



KPS Berhad

2025 Audited Financial Statements

Positioned with Purpose

A decorative graphic at the bottom of the page consists of several horizontal lines of varying colors (yellow, orange, blue, green) that create a sense of motion and depth, resembling light trails or a stylized horizon.

49th Annual General Meeting



Tuesday, 19 May 2026

10.00 a.m



Venue:

Ballroom 1, Setia City
Convention Centre
No. 1, Jalan Setia Dagang AG U13/AG
Setia Alam Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan



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Directors' Report

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited finance statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are summarised as follows:

- (a) manufacturing and trading of electronic products, plastic moulded components, paper products, packaging materials, adhesive and household care products and machine parts;
- (b) trading of chemical products, water meters and laboratory monitoring equipment and disinfection system;
- (c) contractors and subcontractors for the laying of pipes and all kinds of constructional, structural and civil engineering works; and
- (d) investment holding

Other information relating to the respective subsidiary companies are disclosed in Note 15. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year	43,791	(65,365)
Profit/(Loss) attributable to:		
- Owners of the parent	39,708	(65,365)
- Non-controlling interests	4,083	-
	43,791	(65,365)

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

Directors' Report (continued)

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	Company RM'000
In respect of financial year ended 31 December 2024:	
Single-tier final dividend of 2.0 sen per ordinary share, on 537,385,383 ordinary shares declared on 28 March 2025 and paid on 18 June 2025	10,748
In respect of financial year ended 31 December 2025:	
Single-tier interim dividend of 1.0 sen per ordinary share, on 537,385,383 ordinary shares declared on 24 November 2025 and paid on 23 December 2025	5,374
	16,122

The Directors recommend a single-tier final dividend of 2.0 sen per ordinary share of approximately RM10,747,708 in respect of the financial year ended 31 December 2025, which is subject to the approval of shareholders at the forthcoming Annual General Meeting.

The financial statements for the financial year ended 31 December 2025 do not reflect this proposed final cash dividend. The proposed final cash dividend shall be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2026.

RESERVE AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than the transfer of appropriation of net profit of a foreign subsidiary company of the Group amounting to RM1,751,000 from capital reserve to retained earnings upon the completion of the voluntary winding up process of the foreign subsidiary company.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

ULTIMATE HOLDING CORPORATION

The immediate holding company of the Company is Darul Ehsan Investment Group Berhad, a company incorporated in Malaysia. The ultimate holding corporation is Menteri Besar Selangor (Pemerbadanan), a corporate body formed under Enactment No. 3 of the Menteri Besar Selangor (Incorporation), Enactment 1994.

SIGNIFICANT EVENTS AND SUBSEQUENT EVENT

Details of significant events and subsequent event are disclosed in Note 40 to the financial statements.

Directors' Report (continued)

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Ikmal Hijaz bin Hashim*	
Norliza binti Kamaruddin*	
Dato' Noorazman bin Abd Aziz*	
Ahmad Fariz bin Hassan*	
Sharmila Sekarajasekaran*	
Datuk Syed Izuan bin Syed Kamarulbahrin*	
Dato' Ts. Saipolyazan bin Mat Yusop	
Dato' Setia Haris bin Kasim	(Resigned on 31 January 2025)
Dato' Dr. Ahmad Fadzli bin Ahmad Tajuddin	(Appointed on 26 May 2025)

* These Directors are also Directors of the Company's subsidiary companies.

The names of the Directors of the subsidiary companies of the Company in office since the beginning of the financial year to the date of this report, not including those Directors listed above are:

Suzila binti Khairuddin	Gan Shan Ye	
Azlan bin Abdul Jalil	Edward Khoo Mong Wei	
Tan Siew Kim	Edyson Heryanto Manurung	
Abu Bakar bin Hashim	Wong Voon Leong	
Tan Chee Kit	Nurman Tan	
Chan Heng Loong	Asma' binti Abdul Aziz	(Resigned on 23 June 2025)
Aw Kwai Fong	Norhaniesa binti Hasan	(Resigned on 18 February 2026)
Lim Hui Bian	Lee Chi Yeung	(Appointed on 23 June 2025)
Tan Hooi Bee	Nurul Natasha binti Muhammad Shahrum	(Appointed on 2 February 2026)
Tan Seng Guan	Kelly Teo	
Hee Ching Hock		
Kee Hee Lai		
Kwek Cheng Chai		
Aminurddin bin Abdul Jalil		
Syed Johan Izmin bin Syed Mansor		

DIRECTORS' INTERESTS

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

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

Directors' Report (continued)

DIRECTORS' REMUNERATION

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

Continuing operations

	Group RM'000	Company RM'000
Directors of the Company		
Non-Executive Directors		
Fees	1,955	1,835
Other emoluments	362	340
	2,317	2,175
Executive Director		
Salaries, bonus and defined contribution plan	2,439	2,439
Other emoluments	781	781
	3,220	3,220
Total remuneration for Directors of the Company	5,537	5,395
Directors of subsidiary companies		
Non-Executive Directors		
Fees	32	-
Other emoluments	343	-
	375	-
Executive Directors		
Salaries, bonus and defined contribution plan	1,202	-
Other emoluments	10	-
	1,212	-
Total remuneration for Directors of subsidiary companies	1,587	-
Total Directors' remuneration	7,124	5,395
Total Non-Executive Directors' remuneration	2,692	2,175
Total Executive Directors' remuneration	4,432	3,220
Total Directors' remuneration	7,124	5,395

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group and from the Company amounted to RM180,752 (included in other emoluments above).

