deferred tax liabilities

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Balance at 1 January	(648)	(637)	(614)	(252)	(469)	(535)
Deferred tax (expense)/income relating to origination and reversal of temporary differences	(36)	(16)	349	(188)	62	(31)
Deferred tax liabilities over/(under) provided in prior year	47	39	13	(29)	(128)	(24)
Balance at 31 December / 31 May	(637)	(614)	(252)	(469)	(535)	(590)
Disclosed as:						
- Deferred tax assets	16	25	81	30	52	501
- Deferred tax liabilities	(653)	(639)	(333)	(499)	(587)	(1,091)
	(637)	(614)	(252)	(469)	(535)	(590)
In respect of (taxable)/deductible temporary differences of:						
- Property, plant and equipment	(474)	(523)	(451)	(786)	(818)	(832)
- Investment properties	(141)	-	-	-	(43)	(46)
- Right-of-use assets	(258)	(106)	(75)	(101)	(136)	(101)
- Assets held for sale	-	(148)	-	-	-	-
- Inventories	-	-	67	182	86	105
- Financial instruments	7	97	108	164	665	867
- Lease liabilities	229	66	46	72	(289)	(583)
Unused capital allowances	-	-	6	-	-	-
Unused tax losses	-	-	47	-	-	-
	(637)	(614)	(252)	(469)	(535)	(590)

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

9. Assets held for sale

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
<u>Investment properties</u>						
Balance at 1 January						
- Freehold land	-	-	2,523	-	-	-
- Building	-	-	3,627	-	-	-
Transfer from investment property:						
- Freehold land	-	2,523	-	-	-	-
- Building	-	3,627	-	-	-	-
Disposal:						
- Freehold land	-	-	(2,523)	-	-	-
- Building	-	-	(3,627)	-	-	-
Balance at 31 December / 31 May	-	6,150	-	-	-	-
<u>Investment in subsidiaries</u>						
- Gooi Brothers United Sdn. Bhd.	-	-	200	200	-	-
- Gooi Brothers Capital Sdn. Bhd.	-	-	0	1,000	-	-
	-	-	200	1,200	-	-
<u>Amount owing from subsidiaries</u>						
- Gooi Brothers United Sdn. Bhd.	-	-	2,822	922	-	-
- Gooi Brothers Capital Sdn. Bhd.	-	-	2,655	4,911	-	-
	-	-	5,477	5,833	-	-
	-	6,150	5,677	7,033	-	-

In October 2022, the Group entered into a sale and purchase agreement to sell the freehold land and building. The sale was completed in February 2023.

Gooi Brothers United Sdn. Bhd. and Gooi Brothers Capital Sdn. Bhd. were wholly-owned subsidiaries of GB Chemical. The principal activities of Gooi Brothers United Sdn. Bhd. and Gooi Brothers Capital Sdn. Bhd. are investment holdings. The amounts owing by subsidiaries were fully settled on 30 June 2025.

On 1 August 2025, GB Chemical had entered into a share sale agreement with Dato' Gooi Ching Koay ("Dato' Gooi") to dispose the entire equity interest in Gooi Brothers Capital Sdn. Bhd. comprising 1,000,100 ordinary shares for a total purchase consideration of RM1,000,100 and the entire equity interest in Gooi Brothers United Sdn. Bhd. comprising 200,000 ordinary shares for a total purchase consideration of RM200,000 which was fully satisfied via cash, to Dato' Gooi.

Both the disposals of Gooi Brothers Capital Sdn. Bhd. and Gooi Brothers United Sdn. Bhd. were completed on 1 August 2025.

13. ACCOUNTANTS' REPORT (cont'd)
GB BOND HOLDINGS BERHAD
NOTES TO THE COMBINED FINANCIAL STATEMENTS
10. Inventories

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Raw materials	5,496	5,864	5,383	6,351	7,355	7,342
Finished goods	2,908	2,695	2,146	3,191	2,591	3,235
Goods-in-transit	1,763	1,128	1,194	573	671	2,115
	<u>10,167</u>	<u>9,687</u>	<u>8,723</u>	<u>10,115</u>	<u>10,617</u>	<u>12,692</u>
	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Inventories recognised as expenses	39,728	44,284	36,631	34,742	31,342	13,314
Inventories written off	-	-	-	5	-	-
Inventories written down	-	3,164	279	760	217	256
Reversal of inventories written down	-	-	-	279	760	217

11. Receivables

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Trade receivables:						
- Unrelated parties	17,174	13,191	13,149	11,491	11,288	13,648
- Loss allowance	(11)	-	-	(122)	(178)	(268)
	<u>17,163</u>	<u>13,191</u>	<u>13,149</u>	<u>11,369</u>	<u>11,110</u>	<u>13,380</u>
Other receivables	198	211	44	104	111	105
Deposits	67	23	49	97	129	130
Amounts due from director	55	972	-	-	-	-
Amounts due from other related parties*	-	1,209	-	-	-	-
	<u>17,483</u>	<u>15,606</u>	<u>13,242</u>	<u>11,570</u>	<u>11,350</u>	<u>13,615</u>

* Being companies in which a director has substantial financial interest

Trade receivables

The credit terms of trade receivables range from 30 to 120 days.

13. ACCOUNTANTS' REPORT *(cont'd)*
GB BOND HOLDINGS BERHAD
NOTES TO THE COMBINED FINANCIAL STATEMENTS
12. Derivatives

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Forward exchange contracts - at fair value						
- Current assets	-	-	-	1	-	13
- Current liabilities	-	(10)	(1)	-	(49)	-
	<u>-</u>	<u>(10)</u>	<u>(1)</u>	<u>1</u>	<u>(49)</u>	<u>13</u>

Forward exchange contracts are used to hedge the exposure to currency risk. The Group does not apply hedge accounting. As at 31 May 2026, the Group had contracts with financial institutions due within 1 year to buy USD562,939 (2025 : USD 548,419 / 2024 : USD22,000 / 2023 : USD31,000 / 2022 : USD51,000) and sell RM2,220,379 (2025 : RM2,273,847 / 2024 : RM99,000 / 2023 RM145,000 / 2022 : RM233,000) at contractual forward rates.

13. Cash and cash equivalents

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Cash and bank balances	7,206	9,104	10,060	9,319	10,721	12,410
Term deposits	-	700	-	-	-	-
	<u>7,206</u>	<u>9,804</u>	<u>10,060</u>	<u>9,319</u>	<u>10,721</u>	<u>12,410</u>

The effective interest rate of term deposit as at 31 December 2022 was 2.15% per annum.

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

14. Payables

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Trade payables	8,600	6,337	5,079	4,379	5,110	7,841
Other payables	1,468	2,286	4,019	2,511	1,040	1,053
Accruals	1,083	971	832	1,137	1,430	1,158
Deposits received	-	-	-	-	41	41
Amount due to shareholder	-	-	500	-	-	-
Amount due to director	886	351	1,640	4,452	-	-
Amount due to other related party*	-	-	3	-	1	-
	<u>12,037</u>	<u>9,945</u>	<u>12,073</u>	<u>12,479</u>	<u>7,622</u>	<u>10,093</u>

* Being a company in which a director has substantial financial interest

Trade and other payables

The credit terms of trade and other payables range from 60 to 90 days.