Directors' Report (continued)

DIRECTORS' INDEMNITY

The Directors and Officers of the Group are covered under the Directors and Officers Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the Directors and/or Officers of the Group subject to the terms of the D&O Insurance policy procured by the Group. The total amount of D&O Insurance coverage for all the Directors and Officers of the Group was RM20,000,000 and the total premium paid for the D&O Insurance by the Group for the financial year 2025 was RM49,906.

OTHER STATUTORY INFORMATION

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

Directors' Report (continued)

AUDITORS

The auditors, Ernst & Young PLT, have indicated their willingness to continue in office.

Auditors' remuneration related to the statutory audit of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT and affiliated firms	1,589	578
Other auditors	603	-
	2,192	578

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount).

Signed on behalf of the Board in accordance with a resolution of the Directors dated 17 April 2026.

.....
Datuk Syed Izuan Bin Syed Kamarulbahrin
Director

Shah Alam
17 April 2026

.....
Ahmad Fariz Bin Hassan
Director

Statement by Directors

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

We, Datuk Syed Izuan Bin Syed Kamarulbahrin and Ahmad Fariz Bin Hassan, being two of the Directors of Kumpulan Perangsang Selangor Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 15 to 146 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 17 April 2026.

.....
Datuk Syed Izuan Bin Syed Kamarulbahrin

Director

Shah Alam
 17 April 2026

.....
Ahmad Fariz Bin Hassan

Director

Statutory Declaration

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

I, Suzila Binti Khairuddin, being the Officer primarily responsible for the financial management of Kumpulan Perangsang Selangor Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 15 to 146 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
 abovenamed Suzila Binti Khairuddin)
 at Shah Alam)
 on 17 April 2026)

Suzila Binti Khairuddin
 (MIA membership No. 37527)

Before me,

Commissioner for oaths

Independent Auditors' Report

To the members of Kumpulan Perangsang Selangor Berhad
(Incorporated In Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kumpulan Perangsang Selangor Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 15 to 146.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Independent Auditors' Report
To the members of Kumpulan Perangsang Selangor Berhad
(Incorporated In Malaysia) (continued)

Key audit matters (continued)

1. Impairment assessment on goodwill

As at 31 December 2025, the carrying amount of the Group's goodwill was RM208.1 million, which accounted for 14% of the Group's total assets.

As required by MFRS 136 Impairment of Assets, goodwill is tested for impairment annually as at the reporting date. For purposes of impairment testing, goodwill is allocated to cash generating units ("CGUs") or groups of CGUs. The Group estimates the recoverable amounts of the CGUs based on either the estimated value-in-use ("VIU") or the fair value less costs of disposal ("FVLCD") of the respective CGU, whichever is higher. Following the impairment assessments for the year ended 31 December 2025, the Group recognised total impairment losses of RM4.8 million on goodwill allocated to an overseas subsidiary company in the paper packaging business under manufacturing segment, primarily due to declining customer demand and the resulting reduction in expected future cash flows.

The determination of the recoverable amounts of the CGUs is significant to our audit due to their quantum and the significant judgements and estimates involved in determining the recoverable amounts of the CGUs or groups of CGUs to which the above goodwill was allocated to. Accordingly, goodwill impairment assessment was identified as a key audit matter.

Our procedures to address this area of focus included, amongst others, the following:

- (i) Evaluated management's allocation of goodwill to CGUs which represent the lowest level within the Group at which goodwill is monitored;
- (ii) For impairment assessment of goodwill based on VIU, we have, amongst others:
 - Evaluated the basis of preparing the cash flow forecasts taking into consideration the historical accuracy of management's estimates of profits (and the resulting cash flows);
 - Evaluated the significant and highly sensitive assumptions applied in management's impairment assessment such as projected revenue growth rates, projected gross margin and terminal growth rates by comparing these assumptions to historical data, internally derived information and market outlook reports; and
 - Assessed whether the discount rates applied in respective discounted cash flow projections reflects the return investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive.
- (iii) For impairment assessment of goodwill using FVLCD, to the extent that management relied on valuation reports (provided by independent professional valuers) and quotations (provided by suppliers), we have, amongst others:
 - Assessed the objectivity, independence and expertise of the independent valuers and suppliers engaged by the Group;
 - Obtained an understanding of the valuation methodologies adopted and assessed whether such methodologies are consistent with those used in the industry;
 - Evaluated the reasonableness of the valuation amounts derived by the independent valuers by comparing the inputs used in the income approach against publicly available industry data or information; and
 - Evaluated the reasonableness of the valuation amounts determined by independent valuers and/or suppliers by benchmarking the amounts, on a sampling basis, to recent published prices for comparable assets.
- (iv) Assessed the adequacy of disclosures in the financial statements in accordance with the requirements of MFRS 136. The disclosures are provided in Note 18 to the financial statements;

Independent Auditors' Report
To the members of Kumpulan Perangas Selangor Berhad
(Incorporated In Malaysia) (continued)

Key audit matters (continued)**2. Impairment assessment on intangible assets ("IA"), property, plant and equipment ("PPE") and right-of-use ("ROU") assets**

As at 31 December 2025, the carrying amounts of the Group's IA, PPE, and ROU assets were RM36.5 million, RM357.2 million, and RM80.5 million respectively, which accounted for 2%, 23%, and 5% of Group's total assets.