15. Loans and borrowings

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Secured						
Banker acceptances	4,613	5,128	2,926	1,676	2,207	1,535
Term loans	<u>16,116</u>	<u>15,443</u>	<u>8,641</u>	<u>8,003</u>	<u>7,078</u>	<u>6,793</u>
	<u>20,729</u>	<u>20,571</u>	<u>11,567</u>	<u>9,679</u>	<u>9,285</u>	<u>8,328</u>
Current liabilities	5,667	6,092	3,652	2,530	2,896	2,238
Non-current liabilities	<u>15,062</u>	<u>14,479</u>	<u>7,915</u>	<u>7,149</u>	<u>6,389</u>	<u>6,090</u>
	<u>20,729</u>	<u>20,571</u>	<u>11,567</u>	<u>9,679</u>	<u>9,285</u>	<u>8,328</u>

Secured loans and borrowings are secured against certain property, plant and equipment (Note 4).

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

15. Loans and borrowings (cont'd)

The effective interest rates of loans and borrowings at the end of the reporting period are as follows:

	31 Dec 2021 %	31 Dec 2022 %	31 Dec 2023 %	31 Dec 2024 %	31 Dec 2025 %	31 May 2026 %
Effective interest rates (per annum)	1.84 - 3.50	3.01 - 4.70	3.50 - 4.80	3.50 - 4.93	4.14 - 4.50	4.21 - 4.77

16. Hire purchase payables

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Current liabilities	300	379	494	479	286	292
Non-current liabilities	1,018	1,015	1,394	1,002	681	557
	<u>1,318</u>	<u>1,394</u>	<u>1,888</u>	<u>1,481</u>	<u>967</u>	<u>849</u>

The incremental borrowing rates applied to hire purchase as at the end of the reporting period are as follows:

	31 Dec 2021 %	31 Dec 2022 %	31 Dec 2023 %	31 Dec 2024 %	31 Dec 2025 %	31 May 2026 %
Effective interest rates (per annum)	3.98 - 8.25	3.98 - 8.25	3.98 - 8.25	3.98 - 5.82	4.09 - 5.82	4.09 - 5.82

17. Lease liabilities

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Current liabilities	97	101	123	71	90	112
Non-current liabilities	239	173	72	-	193	237
	<u>336</u>	<u>274</u>	<u>195</u>	<u>71</u>	<u>283</u>	<u>349</u>

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

17. Lease liabilities (cont'd)

The incremental borrowing rates applied to lease liabilities as at the end of the reporting period are as follows:

	31 Dec 2021 %	31 Dec 2022 %	31 Dec 2023 %	31 Dec 2024 %	31 Dec 2025 %	31 May 2026 %
Effective interest rates (per annum)	4.11 - 4.58	4.11	4.11	4.11	4.11 - 4.75	4.11 - 4.75

18. Contract liabilities

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Balance at 1 January	85	24	-	-	-	-
Revenue recognised from opening contract liabilities	(85)	(24)	-	-	-	-
Excess of consideration over revenue recognised	24	-	-	-	-	-
Balance at 31 December / 31 May	24	-	-	-	-	-

The Group generally satisfies its performance obligations at a point in time upon delivery of goods. Any consideration received or due in advance before a performance obligation is satisfied is presented as contract liability.

As a practical expedient, information about remaining performance obligations for contracts with original duration of one year or less has not been disclosed.

19. Invested capital

	Number of ordinary shares with no par value ('000)	RM'000
Issued and fully paid		
Balance at 1 January 2021 / 31 December 2021 / 31 December 2022 / 31 December 2023 / 31 December 2024 / 31 December 2025 / 31 May 2026	1,100	1,100

The holders of ordinary shares are entitled to receive dividends as and when declared by the Group and are entitled to one vote per ordinary share at meetings of the Group.

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****20. Revenue**

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
<u>At a point in time</u>						
Revenue from sale of goods	55,352	58,872	53,818	56,338	52,439	24,346
Disaggregated by major products:						
- Industrial adhesives	46,024	53,685	51,342	53,826	48,713	22,651
- Emulsion polymer	9,328	5,187	2,476	2,512	3,672	1,622
- Sealant	-	-	-	-	54	73
	55,352	58,872	53,818	56,338	52,439	24,346
Disaggregated by geographical areas:						
- Malaysia	45,178	51,965	49,414	51,740	47,680	22,470
- Vietnam	3,100	2,070	2,602	2,776	2,811	1,034
- Indonesia	1,472	1,857	738	735	573	565
- Thailand	2,011	1,944	609	524	529	167
- Others	3,591	1,036	455	563	846	110
	55,352	58,872	53,818	56,338	52,439	24,346

Revenue from sale of goods is recognised at a point in time when the Group satisfies a performance obligation by transferring a promised goods to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and acceptance by the customer.

There is no significant financing component in the revenue from contract with customers as the sales are made on the normal credit terms not exceeding twelve (12) months. There were no variable elements in the sales consideration and no warranties were given to the customers.

13. ACCOUNTANTS' REPORT (cont'd)
GB BOND HOLDINGS BERHAD
NOTES TO THE COMBINED FINANCIAL STATEMENTS
21. Impairment losses on financial assets

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Trade receivables from contracts with customers	(8)	-	-	(122)	(56)	(90)

22. Profit before tax

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Profit before tax is arrived at after charging:						
Auditors' remuneration	59	57	57	74	79	40
Depreciation of investment properties	87	87	-	-	-	-
Depreciation of property, plant and equipment	810	853	1,029	1,378	1,487	612
Depreciation of right-of-use assets	102	113	120	120	122	51
	999	1,053	1,149	1,498	1,609	663
Direct operating expenditure on investment properties generating rental income	99	89	-	-	-	-
Employee benefits expense (including key management personnel compensation as disclosed in Note 27):						
- Short-term employee benefits	5,750	6,748	7,130	8,007	8,298	3,526
- Defined contribution plans	646	769	783	848	887	431
	6,396	7,517	7,913	8,855	9,185	3,957
Fair value losses on financial instruments mandatorily measured at fair value through profit or loss	-	10	27	-	112	-
Interest expense for financial liabilities not measured at fair value through profit or loss	545	1,035	698	563	437	159
Interest expense for hire purchase payables	70	51	59	62	50	18
Interest expense for lease liabilities	5	13	10	19	21	7
Lease expense relating to short term leases	34	13	14	32	162	92

13. ACCOUNTANTS' REPORT (cont'd)
GB BOND HOLDINGS BERHAD
NOTES TO THE COMBINED FINANCIAL STATEMENTS
22. Profit before tax (cont'd)

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Loss on disposal of property, plant and equipment	-	-	-	-	-	3
Loss on foreign exchange:						
- Realised	-	-	-	-	11	17
- Unrealised	-	-	-	75	-	10
Property, plant and equipment written off	4	1,674	-	29	30	2
and crediting:						
Compensation for consequential loss	-	-	1,000	2,887	-	-
Compensation for loss of inventories	-	3,000	-	-	-	-
Compensation for loss of investment properties	-	-	824	-	-	-
Compensation for loss of property, plant and equipment	-	1,000	-	-	-	-
Dividend income	-	-	32	69	39	-
Fair value gains on financial instruments mandatorily measured at fair value through profit or loss	-	-	-	155	-	62
Gain on disposal of assets held for sale	-	-	9,850	-	-	-
Gain on disposal of property, plant and equipment	143	69	-	55	266	-
Gain on foreign exchange:						
- Realised	30	10	27	101	72	-
- Unrealised	78	55	94	-	81	-
Interest income for financial assets measured at amortised cost	37	62	212	127	110	55
Operating lease income from investment properties	504	504	66	120	-	-