As required by MFRS 136, impairment review is performed on IA, PPE and ROU assets when there is any indication that a CGU may be impaired. In the current year, certain CGUs within the Group reported loss and experienced a decline in customer demand. The PPE and ROU assets relating to these CGUs amounted to RM98.5 million and RM25.4 million respectively.

Management performed impairment assessments to estimate the recoverable amounts of the respective CGUs to which these assets relate to. The recoverable amounts of the CGUs were determined based on either VIU or FVLCD, whichever is higher. Following the impairment assessments for the year ended 31 December 2025, the Group recognised total impairment losses of RM0.7 million for IA and RM1.0 million on PPE in an overseas subsidiary company in the paper packaging business under manufacturing segment.

The determination of the recoverable amounts of the CGUs are significant to our audit due to their quantum and the significant judgements and estimates involved in determining the recoverable amounts. Accordingly, the impairment assessments of these IA, PPE and ROU assets were identified as key audit matters.

Our procedures to address this area of focus included, amongst others, the following:

- (i) Evaluated management's determination of CGUs based on the smallest identifiable group of assets that together have cash inflows that are largely independent of the cash inflows from other assets;
- (ii) Evaluated management's identification of impairment indicators;
- (iii) For impairment assessment using VIU, we have, amongst others:
 - Evaluated the basis of preparing the cash flow forecasts taking into consideration the historical accuracy of management's estimates of profits (and the resulting cash flows);
 - Evaluated the significant and highly sensitive assumptions applied in management's impairment assessment such as projected revenue growth rates, projected gross margin and terminal growth rates by comparing these assumptions to historical data, internally derived information and market outlook reports; and
 - Assessed whether the discount rates applied in respective discounted cash flow projections reflects the return investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive.
- (iv) For impairment assessment using FVLCD, to the extent that management relied on valuation reports (provided by independent professional valuers) and quotations (provided by suppliers), we have, amongst others:
 - Assessed the objectivity, independence and expertise of the independent valuers and suppliers engaged by the Group;
 - Obtained an understanding of the valuation methodologies adopted and assessed whether such methodologies are consistent with those used in the industry;
 - Evaluated the reasonableness of the valuation amounts derived by the independent valuers by comparing the inputs used in the income approach against publicly available industry data or information; and
 - Evaluated the reasonableness of the valuation amounts determined by independent valuers and/or suppliers by benchmarking the amounts, on a sampling basis, to recent published prices for comparable assets.
- (v) Assessed the adequacy of disclosures in the financial statements in accordance with the requirements of MFRS 136. The disclosures are provided in Note 12 (c), Note 13 (i) and Note 17 (c) to the financial statements.

Independent Auditors' Report
To the members of Kumpulan Perangsang Selangor Berhad
(Incorporated In Malaysia) (continued)

Key audit matters (continued)

3. Impairment assessment on cost of investment in subsidiary companies

As at 31 December 2025, the carrying value of cost of investments in subsidiaries amounted to RM904.3 million, which accounted for 88% of the Company's total assets.

In the current year, impairment indicators were identified for certain investments in subsidiary companies, with carrying amount of RM870.8 million. These subsidiary companies reported losses and experienced a decline in customer demand. Management performed impairment assessments to estimate the recoverable amounts on cost of investment in subsidiary companies. The recoverable amounts were determined based on either VIU or FVCLD, whichever is higher. Following the impairment, the Company recognised total impairment losses of RM64.7 million in respect of the cost of investments in a subsidiary company in the manufacturing segment and a subsidiary company in the investment holding segment.

The determination of the recoverable amounts of cost of investment in subsidiaries are significant to our audit due to their quantum and the significant judgements and estimates involved. Accordingly, the impairment assessments of cost of investment in subsidiary companies were identified as key audit matters.

Our procedures to address this area of focus included, amongst others, the following:

- (i) Evaluated management's identification of impairment indicators;
- (ii) For impairment assessment using VIU, we have, amongst others:
 - Evaluated the basis of preparing the cash flow forecasts taking into consideration the historical accuracy of management's estimates of profits (and the resulting cash flows);
 - Evaluated the significant and highly sensitive assumptions applied in management's impairment assessment such as projected revenue growth rates, projected gross margin and terminal growth rates by comparing these assumptions to historical data, internally derived information and market outlook reports; and
 - Assessed whether the discount rates applied in respective discounted cash flow projections reflects the return investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive.
- (iii) For impairment assessment using FVLCD, we have, amongst others:
 - Obtained an understanding of the valuation methodologies adopted and assessed whether such methodologies are consistent with those used in the industry;
 - Evaluated the significant and highly sensitive assumptions applied in the income approach such as projected revenue growth rates, projected gross margin, discount rate and terminal growth rate by comparing those assumptions with internally derived information and market data;
 - For valuation using adjusted net asset method, we have, amongst others:
 - Assessed the objectivity, independence and expertise of the independent valuers and suppliers engaged by the Company;
 - Evaluated the reasonableness of the valuation amounts derived by the independent valuers by comparing the inputs used in the income approach against publicly available industry data or information; and
 - Evaluated the reasonableness of the valuation amounts determined by independent valuers and/or suppliers by benchmarking the amounts, on a sampling basis, to recent published prices for comparable assets.
 - Assessed the adequacy of disclosures in the financial statements in accordance with the requirements of MFRS 136. The disclosures are provided in Note 15 (c) to the financial statements.

Independent Auditors' Report
To the members of Kumpulan Perangsang Selangor Berhad
(Incorporated In Malaysia) (continued)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report
To the members of Kumpulan Perangsang Selangor Berhad
(Incorporated In Malaysia) (continued)

Key audit matters (continued)

Auditors' responsibilities for the audit of the financial statements

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 (b) to the financial statements.

Other matters

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

The financial statements of the Group and Company for the financial year ended 31 December 2024 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 28 March 2025.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Lui Soo Ling
No. 03710/01/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
17 April 2026

Statements of Profit or Loss

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations					
Revenue	3	1,043,281	1,064,724	31,352	216,732
Cost of sales	4	(861,356)	(873,454)	-	-
Gross profit		181,925	191,270	31,352	216,732
Other income	5	42,618	59,240	2,352	6,389
Administration expenses		(104,903)	(118,536)	(29,989)	(79,077)
Selling and marketing expenses		(24,279)	(25,466)	-	-
Net impairment losses on financial assets	21	(1,948)	(892)	-	-
Other expenses		(32,288)	(39,124)	(66,347)	(4,482)
Operating profit/(loss)		61,125	66,492	(62,632)	139,562
Finance costs	6	(7,760)	(18,626)	(222)	(8,409)
Share of results of associate companies, net of tax	16	1,966	4,761	-	-
Profit/(Loss) before tax and zakat		55,331	52,627	(62,854)	131,153
Income tax and zakat	9	(11,540)	(33,543)	(2,511)	(4,728)
Profit/(Loss) for the financial year from continuing operations		43,791	19,084	(65,365)	126,425
Discontinued operations					
Profit for the financial year from discontinued operations	24	-	56,316	-	-
Profit/(Loss) for the financial year		43,791	75,400	(65,365)	126,425

Statements of Profit or Loss
For the Financial Year Ended 31 December 2025 (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) attributable to owners of the parent:				
Continuing operations	39,708	17,879	(65,365)	126,425
Discontinued operations	-	55,244	-	-
	39,708	73,123	(65,365)	126,425
Profit attributable to non-controlling interests:				
Continuing operations	4,083	1,205	-	-
Discontinued operations	-	1,072	-	-
	4,083	2,277	-	-
Profit/(Loss) for the financial year	43,791	75,400	(65,365)	126,425

	Note	Group	
		2025 RM'000	2024 RM'000
Earnings per share ("EPS") attributable to owners of parent (sen)			
Basic and diluted:			
Continuing operations	10	7.39	3.33
Discontinued operations	10	-	10.28
		7.39	13.61

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Other Comprehensive Income

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) for the financial year		43,791	75,400	(65,365)	126,425
Other comprehensive (loss)/income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations					
Continuing operations		(21,778)	(12,051)	-	-
Discontinued operations		-	4,242	-	-
Item that may not be reclassified subsequently to profit or loss					
Re-measurement of post-employment benefits					
Continuing operations	27	(695)	328	-	-
Total other comprehensive loss, net of tax		(22,473)	(7,481)	-	-
Total comprehensive income/(loss)		21,318	67,919	(65,365)	126,425
Total comprehensive income/(loss) attributable to:					
Owners of the parent					
- Continuing operations		17,282	5,705	(65,365)	126,425
- Discontinued operations		-	57,848	-	-
		17,282	63,553	(65,365)	126,425
Non-controlling interests					
- Continuing operations		4,036	1,656	-	-
- Discontinued operations		-	2,710	-	-
		4,036	4,366	-	-
Total comprehensive income/(loss)		21,318	67,919	(65,365)	126,425