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

23. Tax expense

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Tax based on results for the year:						
- Current tax	916	992	2,401	3,239	2,629	1,415
- Deferred tax	36	16	(349)	188	(62)	31
- Real property gains tax	-	-	1,094	-	-	-
	<u>952</u>	<u>1,008</u>	<u>3,146</u>	<u>3,427</u>	<u>2,567</u>	<u>1,446</u>
Tax (over)/under provided in prior year:						
- Current tax	(67)	(41)	282	(247)	(374)	39
- Deferred tax	(47)	(39)	(13)	29	128	24
	<u>838</u>	<u>928</u>	<u>3,415</u>	<u>3,209</u>	<u>2,321</u>	<u>1,509</u>

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year/period is as follows:

	FYE 31 Dec 2021 %	FYE 31 Dec 2022 %	FYE 31 Dec 2023 %	FYE 31 Dec 2024 %	FYE 31 Dec 2025 %	FPE 31 May 2026 %
Applicable tax rate	24.00	24.00	24.00	24.00	24.00	24.00
Non-taxable income	(0.46)	(1.77)	(0.06)	(0.22)	(0.63)	0.00
Non-deductible expenses	2.43	4.88	1.09	1.77	1.88	1.13
Tax incentives claimed	(11.66)	0.00	0.00	0.00	0.00	0.00
Effect of differential tax rates	<u>(1.16)</u>	<u>(2.09)</u>	<u>(7.40)</u>	<u>(0.33)</u>	<u>(0.86)</u>	<u>(1.28)</u>
Average effective tax rate	<u>13.15</u>	<u>25.02</u>	<u>17.63</u>	<u>25.22</u>	<u>24.39</u>	<u>23.85</u>

13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

24. Earnings per share

Basic

Basic earnings per share is calculated by dividing the Group's profit for the financial years/period by the weighted average number of ordinary shares in issue during the financial years/period as follows:

	FYE 31 Dec 2021	FYE 31 Dec 2022	FYE 31 Dec 2023	FYE 31 Dec 2024	FYE 31 Dec 2025	FPE 31 May 2026
Profit for the financial year/period (RM'000)	6,399	3,101	14,426	10,378	8,202	4,554
Weighted average number of share in issue ('000)	1,100	1,100	1,100	1,100	1,100	1,100
Basic earnings per share (RM)	5.82	2.82	13.11	9.43	7.46	4.14

The diluted earnings per share equals the basic earnings per share as there were no dilutive potential ordinary shares during the financial years/period.

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13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

25. Dividends

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
<u>GB Chemical</u>						
FYE 31 Dec 2021:	1,431	-	-	-	-	-
FYE 31 Dec 2022:	-	1,510	-	-	-	-
FYE 31 Dec 2023:	-	-	7,700	-	-	-
FYE 31 Dec 2024:	-	-	-	1,000	-	-
FYE 31 Dec 2025:	-	-	-	-	8,574	-
	<u>1,431</u>	<u>1,510</u>	<u>7,700</u>	<u>1,000</u>	<u>8,574</u>	<u>-</u>
<u>GB Bond</u>						
FYE 31 Dec 2021:	862	-	-	-	-	-
FYE 31 Dec 2022:	-	350	-	-	-	-
FYE 31 Dec 2024:	-	-	-	2,800	-	-
	<u>862</u>	<u>350</u>	<u>-</u>	<u>2,800</u>	<u>-</u>	<u>-</u>
<u>Purebond</u>						
FYE 31 Dec 2021:	294	-	-	-	-	-
FYE 31 Dec 2022:	-	245	-	-	-	-
FPE 31 Dec 2023:	-	-	368	-	-	-
	<u>294</u>	<u>245</u>	<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,587</u>	<u>2,105</u>	<u>8,068</u>	<u>3,800</u>	<u>8,574</u>	<u>-</u>

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13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

26. Notes to combined statements of cash flows

Acquisition of property, plant and equipment

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Cost of property, plant and equipment acquired	1,705	1,119	5,402	5,556	656	195
Amount financed by hire purchase	(1,000)	(400)	(990)	(675)	(300)	-
Net cash disbursed	<u>705</u>	<u>719</u>	<u>4,412</u>	<u>4,881</u>	<u>356</u>	<u>195</u>

Acquisition of right-of-use assets

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Cost of right-of-use assets acquired	-	95	-	-	-	-
Acquisition by means of leases	-	(92)	-	-	-	-
Net cash disbursed	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Term loans

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Balance at 1 January	15,638	16,116	15,443	8,641	8,003	7,078
Drawdowns	1,078	-	-	1,053	-	-
Repayments	(600)	(673)	(6,802)	(1,691)	(925)	(285)
Balance at 31 December / 31 May (Note 15)	<u>16,116</u>	<u>15,443</u>	<u>8,641</u>	<u>8,003</u>	<u>7,078</u>	<u>6,793</u>

13. ACCOUNTANTS' REPORT (cont'd)
GB BOND HOLDINGS BERHAD
NOTES TO THE COMBINED FINANCIAL STATEMENTS
26. Notes to combined statements of cash flows (cont'd)
Short-term loans and borrowings

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Balance at 1 January	2,919	4,613	5,128	2,926	1,676	2,207
Net cash flow changes	1,694	515	(2,202)	(1,250)	531	(672)
Balance at 31 December / 31 May (Note 15)	4,613	5,128	2,926	1,676	2,207	1,535

Hire purchase payables

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Balance at 1 January	780	1,318	1,394	1,888	1,481	967
Drawdowns	1,000	400	990	675	300	-
Repayments	(462)	(324)	(496)	(1,082)	(814)	(118)
Balance at 31 December / 31 May (Note 16)	1,318	1,394	1,888	1,481	967	849

Lease liabilities

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Balance at 1 January	71	336	274	195	71	283
Acquisition of right-of-use assets	-	92	-	-	-	-
Remeasurement from reassessment or lease modifications	369	-	40	-	334	113
Payments	(104)	(106)	(119)	(124)	(122)	(47)
Derecognition	-	(48)	-	-	-	-
Balance at 31 December / 31 May (Note 17)	336	274	195	71	283	349

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

26. Notes to combined statements of cash flows (cont'd)

The total cash outflow for leases is as follows:

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Operating activities						
Lease expense recognised in profit or loss (Note 22)	34	13	14	32	162	92
Investing activities						
Acquisition of right-of-use assets	-	3	-	-	-	-
Financing activities						
Interest portion of lease liabilities (Note 22)	5	13	10	19	21	7
Principal portion of lease liabilities	104	106	119	124	122	47
	<u>143</u>	<u>135</u>	<u>143</u>	<u>175</u>	<u>305</u>	<u>146</u>

27. Key management personnel compensation

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Directors of the Company:						
- Short-term employee benefits	1,049	1,131	1,148	1,165	1,736	714
- Defined contribution plans	190	207	218	221	313	134
	<u>1,239</u>	<u>1,338</u>	<u>1,366</u>	<u>1,386</u>	<u>2,049</u>	<u>848</u>
Director of subsidiary:						
- Short-term employee benefits	809	958	948	1,102	607	257
- Defined contribution plans	112	131	131	151	72	30
	<u>921</u>	<u>1,089</u>	<u>1,079</u>	<u>1,253</u>	<u>679</u>	<u>287</u>
Total directors' remuneration	<u>2,160</u>	<u>2,427</u>	<u>2,445</u>	<u>2,639</u>	<u>2,728</u>	<u>1,135</u>