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Non-current Assets					
Property, plant & equipment	12	357,216	371,475	1,051	1,163
Right-of-use assets	13	80,520	80,272	784	1,307
Investment property	14	2,829	2,886	-	-
Investments in subsidiary companies	15	-	-	904,318	1,098,623
Investment in associate companies	16	4,622	32,062	109	109
Intangible assets	17	36,466	44,320	-	-
Goodwill	18	208,093	212,930	-	-
Other investments	19	22,596	19,596	153	153
Other receivables	21	741	815	-	4,000
Deferred tax assets	26	655	2,180	-	-
Total Non-current Assets		713,738	766,536	906,415	1,105,355
Current Assets					
Inventories	20	114,121	120,387	-	-
Trade and other receivables	21	298,937	324,685	2,370	13,250
Current tax assets		5,178	6,578	-	-
Cash and bank balances	22	169,902	205,894	2,601	20,981
Short term funds	23	195,722	179,676	89,137	69,087
		783,860	837,220	94,108	103,318
Assets of disposal group classified as held for sale	24	28,148	-	32,000	-
Total Current Assets		812,008	837,220	126,108	103,318
Total Assets		1,525,746	1,603,756	1,032,523	1,208,673

Statements of Financial Position
As at 31 December 2025 (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Equity and Liabilities					
Equity					
Share capital	32	537,927	537,927	537,927	537,927
Reserves	33	549,328	550,752	443,909	525,396
Equity attributable to owners of the parent		1,087,255	1,088,679	981,836	1,063,323
Non-controlling interests	15	31,375	29,362	-	-
Total Equity		1,118,630	1,118,041	981,836	1,063,323
Non-current Liabilities					
Loans and borrowings	25	43,676	78,134	-	-
Lease liabilities	13	4,577	3,445	280	817
Deferred tax liabilities	26	41,220	49,325	-	-
Provision	29	866	-	-	-
Post-employment benefits	27	9,180	9,791	-	-
Total Non-current Liabilities		99,519	140,695	280	817
Current Liabilities					
Trade and other payables	28	211,819	215,005	24,870	124,025
Loans and borrowings	25	77,259	106,778	25,000	20,000
Lease liabilities	13	3,981	5,217	537	508
Contract liabilities	31	10,868	8,941	-	-
Post-employment benefits	27	361	-	-	-
Derivative liabilities	30	123	-	-	-
Current tax liabilities		3,181	9,079	-	-
		307,592	345,020	50,407	144,533
Liabilities of disposal group classified as held for sale	24	5	-	-	-
Total Current Liabilities		307,597	345,020	50,407	144,533
Total Liabilities		407,116	485,715	50,687	145,350
Total Equity and Liabilities		1,525,746	1,603,756	1,032,523	1,208,673

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025

	Attributable to owners of the parent		Distributable		Total equity RM'000	
	Share capital RM'000	Non-distributable	Capital reserve RM'000	Retained earnings RM'000		Non-controlling interests RM'000
Group	537,927	2,130	3,005	545,617	29,362	1,118,041
As at 1 January 2025						
Profit for the financial year	-	-	-	39,708	4,083	43,791
Loss on foreign currency translation	-	(21,731)	-	-	(47)	(21,778)
Re-measurement of post-employment benefits	-	-	-	(695)	-	(695)
Total comprehensive (loss)/income for the financial year	-	(21,731)	-	39,013	4,036	21,318
Transaction with owners						
Dividends paid to shareholders	-	-	-	(16,122)	-	(16,122)
Dividends paid to non-controlling interest	-	-	-	-	(2,793)	(2,793)
Dividends paid to a preference shareholder of a subsidiary company	-	-	-	(2,318)	-	(2,318)
Capitalisation of amounts owing by a subsidiary company to its shareholders	-	-	-	-	770	770
Transfer from capital reserve	-	-	(1,751)	1,751	-	-
Realised on winding up of subsidiary companies	-	-	(266)	-	(266)	(266)
Total transaction with owners	-	-	(2,017)	(16,689)	(2,023)	(20,729)
As at 31 December 2025	537,927	(19,601)	988	567,941	31,375	1,118,630

Statements of Changes in Equity
For the Financial Year Ended 31 December 2025 (continued)

	Attributable to owners of the parent			Distributable			Total equity RM'000
	Share capital RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	Total RM'000	
Group							
As at 1 January 2024	537,927	27,643	2,977	493,963	149,980	1,062,510	1,212,490
Profit for the financial year	-	-	-	73,123	2,277	73,123	75,400
(Loss)/Gain on foreign currency translation	-	(9,898)	-	-	2,089	(9,898)	(7,809)
Re-measurement of post-employment benefits	-	-	-	328	-	328	328
Total comprehensive (loss)/income for the financial year	-	(9,898)	-	73,451	4,366	63,553	67,919
Transaction with owners							
Dividends paid to shareholders	-	-	-	(34,930)	-	(34,930)	(34,930)
Dividends paid to non-controlling interest	-	-	-	-	(5,184)	-	(5,184)
Dividends paid to a preference shareholder of a subsidiary company	-	-	-	(2,452)	-	(2,452)	(2,452)
Issuance of shares to non-controlling interests	-	-	-	-	980	-	980
Acquisition of additional equity interests from non-controlling interests	-	-	-	-	(3,660)	-	(3,660)
Total transaction with owners	-	-	-	(37,382)	(7,864)	(37,382)	(45,246)
Transfer from retained earnings	-	-	28	(28)	-	-	-
Divestment of subsidiary company	-	(15,615)	-	15,613	(117,120)	(2)	(117,122)
As at 31 December 2024	537,927	2,130	3,005	545,617	29,362	1,088,679	1,118,041