13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

27. Key management personnel compensation (cont'd)

The estimated money value of benefits received or receivable by directors otherwise than in cash from the Group is as follows:

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Directors of the Company	38	37	37	37	47	22
Director of subsidiary	-	8	24	25	25	10
	<u>38</u>	<u>45</u>	<u>61</u>	<u>62</u>	<u>72</u>	<u>32</u>

28. Related party disclosures

Transactions with related parties during the relevant reporting period are as follows:

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Rental charged from director	-	4	4	4	2	-
Rental charged from other related party*	-	-	-	-	46	20
Sale of investments to director	-	-	-	-	2,371	-
Sale of property, plant and equipment to director	-	-	-	-	974	-

* Being a company in which a director has substantial financial interest

13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

29. Segment reporting

Operating segment

Information about operating segment has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely manufacture and sale of emulsion polymer products, industrial glue and adhesives.

Geographical information

The Group operates principally in Malaysia and generates revenue from the following geographical locations of customers:

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Malaysia	45,178	51,965	49,414	51,740	47,680	22,470
Vietnam	3,100	2,070	2,602	2,776	2,811	1,034
Indonesia	1,472	1,857	738	735	573	565
Thailand	2,011	1,944	609	524	529	167
Others	3,591	1,036	455	563	846	110
	<u>55,352</u>	<u>58,872</u>	<u>53,818</u>	<u>56,338</u>	<u>52,439</u>	<u>24,346</u>

Major customers

The Group did not have any major customer that contributed 10% or more of its total revenue.

30. Contractual commitments

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Acquisition of property, plant and equipment	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. Financial instruments

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and other price risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged throughout the relevant reporting period.

31.1 Financial risk management policies

Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manage its exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit risk concentration profile

The Group determines credit risk concentration in terms of geographical areas and counterparties.

The credit risk concentration profile by geographical areas of trade receivables as at the end of reporting period is as follows:

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Malaysia	13,891	10,879	10,230	10,108	9,787	12,083
Vietnam	2,760	1,903	2,823	1,243	1,253	1,221
Others	523	409	96	140	248	344
	<u>17,174</u>	<u>13,191</u>	<u>13,149</u>	<u>11,491</u>	<u>11,288</u>	<u>13,648</u>

13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

Credit risk (cont'd)

(i) Credit risk concentration profile (cont'd)

The Group's major concentration of credit risk relates to trade receivables that individually accounted for 10% or more of the Group's trade receivables as at the end of reporting period is as follows:

	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025	31 May 2026
Number of customer	1	1	1	1	1	-
Outstanding balance (RM'000)	2,124	1,903	2,823	1,244	1,253	-

(ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

Credit risk (cont'd)

(iii) Assessment of impairment losses (cont'd)

Trade receivables

The Group applies the simplified approach to measure the expected credit losses using a lifetime expected credit losses allowance for all trade receivables.

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 180 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

Allowance for impairment losses

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Balance at 1 January	3	11	-	-	122	178
Impairment losses	8	-	-	122	56	90
Write-offs	-	(11)	-	-	-	-
Balance at 31 December / 31 May	11	-	-	122	178	268

The following table details the credit exposure and loss allowances recognised for trade receivables. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31. Financial instruments (cont'd)****31.1 Financial risk management policies (cont'd)****Credit risk (cont'd)***Allowance for impairment losses (cont'd)*

	Gross amount RM'000	Lifetime individual allowance RM'000	Lifetime collective allowance RM'000	Carrying amount RM'000
31 May 2026				
Not past due	9,541	-	(99)	9,442
1 to 30 days past due	3,105	-	(57)	3,048
31 to 60 days past due	797	-	(54)	743
61 to 90 days past due	123	-	(10)	113
More than 90 days past due	82	-	(48)	34
	13,648	-	(268)	13,380
31 December 2025				
Not past due	8,279	-	(42)	8,237
1 to 30 days past due	2,328	-	(41)	2,287
31 to 60 days past due	514	-	(37)	477
61 to 90 days past due	60	-	(10)	50
More than 90 days past due	107	-	(48)	59
	11,288	-	(178)	11,110
31 December 2024				
Not past due	4,195	-	(79)	4,116
1 to 30 days past due	2,560	-	(23)	2,537
31 to 60 days past due	1,244	-	(13)	1,231
61 to 90 days past due	789	-	(5)	784
More than 90 days past due	2,703	-	(2)	2,701
	11,491	-	(122)	11,369
31 December 2023				
Not past due	2,640	-	-	2,640
1 to 30 days past due	2,964	-	-	2,964
31 to 60 days past due	658	-	-	658
61 to 90 days past due	281	-	-	281
More than 90 days past due	6,606	-	-	6,606
	13,149	-	-	13,149
31 December 2022				
Not past due	3,100	-	-	3,100
1 to 30 days past due	3,286	-	-	3,286
31 to 60 days past due	553	-	-	553
61 to 90 days past due	119	-	-	119
More than 90 days past due	6,133	-	-	6,133
	13,191	-	-	13,191
31 December 2021				
Not past due	8,462	-	-	8,462
1 to 30 days past due	4,879	-	-	4,879
31 to 60 days past due	3,666	-	-	3,666
61 to 90 days past due	70	-	-	70
More than 90 days past due	86	-	-	86
Credit-impaired	11	(11)	-	-
	17,174	(11)	-	17,163

The average credit loss rates were based on the payment profile of revenue over a period of 36 months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31. Financial instruments (cont'd)****31.1 Financial risk management policies (cont'd)****Credit risk (cont'd)**

(iii) Assessment of impairment losses (cont'd)

Other receivables

The Group applies the general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition.

Allowance for impairment losses

No expected credit loss is recognised on other receivables as it is negligible.

Cash and bank balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period as disclosed in the respective notes to the financial statements):

	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000
<u>31-May-26</u>					
Non-derivative financial liabilities					
Payables	10,093	10,093	10,093	-	-
Loans and borrowings	8,328	9,847	2,530	3,979	3,338
Hire purchase payables	849	925	325	600	-
Lease liabilities	349	373	124	249	-
	<u>19,619</u>	<u>21,238</u>	<u>13,072</u>	<u>4,828</u>	<u>3,338</u>
<u>31-Dec-25</u>					
Non-derivative financial liabilities					
Payables	7,622	7,622	7,622	-	-
Loans and borrowings	9,285	10,951	3,201	3,972	3,778
Hire purchase payables	967	1,060	325	735	-
Lease liabilities	283	305	101	204	-
Derivative financial liabilities					
Forward exchange contract (gross settled)	49				
- gross payments		2,274	2,274	-	-
- gross receipts		(2,225)	(2,225)	-	-
	<u>18,206</u>	<u>19,987</u>	<u>11,298</u>	<u>4,911</u>	<u>3,778</u>

13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31. Financial instruments (cont'd)****31.1 Financial risk management policies (cont'd)****Liquidity risk (cont'd)***Maturity analysis (cont'd)*