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 31 December 2025 (continued)

	Share capital RM'000	Retained earnings RM'000	Total RM'000
Company			
As at 1 January 2025	537,927	525,396	1,063,323
Loss for the year, representing total comprehensive loss for the year	-	(65,365)	(65,365)
Transaction with owners			
Dividends paid to shareholders	-	(16,122)	(16,122)
As at 31 December 2025	537,927	443,909	981,836
As at 1 January 2024	537,927	433,901	971,828
Profit for the year, representing total comprehensive income for the year	-	126,425	126,425
Transaction with owners			
Dividends paid to shareholders	-	(34,930)	(34,930)
As at 31 December 2024	537,927	525,396	1,063,323

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax and zakat from:					
Continuing operations		55,331	52,627	(62,854)	131,153
Discontinued operations	24	-	57,237	-	-
	30	55,331	109,864	(62,854)	131,153
Adjustments for:					
Amortisation of intangible assets	17	7,127	7,168	-	-
Bad debts:					
- waiver	5	-	(23)	-	(23)
- recovered	5	(157)	-	-	-
Depreciation of:					
- property, plant and equipment	12,24	33,593	31,345	346	294
- right-of-use assets	13,24	7,237	11,064	523	261
- investment property	14	57	57	-	-
Dividend income from:					
- subsidiary companies	3	-	-	(28,807)	(206,600)
- associate companies		-	-	-	(4,040)
Property, plant, equipment and intangible assets written off	12,17	101	1,435	4	3
Net (gain)/loss on:					
- disposal property, plant and equipment	5	(10,405)	177	-	-
- fair value of short term funds	5	(4,987)	(9,040)	(1,932)	(4,742)
- fair value of other investment	5	(3,000)	-	-	-
- fair value of derivatives	30	123	-	-	-
- disposal of investment property	5	-	(802)	-	(802)
- divestment of a subsidiary company	24	-	(106,543)	-	-
- winding up of subsidiary companies	5	(3,196)	-	-	-
- termination of lease contracts	13	221	(1,939)	-	-
- modification of lease contracts	13	(3)	-	-	-
Net impairment loss on:					
- property, plant and equipment	12	1,021	644	-	-
- investment in subsidiary companies	15	-	-	64,705	-
- investment in associate companies	16	366	392	-	2,700
- intangible assets	17	747	-	-	-
- goodwill	18	4,837	535	-	-
Net inventories written back	20	(840)	(402)	-	-
Profit payment/interest expense	6,24	7,760	18,787	222	8,409
Profit rate / interest income	5,24	(3,056)	(4,325)	(250)	(598)
Profit guarantee	5	-	(4,955)	-	-
Provision of post-employment benefits	27	1,395	1,339	-	-

Statements of Cash Flows
For the Financial Year Ended 31 December 2025 (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities (continued)					
Adjustments for: (continued)					
Impairment losses on financial assets, net	21	1,948	892	-	-
Share of results of associate companies	16	(1,966)	(4,761)	-	-
Net loss/(gain) on unrealised foreign exchange		1,909	(3,580)	-	-
Operating profit/(loss) before working capital changes		96,163	47,328	(28,043)	(73,985)
Decrease in inventories		7,106	5,135	-	-
Decrease/(Increase) in receivables		2,760	(6,374)	1,355	(731)
Increase/(Decrease) in payables		3,334	(10,414)	628	4,604
Increase/(Decrease) in contract liabilities		1,927	(1,080)	-	-
Cash generated from/(used in) operations		111,290	34,595	(26,060)	(70,112)
Contribution paid for post-employment benefits	27	(1,005)	(380)	-	-
Dividends received from:					
- subsidiary companies		-	-	36,807	198,600
- associate companies	16	2,000	6,040	-	4,040
Zakat paid	9	(2,943)	(8,173)	(2,511)	(4,638)
Tax paid, net of refunds received		(16,561)	(21,869)	-	-
Real property gains tax	9	-	(90)	-	(90)
Net cash from operating activities		92,781	10,123	8,236	127,800
Cash flows from investing activities					
Profit rate/interest income received		3,056	4,325	553	290
Acquisition of additional equity interest from non-controlling interest	15	-	(1,350)	-	-
Purchase of:					
- property, plant and equipment	12	(34,153)	(28,868)	(238)	(338)
- intangible assets	17	(143)	(944)	-	-
Payment of right-of-use assets	13	(4,515)	(184)	-	-
Capital reduction by an associate company	13	-	200	-	200
Proceeds from disposal of:					
- property, plant and equipment		16,808	10,326	-	-
- investment property	24	-	46,325	-	46,325
Net cash inflow from proceeds from divestment of subsidiary companies	24	-	192,127	-	-

Statements of Cash Flows
For the Financial Year Ended 31 December 2025 (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from investing activities (continued)					
(Placement)/Withdrawal of short term funds		(11,059)	82,952	(18,118)	45,147
Net movement in deposit pledged with licensed banks and held for more than three (3) months		(345)	(323)	(35)	(37)
Net cash (used in)/generated from investing activities		(30,351)	304,586	(17,838)	91,587
Cash flows from financing activities					
Dividends paid to shareholders	11	(16,122)	(34,930)	(16,122)	(34,930)
Dividends paid to non-controlling interest	15	(2,793)	(5,184)	-	-
Dividend paid to a preference shareholder of a subsidiary company		(2,318)	(2,452)	-	-
Loans and borrowings:					
- drawdowns	25	203,627	238,580	40,000	30,000
- repayments	25	(267,473)	(534,506)	(35,000)	(40,000)
Payments of lease liabilities	13	(6,562)	(7,108)	(568)	(284)
Profit payment/interest expense paid		(7,392)	(18,316)	(162)	(8,369)
Net movement in intercompany balances		-	(26)	3,039	(147,300)
Net cash used in financing activities		(99,033)	(363,942)	(8,813)	(200,883)
Net (decrease)/increase in cash and cash equivalents		(36,603)	(49,233)	(18,415)	18,504
Effects of exchange rate on cash and cash equivalents		374	(5,257)	-	-
Cash and cash equivalents at beginning of the year		194,358	248,848	19,620	1,116
Cash and cash equivalents at end of the year	22	158,129	194,358	1,205	19,620

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

1. GENERAL INFORMATION

Kumpulan Perangsang Selangor Berhad (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at 17th Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies and associate companies are described in Note 15 and Note 16, respectively. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year other than those disclosed in Note 15 and Note 16.

The immediate holding company of the Company is Darul Ehsan Investment Group Berhad, a company incorporated in Malaysia. The ultimate holding corporation is Menteri Besar Selangor (Pemerbadanan), a corporate body formed under Enactment No. 3 of the Menteri Besar Selangor (Incorporation), Enactment 1994.

The consolidated financial statements for the financial year ended 31 December 2025 comprise the Company and its subsidiary companies and the interests of the Group in associate companies. The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 17 April 2026.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 20 to 175 have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs and Amendments during the financial year. The new MFRSs and Amendments adopted during the financial year are disclosed in Note 42(a).

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

3. REVENUE

An analysis of revenue is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Revenue with contract with customers:				
Sale of manufacturing products	866,804	882,433	-	-
Sale of chemical products	176,477	178,257	-	-
Construction contracts	-	118	-	-
Management fees from subsidiary companies	-	-	2,545	2,176
	1,043,281	1,060,808	2,545	2,176
Revenue from other sources:				
Rental income	-	3,916	-	3,916
Dividend income from subsidiary companies	-	-	28,807	206,600
Dividend income from associate companies	-	-	-	4,040
	-	3,916	28,807	214,556
	1,043,281	1,064,724	31,352	216,732
Timing of revenue recognition				
Transfer over time	-	118	-	-
Transfer at a point of time	1,043,281	1,060,690	2,545	2,176
Revenue from contract with customers	1,043,281	1,060,808	2,545	2,176

The Group did not have contracts with original duration more than one year and hence, the Group applied practical expedient by not disclosing the remaining performance obligations that have yet to be satisfied.

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 38 which has been organised into business units based on their products and services from which the sale transactions originated.

(a) Revenue from sales of manufacturing and chemical products

Revenue from sales of manufacturing and chemical products are recognised at a point in time when the products have been transferred or the services has been rendered to the customer and coincide with the delivery of products and services and acceptance by customers, net of discounts.

There is no material right of return and warranty provided to the customers on the sales of manufacturing and chemical products.

There is no significant financing component in the revenue arising from sales of manufacturing and chemical products as the sales are made on the normal credit terms not exceeding twelve (12) months.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (continued)

3. REVENUE (continued)

(b) Revenue from construction contracts

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue from construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer.

Revenue from construction contracts is recognised over the period of the contract using the output method by reference to the progress towards complete satisfaction of that performance obligation if control of the asset transfers over time.

(c) Revenue from management fees

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

(d) Rental income

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

(e) Dividend income

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

4. COST OF SALES

	Group	
	2025 RM'000	2024 RM'000
Continuing operations		
Cost of inventories sold:		
- manufacturing products	699,724	710,702
- chemical products	161,632	162,629
Construction contracts	-	123
	861,356	873,454

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

5. OTHER INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Profit rate/interest income* from:				
- subsidiary companies	-	-	199	308
- deposit with licensed banks	3,039	3,600	51	290
- Islamic term deposits	17	254	-	-
	3,056	3,854	250	598
Sales of scrap	1,700	1,108	-	-
Gain on:				
- disposal of property, plant and equipment	10,405	799	-	-
- disposal of investment property	-	802	-	802
- lease modification/termination	3	1,939	-	-
- winding up of subsidiary companies	3,196	-	-	-
- fair value of:				
- short term funds	4,987	9,040	1,932	4,742
- other investments	3,000	-	-	-
Gain on foreign exchange: (i)				
- realised	5,088	6,955	-	-
- unrealised	9,953	23,341	-	-
Reversal on impairment losses on property, plant and equipment	-	2,578	-	-
Profit guarantee	-	4,955	-	-
Bad debts:				
- waiver	-	23	-	23
- recovered	157	-	-	-
Rental income	114	109	-	-
Others/Miscellaneous income	959	3,846	170	224
	42,618	59,240	2,352	6,389

* Profit rate/interest income is recognised as it accrues, using the effective interest method.