	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000
31-Dec-24					
Non-derivative financial liabilities					
Payables	12,479	12,479	12,479	-	-
Loans and borrowings	9,679	11,845	2,887	4,032	4,926
Hire purchase payables	1,481	1,630	542	1,009	79
Lease liabilities	71	73	73	-	-
	23,710	26,027	15,981	5,041	5,005
31-Dec-23					
Non-derivative financial liabilities					
Payables	12,073	12,073	12,073	-	-
Loans and borrowings	11,567	14,415	4,038	3,859	6,518
Hire purchase payables	1,888	2,101	571	1,374	156
Lease liabilities	195	201	128	73	-
Derivative financial liabilities					
Forward exchange contract (gross settled)	1				
- gross payments		145	145	-	-
- gross receipts		(144)	(144)	-	-
	25,724	28,791	16,811	5,306	6,674
31-Dec-22					
Non-derivative financial liabilities					
Payables	9,945	9,945	9,945	-	-
Loans and borrowings	20,571	26,364	6,755	6,136	13,473
Hire purchase payables	1,394	1,531	436	1,055	40
Lease liabilities	274	289	110	179	-
Derivative financial liabilities					
Forward exchange contract (gross settled)	10				
- gross payments		232	232	-	-
- gross receipts		(222)	(222)	-	-
	32,194	38,139	17,256	7,370	13,513
31-Dec-21					
Non-derivative financial liabilities					
Payables	12,037	12,037	12,037	-	-
Loans and borrowings	20,729	25,143	6,208	6,229	12,706
Hire purchase payables	1,318	1,443	345	955	143
Lease liabilities	336	361	109	252	-
	34,420	38,984	18,699	7,436	12,849

13. ACCOUNTANTS' REPORT (cont'd)**NOTES TO THE COMBINED FINANCIAL STATEMENTS****31. Financial instruments (cont'd)****31.1 Financial risk management policies (cont'd)****Currency risk**

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The major functional currency within the Group is Ringgit Malaysia ("RM"), whereas the major foreign currency transacted is US Dollar ("USD"). The gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:

			Denominated in USD			
	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025	31 May 2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Receivables	3,305	2,312	2,919	1,384	1,491	1,680
Cash and cash equivalents	1,597	1,298	393	584	605	867
Payables	(6,075)	(2,168)	(2,665)	(2,519)	(2,978)	(4,297)
	<u>(1,173)</u>	<u>1,442</u>	<u>647</u>	<u>(551)</u>	<u>(882)</u>	<u>(1,750)</u>

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:

- (i) The foreign currency sales and purchases of the Group provides a natural hedge against fluctuations in foreign currencies.
- (ii) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	FYE 31 Dec 2021	FYE 31 Dec 2022	FYE 31 Dec 2023	FYE 31 Dec 2024	FYE 31 Dec 2025	FPE 31 May 2026
Profit/(Loss)						
Appreciation of USD against RM (RM'000)	(9)	44	15	(21)	(20)	(13)
Depreciation of USD against RM (RM'000)	<u>9</u>	<u>(44)</u>	<u>(15)</u>	<u>21</u>	<u>20</u>	<u>13</u>
Appreciation of USD against RM by	1%	4%	3%	5%	3%	1%
Depreciation of USD against RM by	<u>1%</u>	<u>4%</u>	<u>3%</u>	<u>5%</u>	<u>3%</u>	<u>1%</u>

13. ACCOUNTANTS' REPORT (cont'd)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, loans and borrowings, hire purchase payables and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Fixed rate instruments						
Term deposits	-	700	-	-	-	-
Banker acceptances	4,613	5,128	2,926	1,676	2,207	1,535
Hire purchase payables	1,318	1,394	1,888	1,481	967	849
Lease liabilities	336	274	195	71	283	349
Floating rate instruments						
Term loans	16,116	15,443	8,641	8,003	7,078	6,793

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss. For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Profit/(Loss)						
Increase in interest rates	-	(47)	(7)	-	(5)	(5)
Decrease in interest rates	-	47	7	-	5	5
Increase in interest rates by (basis points)	-*	40	10	-*	10	10
Decrease in interest rates by (basis points)	-*	40	10	-*	10	10

* Using standard deviation to measure interest rate volatility for the past 12 months, the Group did not foresee any reasonably possible change in interest rate at the end of the reporting period.

13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

Other price risk

The Group's exposure to other price risk arises mainly from quoted investments.

The Group manages its investments on an individual basis by continuously evaluating the share price movements, investment returns and the general industrial conditions relevant to the investees.

The Group's quoted investments are listed on Bursa Malaysia Securities Berhad. Based on the assumption that the share prices of these investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI"), the following table demonstrates the sensitivity of profit or loss to changes in FBMKLCI that were reasonably possible at the end of the reporting period, with all other variables held constant:

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Profit/(Loss)						
Increase in FBMKLCI	-	-	20	37	-	-
Decrease in FBMKLCI	-	-	(20)	(37)	-	-
Increase in FBMKLCI by	-	-	2%	3%	-	-
Decrease in FBMKLCI by	-	-	2%	3%	-	-

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13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. Financial instruments (cont'd)

31.2 Capital risk management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, available cash less interest-bearing debts. Capital includes equity attributable to the owners of the Group. The debt-to-equity ratio of the Group at the end of the reporting period are as follows:

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Cash and cash equivalents	7,206	9,804	10,060	9,319	10,721	12,410
Less:						
Loans and borrowings	(20,729)	(20,571)	(11,567)	(9,679)	(9,285)	(8,328)
Hire purchase payables	(1,318)	(1,394)	(1,888)	(1,481)	(967)	(849)
Lease liabilities	(336)	(274)	(195)	(71)	(283)	(349)
Total interest-bearing debts	(22,383)	(22,239)	(13,650)	(11,231)	(10,535)	(9,526)
Net cash/(Net debt)	(15,177)	(12,435)	(3,590)	(1,912)	186	2,884
Total equity	23,192	24,188	30,546	37,124	36,752	41,306
Debt-to-equity ratio	0.65	0.51	0.12	0.05	*	*

* Not applicable as the Group is in net cash position.

The aforementioned capital management objective, policies and processes have remained unchanged throughout the relevant reporting period.

13. ACCOUNTANTS' REPORT (cont'd)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. Financial instruments (cont'd)

31.3 Classification of financial instruments

	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2024 RM'000	31 Dec 2025 RM'000	31 May 2026 RM'000
Financial assets						
<u>Fair value through profit or loss</u>						
Other investments (Note 7)	-	-	978	1,233	-	-
Derivatives (Note 12)	-	-	-	1	-	13
	<u>-</u>	<u>-</u>	<u>978</u>	<u>1,234</u>	<u>-</u>	<u>13</u>
<u>Amortised cost</u>						
Receivables (Note 11)	17,483	15,606	13,242	11,570	11,350	13,615
Cash and cash equivalents (Note 13)	7,206	9,804	10,060	9,319	10,721	12,410
	<u>24,689</u>	<u>25,410</u>	<u>23,302</u>	<u>20,889</u>	<u>22,071</u>	<u>26,025</u>
Financial liabilities						
<u>Fair value through profit or loss</u>						
Derivatives (Note 12)	-	10	1	-	49	-
	<u>-</u>	<u>10</u>	<u>1</u>	<u>-</u>	<u>49</u>	<u>-</u>
<u>Amortised cost</u>						
Payables (Note 14)	12,037	9,945	12,073	12,479	7,622	10,093
Loans and borrowings (Note 15)	20,729	20,571	11,567	9,679	9,285	8,328
Hire purchase payables (Note 16)	1,318	1,394	1,888	1,481	967	849
	<u>34,084</u>	<u>31,910</u>	<u>25,528</u>	<u>23,639</u>	<u>17,874</u>	<u>19,270</u>

31.4 Gains or losses arising from financial instruments

	FYE 31 Dec 2021 RM'000	FYE 31 Dec 2022 RM'000	FYE 31 Dec 2023 RM'000	FYE 31 Dec 2024 RM'000	FYE 31 Dec 2025 RM'000	FPE 31 May 2026 RM'000
Net gains/(losses) on:						
- Financial assets at fair value through profit or loss	-	-	(27)	155	(63)	51
- Financial assets at amortised costs	29	62	212	5	(67)	(101)
- Financial liabilities at fair value through profit or loss	-	(10)	-	-	(49)	11
- Financial liabilities at amortised costs	<u>(615)</u>	<u>(1,086)</u>	<u>(757)</u>	<u>(625)</u>	<u>(224)</u>	<u>(141)</u>

13. ACCOUNTANTS' REPORT (cont'd)

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. Financial instruments (cont'd)

31.5 Fair value information

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
31.05.2026								
Financial assets								
Derivatives	13	-	-	-	-	-	13	13
Financial liabilities								
Loan and borrowings	-	-	-	-	6,793	-	6,793	6,793
Hire purchases payables	-	-	-	-	849	-	849	849
31.12.2025								
Financial liabilities								
Derivatives	49	-	-	-	-	-	49	49
Loan and borrowings	-	-	-	-	7,078	-	7,078	7,078
Hire purchases payables	-	-	-	-	967	-	967	967
31.12.2024								
Financial assets								
Other investments	1,233	-	-	-	-	-	1,233	1,233
Derivatives	1	-	-	-	-	-	1	1
Financial liabilities								
Loan and borrowings	-	-	-	-	8,003	-	8,003	8,003
Hire purchases payables	-	-	-	-	1,481	-	1,481	1,481
31.12.2023								
Financial assets								
Other investments	978	-	-	-	-	-	978	978
Financial liabilities								
Derivatives	1	-	-	-	-	-	1	1
Loan and borrowings	-	-	-	-	8,641	-	8,641	8,641
Hire purchases payables	-	-	-	-	1,888	-	1,888	1,888

13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31. Financial instruments (cont'd)

31.5 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
31.12.2022								
Financial liabilities								
Derivatives	10	-	-	-	-	-	10	10
Loan and borrowings	-	-	-	-	15,443	-	15,443	15,443
Hire purchases payables	-	-	-	-	1,394	-	1,394	1,394
31.12.2021								
Financial liabilities								
Loan and borrowings	-	-	-	-	16,116	-	16,116	16,116
Hire purchases payables	-	-	-	-	1,318	-	1,318	1,318

Fair value of financial instruments carried at fair value

The fair values of derivatives and quoted investments are directly measured using their unadjusted market value quoted by financial institution.

There were no transfers between Level 1, Level 2 and Level 3 during the relevant reporting period.

Fair value of financial instruments not carried at fair value

The fair values of long-term loans and hire purchase payables are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar assets or liabilities.

There were no transfers between Level 1, Level 2 and Level 3 during the relevant reporting period.

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13. ACCOUNTANTS' REPORT (cont'd)**GB BOND HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****32. Significant events during the financial period****(1) Acquisition of GB Bond and Acquisition of GB Chemical**

On 14 August 2025, the Company had entered into a conditional share sale agreement with Dato' Gooi and Lee Kim Wei to acquire the entire equity interest in GB Bond comprising 100,000 ordinary shares for a total purchase consideration of RM10,200,960.71 and the entire equity interest in GB Chemical comprising 1,000,000 ordinary shares for a total purchase consideration of RM19,468,449.19.

The total purchase consideration of RM10,200,960.71 for the Acquisition of GB Bond, being approximately the audited NA of GB Bond as at 31 December 2024, shall be satisfied by the issuance of 117,252,422 new GB shares at an issue price of RM0.0870 per Share in the following proportions:

Shareholders	No. of shares in GB Bond	%	No. of Consideration Shares issued
Dato' Gooi	85,000	85.00	99,664,559
Lee Kim Wei	15,000	15.00	17,587,863
Total	100,000	100.00	117,252,422

The total purchase consideration of RM19,468,449.19 for the Acquisition of GB Chemical, being approximately the adjusted NA of GB Chemical as at 31 December 2024, shall be satisfied by the issuance of 223,775,278 new GB shares at an issue price of RM0.0870 per Share in the following proportions:

Shareholders	No. of shares in GB Chemical	%	No. of Consideration Shares issued
Dato' Gooi	909,080	90.91	203,434,105
Lee Kim Wei	90,920	9.09	20,341,173
Total	1,000,000	100.00	223,775,278

The Acquisition of GB Bond and Acquisition of GB Chemical were completed on 23 July 2026 and consequently, GB Bond and GB Chemical became wholly owned subsidiaries of the Company.

(2) Acquisition of 49% of Purebond Adhesive

On 14 August 2025, the Company, GB Chemical and Supermulti Team entered into a tri-partite conditional share sale agreement to which GB Chemical will acquire 49% equity interest in Purebond Adhesive comprising 490 ordinary shares for a purchase consideration of RM606,581.40. GB will settle the purchase consideration on behalf of GB Chemical through an issuance of 6,972,200 new GB shares to Supermulti Team at an issue price of RM0.0870 per Share.

The total purchase consideration of RM606,581.40, being 49% of the audited NA of Purebond Adhesive as at 31 December 2024 of RM1,238,309.00

The Acquisition of 49% of Purebond Adhesive was completed on 23 July 2026 and consequently, Purebond Adhesive became a wholly owned subsidiary of GB Chemical.

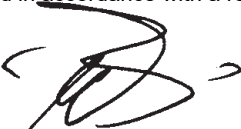
13. ACCOUNTANTS' REPORT *(cont'd)*

GB BOND HOLDINGS BERHAD

STATEMENT BY DIRECTORS

We, Dato' Gooi Ching Koay and Lee Kim Wei, being the two directors of GB Bond Holdings Berhad, state that, in the opinion of the directors, the combined financial statements set out on pages 4 to 55 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Accounting Standards and Prospectus Guidelines issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026 and of their financial performance and cash flows for the financial years ended 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 and the financial period ended 31 May 2026.

Signed in accordance with a resolution of the directors dated **24 AUG 2026**



Dato' Gooi Ching Koay



Lee Kim Wei

14. STATUTORY AND OTHER INFORMATION

14.1 SHARE CAPITAL

- (i) As at LPD, our Company has only 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (ii) None of the share capital of our Company or our subsidiaries are under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Prospectus.
- (iii) Save for the Pink Form Allocations as disclosed in Section 4.3.1(iii) of this Prospectus,
 - (a) no Director or employee of our Group has been or is entitled to be given or has exercised any options to subscribe for any share of our Company or our subsidiaries; and
 - (b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (iv) Save as disclosed in Sections 4.5 and 6.1 of this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of our Company have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the past 2 years immediately preceding the date of this Prospectus.
- (v) As at LPD, our Company does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are extracted from our Company's Constitution which complies with the Listing Requirements, the Act and the Rules. The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Constitution unless they are otherwise defined or the context otherwise requires:

(i) Remuneration, voting and borrowing powers of Directors

Remuneration of Directors

Clause 104 – Director's Remuneration

Subject to the Act and the Listing Requirements, the fees of the Directors and any benefits payable to the Directors shall from time to time be determined by way of an ordinary resolution of the Company in a general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine and in default of agreement equally, except that if a Director has held office for part only of the period in respect of which such fees are payable, such a Director shall be entitled only to that proportion of the fees as is related to the period during which he has held office PROVIDED ALWAYS that:

- (a) salaries payable to executive Director(s) may not include a commission on or percentage of turnover;
- (b) fees payable to non-executive Directors shall be a fixed sum and not by way of a commission on or percentage of profits or turnover;
- (c) fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting; and
- (d) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

14. STATUTORY AND OTHER INFORMATION *(cont'd)*

Clause 105 - Reimbursement of expenses

- (a) The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other things required of him as a Director.
- (b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for any director's fees payable to him from time to time.

Clause 131 – Remuneration of chief executive, executive Director, managing Director

The remuneration of the chief executive, executive Director, managing Director or any person holding an equivalent position, shall, from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive a pension, gratuity or other benefits upon their retirement.

Clause 80 – Chairman's casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to any other vote he may be entitled as a Member.

Clause 109 – Directors' borrowing powers

- (a) Subject to the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any related party (as defined in Section 7 of the Act):
 - (i) borrow money;
 - (ii) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;
 - (iii) issue debentures and other securities whether outright or as security;
 - (iv) lend and advance money or give credit to any person or company;

14. STATUTORY AND OTHER INFORMATION *(cont'd)*

- (v) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; and/or
 - (vi) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or of any related party (as defined in Section 7 of the Act).
- (b) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Clause 123 – Votes by majority and chairman of the meeting to have a casting vote

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes of the Directors present and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote, except where at the meeting only two (2) Directors form a quorum, the chairman of the meeting at which only such a quorum is present, or only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

Clause 126 – Restriction on voting

Subject to the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

Clause 127 – Power to vote

A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of security.
- (c) any contract by the Director himself to subscribe for or underwrite shares or debentures of the Company; or
- (d) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as a holder of shares or other securities in that company.

14. STATUTORY AND OTHER INFORMATION (cont'd)**(ii) Changes to share capital****Clause 58 – Power to increase capital**

Subject to the Act, this Constitution, the Central Depositories Act, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, the Company may from time to time by ordinary resolution, whether all the shares for the time being issued shall have been fully paid-up or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital, voting or otherwise as the resolution authorising such increase may direct.

Clause 59 – Issue of new shares to Members

Subject to any direction to the contrary that may be given by the Company in a general meeting and the Listing Requirements, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of the general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to the shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or Securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.

For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall amount to a direction to the contrary given in a general meeting, which will render the pre-emptive rights above inapplicable.

In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members.

Clause 61 – Power to alter capital

Subject to the provisions of this Constitution and the Act, the Company may alter its share capital in any one or more of the following ways by ordinary resolution:

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

14. STATUTORY AND OTHER INFORMATION (cont'd)

- (b) convert all or any of its paid-up shares into stock and reconvert that stock into fully-paid shares;
- (c) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (d) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe; or
- (e) convert and/or reclassify any class of shares into another class of shares.

Clause 62 – Power to reduce capital

The Company may by special resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Act and the Applicable Laws.

(iii) Transfer of securities

Clause 31 – Transfer in writing

Subject to this Constitution, the Central Depositories Act, the Rules and the Listing Requirements, any Member may transfer all or any of his Securities (except those Deposited Securities which are for the time being designated as securities in suspense) by an instrument in writing in the form prescribed and approved by the Exchange. The instrument shall have been executed by or on behalf of the transferor and the transferee, and the transferor shall remain the holder of the Securities transferred until the transfer is registered and the name of the transferee is entered in the Record of Depositors.

Clause 32 – Transfers of Securities

Subject to the restriction imposed by this Constitution, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any Deposited Securities shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Securities.

Clause 33 – No restriction on the transfer of fully paid Securities

Subject to this Constitution, the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid Securities except where required by law.

Clause 34 (a) – Refusal to register

The Central Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and/or the Rules.

14. STATUTORY AND OTHER INFORMATION (cont'd)**(iv) Share Capital and Variation of Rights****Clause 7 – Allotment of shares**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, the Act, any Applicable Laws, and to the provisions of any resolution of the Company, the Board may issue, allot or grant rights to subscribe for or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred and/or other special rights and subject to such restrictions and at such times as the Board may determine but the Board in making any issue of shares shall comply with the following conditions:

- (a) in the case of shares, other than ordinary shares, no special rights shall be attached until the same has been expressed in this Constitution and in the resolution creating the same;
- (b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meetings;
- (c) every issue of shares or options to employees and/or Directors of the Company and/or its subsidiaries under an employee share option scheme shall be approved by the Members in general meeting;
- (d) no Director shall participate in a scheme that involves a new issuance of shares or options unless the Members in a general meeting have approved the specific allotment to be made to such Director; and
- (e) except in the case of an issue of Securities on a pro-rata basis to all Members, or, pursuant to a back-to-back placement or a Dividend Reinvestment Scheme undertaken in compliance with the Listing Requirements, there shall be no issuance and allotment of Securities to a Director, major shareholder, chief executive or person connected with any Director, major shareholder or chief executive (hereinafter referred to as the “interested Director”, “interested major shareholder”, “interested chief executive” or “interested person connected with a Director, major shareholder or chief executive” respectively) unless the Members in a general meeting have approved of the specific allotment to be made to such aforesaid interested Director, interested major shareholder, interested chief executive or interested person connected with a Director, major shareholder or chief executive, as the case may be. In this Constitution, “major shareholder”, “chief executive”, “person connected with any Director, major shareholder or chief executive” and “Dividend Reinvestment Scheme” shall have the meaning ascribed thereto in the Listing Requirements.

Clause 8 – Rights of preference shareholders

Subject to the Act and the Listing Requirements, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and/or converted into ordinary shares and the Company shall not unless with the consent of the existing preference shareholders at a class of meeting issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have:

- (a) the same rights as ordinary shareholders as regards to receiving notices, reports and audited accounts and attending general meetings of the Company; and

14. STATUTORY AND OTHER INFORMATION (cont'd)

- (b) the right to vote at any meeting convened for the purpose of reducing the capital of the Company or on a proposal to wind up or during the winding up of the Company, or sanctioning a sale of the whole of the Company's undertaking, property or business, or where any resolution to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares or part of the dividend is in arrears for more than six (6) months.

Clause 10 – Variation of class rights

Subject to Section 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with:

- (a) the consent in writing of the holders of not less than seventy-five per centum (75%) of the total voting rights of the Members in that class; or
- (b) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy at least one-third of the number of the issued shares of the class excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one (1) vote for every such share held by him. For adjourned meetings, the quorum is one (1) person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

Clause 11 – Ranking of class rights

The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of such shares, as regards to participation in the profits or assets of the Company in some or in all respect be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Clause 43 – Person entitled may receive dividends etc

Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares as the registered holder would have been entitled to if he had not died or become bankrupt, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.

Clause 56 – Rights of stock holders

The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages with regards to dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such rights, privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such rights, privileges or advantages.

14. STATUTORY AND OTHER INFORMATION (cont'd)**Clause 153 – Payments of dividends**

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities. Dealing in our Shares deposited with Bursa Depository may only be affected by a person having a securities account with Bursa Depository ("Depositor") by means of entries in the securities account of that Depositor. A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

14.5 PUBLIC TAKE-OVERS

During the last financial year and up to LPD, there were no:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by our Group in respect of other companies' securities.

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14. STATUTORY AND OTHER INFORMATION *(cont'd)*

14.6 MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the Financial Years Under Review up to the date of this Prospectus:

- (i) Sale and Purchase Agreement dated 25 October 2022, entered into by GB Chemical (as vendor) and UDA Materials Sdn. Bhd. (Registration No. 200401037490 (676001-T)) (as purchaser), in relation to disposal of the Bukit Panchor Factory for a cash consideration of RM16,000,000.00. This Sale and Purchase Agreement was completed on 16 February 2023;
- (ii) Share Sale Agreement dated 1 August 2025, entered into by Dato' Gooi (as purchaser) with GB Chemical (as vendor), in relation to the disposal of the entire equity interest in Gooi Brothers Capital comprising of 1,000,100 ordinary shares and the disposal of the entire equity interest in Gooi Brothers United comprising 200,000 ordinary shares. GB Chemical agreed to sell, and Dato' Gooi agreed to purchase the aforementioned amount of shares for a total cash consideration of RM1,000,100 for the disposal of Gooi Brothers Capital and RM200,000 for the disposal of Gooi Brothers United. The said transaction has been completed on 1 August 2025;
- (iii) Share Sale Agreement dated 14 August 2025, entered into by Dato' Gooi and Lee Kim Wei (as vendor) with our Company (as purchaser), in relation to the acquisition of the entire equity interest in GB Bond comprising 100,000 ordinary shares and the acquisition of the entire equity interest in GB Chemical comprising 1,000,000 ordinary shares. Dato' Gooi and Lee Kim Wei agree to sell, and our Company agrees to purchase the aforementioned amount of shares for a total purchase consideration of RM10,200,960.71 for the Acquisition of GB Bond and a total purchase consideration of RM19,468,449.19 for the Acquisition of GB Chemical which would be satisfied via the issuance of 117,252,422 new Shares and 223,775,278 new Shares respectively at an issue price of RM0.0870 per Share. The said transaction has been completed on 23 July 2026;
- (iv) Share Sale Agreement dated 14 August 2025, entered into by our Company and GB Chemical (as purchasers) with Supermulti Team (as vendor), in relation to the acquisition of 49% equity interest in Purebond Adhesive comprising 490 ordinary shares for a purchase consideration of RM606,581.40 by GB Chemical. Our Company will settle the purchase consideration on behalf of GB Chemical through an issuance of 6,972,200 new Shares to Supermulti Team at an issue price of RM0.0870 per Share. The said transaction has been completed on 23 July 2026; and
- (v) Underwriting Agreement dated 30 July 2026, entered into by our Company and Malacca Securities as Underwriter for the underwriting of 24,738,000 Issue Shares for an underwriting commission of 2.50% of the total value of the Issue Shares at our IPO Price. Please refer to Section 4.9 of this Prospectus for the salient terms of the Underwriting Agreement.

14. STATUTORY AND OTHER INFORMATION *(cont'd)*

14.7 CONSENTS

- (i) The written consent of our Principal Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Share Registrar, Issuing House and Company Secretaries as set out in the Corporate Directory of this Prospectus to the inclusion in this Prospectus of their names in the form and context in which such names appear, have been given before the issuance of this Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of our Auditors and Reporting Accountants for the inclusion of its name, the Accountants' Report and the Reporting Accountants' Report on Pro forma Combined Statements of Financial Position, and all references thereto in the form and context in which they are included in this Prospectus, have been given before the issuance of this Prospectus and have not been subsequently withdrawn.
- (iii) The written consent of our IMR for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are included in this Prospectus, have been given before the issuance of this Prospectus and have not been subsequently withdrawn.

14.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the IMR Report referred to in Section 8 of this Prospectus;
- (iii) the Accountants' Report as included in Section 13 of this Prospectus;
- (iv) the Reporting Accountants' Report on the Compilation of Pro Forma Combined Statements of Financial Position as at 31 May 2026 as included in Section 12.18 of this Prospectus;
- (v) the audited financial statements of GB Chemical, GB Bond and Purebond Adhesive for the FYEs 2021, 2022, 2023, 2024, 2025 and FPE 2026;
- (vi) the audited financial statements of our Company for the financial period from 5 May 2025 (being the date of incorporation) to 31 December 2025 and FPE 2026;
- (vii) our material contracts referred to in Section 14.6 of this Prospectus;
- (viii) cause papers of the material litigations and consent judgement for the settlement as set out in Section 12.8 of this Prospectus; and
- (ix) the letters of consent referred to in Section 14.7 of this Prospectus.

14. STATUTORY AND OTHER INFORMATION *(cont'd)*

14.9 RESPONSIBILITY STATEMENTS

This Prospectus has been seen and approved by our Directors, Promoters and Selling Shareholder. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Malacca Securities, being our Principal Adviser, Sponsor, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 9 SEPTEMBER 2026

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 18 SEPTEMBER 2026

Applications for our IPO Shares will open and close at the dates stated above.

In the event there is any change to the dates stated above, we will advertise the notice of the changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia, and make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATIONS**15.2.1 Application for our Issue Shares by the Malaysian Public and the Eligible Persons**

Applications must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed.

Types of Application and category of investors	Application Method
Applications by the Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)***15.2.2 Application by selected investors and Bumiputera investors approved by the MITI via placement**

Types of Application	Application Method
Applications by:	
(i) Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
(ii) Bumiputera investors approved by the MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Eligible Persons, selected investors and Bumiputera investors approved by the MITI may still apply for our Issue Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

15.3 ELIGIBILITY**15.3.1 General**

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. **Invalid, nominee or third party CDS Accounts will not be accepted** for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION. PERSONS SUBMITTING APPLICATION BY WAY OF APPLICATION FORMS MAY NOT SUBMIT APPLICATIONS BY WAY OF ELECTRONIC SHARE APPLICATION OR INTERNET SHARE APPLICATION AND VICE VERSA.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

15.3.2 Application by the Malaysian Public

You can only apply for our Issue Shares if you fulfill all of the following:

- (i) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) You must submit Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

15.3.3 Application by the Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, the Issuing House, Malacca Securities, Participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.25 for each IPO Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 710**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

Method below is relevant for White Form Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through the Human Resources or Finance Department.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

- (ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in box provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan so as to arrive not later than 5.00 p.m. on 18 September 2026 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

15.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

15.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, iFAST Capital Sdn. Bhd., Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad, RHB Bank Berhad, TA Securities Holdings Berhad and UOB Kay Hian (M) Sdn Bhd. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

15.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (i) reject Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with **Section 15.9** below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

The basis of allocation of Issue Shares and the balloting results in connection therewith will be furnished by the Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at www.mih.com.my within 1 business day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Form

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected, which are subject to Bursa Depository's final verification. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

15.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected, which are subject to Bursa Depository's final verification. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

- (i) Our IPO Shares allotted to you will be credited into your CDS Account.
- (ii) A notice of allotment will be despatched to you at your last registered or correspondence address last maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)***15.11 ENQUIRIES**

Enquiries in respect of the Applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at +603-7890 4700
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions or Participating Securities Firms or Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.