(i) The loss on unrealised and realised foreign exchange recognised by the Group in general and administrative expenses during the year amounted to RM11,862,000 and RM6,427,000 respectively (2024: RM19,761,000 and RM6,101,000 respectively).

Accordingly, the net unrealised and realised foreign exchange loss recognised by the Group amounted to RM1,909,000 and RM1,399,000 respectively (2024: Gain of RM3,580,000 and RM854,000 respectively).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

6. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Profit payment/interest expense on:				
- other borrowings	2,703	3,774	162	177
- lease liabilities	368	471	60	40
- term loans	4,530	5,971	-	-
- sukuk murabahah Islamic medium term notes	-	7,978	-	-
- other payables	159	432	-	-
- amounts due to subsidiary companies	-	-	-	8,192
	7,760	18,626	222	8,409

7. EMPLOYEE BENEFITS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Wages, salaries and bonus	168,009	141,437	18,208	16,751
Defined contribution plan	11,637	9,614	1,854	1,964
Social security contributions	5,435	5,131	74	76
Post-employment benefits (Note 27)	1,395	1,339	-	-
Other benefits	21,725	77,659	846	42,702
	208,201	235,180	20,982	61,493

The breakdown of employee benefits expense recognised in profit or loss is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost of sales	93,042	84,486	-	-
General and administrative expenses	115,159	150,694	20,982	61,493
	208,201	235,180	20,982	61,493

The employee benefits expense of the Group and of the Company excludes Executive Directors' remuneration which has been disclosed separately in Note 8.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

8. DIRECTORS REMUNERATION

The details of remuneration received and receivables by Directors during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Directors of the Company				
Non-Executive Directors				
Fees	1,955	1,008	1,835	879
Other emoluments	362	360	340	257
	2,317	1,368	2,175	1,136
Executive Director				
Salaries, bonus and defined contribution plan	2,439	1,650	2,439	1,650
Other emoluments	781	6,884	781	6,884
	3,220	8,534	3,220	8,534
Total remuneration for Directors of the Company	5,537	9,902	5,395	9,670
Directors of subsidiary companies				
Non-Executive Directors				
Fees	32	61	-	-
Other emoluments	343	379	-	-
	375	440	-	-
Executive Directors				
Salaries, bonus and defined contribution plan	1,202	1,137	-	-
Other emoluments	10	1	-	-
	1,212	1,138	-	-
Total remunerations for Directors of subsidiary companies	1,587	1,578	-	-
Total Directors' remuneration	7,124	11,480	5,395	9,670
Total Non-Executive Directors' remuneration	2,692	1,808	2,175	1,136
Total Executive Directors' remuneration	4,432	9,672	3,220	8,534
Total Directors' remuneration	7,124	11,480	5,395	9,670

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group and from the Company amounted to RM180,752 (2024: RM131,000) (included in other emoluments above).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

8. DIRECTORS REMUNERATION (continued)

The details of remuneration received and receivables by Directors during the financial year are as follows: (continued)

	Group
	2024
	RM'000
Discontinued operations	
Directors of subsidiary company	
Non-Executive Directors	
Fees	20
Other emoluments	2
	22

9. INCOME TAX AND ZAKAT

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysian income tax:				
Current income tax	17,834	22,318	-	-
Over provision in prior years	(2,605)	(38)	-	-
	15,229	22,280	-	-
Foreign income tax:				
Current income tax	262	5,069	-	-
Over provision in prior years	(389)	(254)	-	-
	(127)	4,815	-	-
Deferred taxation (Note 26):				
Relating to origination and reversal of temporary difference	(3,855)	(2,872)	-	-
(Over)/Under provision in prior years	(2,650)	1,057	-	-
	(6,505)	(1,815)	-	-
Income tax	8,597	25,280	-	-
Zakat	2,943	8,173	2,511	4,638
	11,540	33,453	2,511	4,638
Real property gain tax	-	90	-	90
	11,540	33,543	2,511	4,728

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

9. INCOME TAX AND ZAKAT (continued)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year.
- (b) Zakat has been calculated at 2.5% (2024: 2.5%) of the adjusted net current assets multiplied by the estimated Muslim equity holding in the Group and the Company.
- (c) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.
- (d) The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Profit/(Loss) before tax and zakat	55,331	52,627	(62,854)	131,153
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	13,279	12,630	(15,085)	31,477
Tax effects in respect of:				
- non-taxable income	(6,219)	(3,399)	(8,089)	(50,652)
- non-deductible expenses	12,960	19,888	22,897	18,627
- effect of share of results in associate companies	(472)	(1,143)	-	-
- tax incentives (i)	(2,805)	(3,412)	-	-
- effect of utilisation of previously unrecognised deferred tax assets	(496)	(104)	-	-
- deferred tax assets recognised	(2,438)	-	-	-
- deferred tax assets not recognised	2,490	1,625	277	548
- effect of different tax rates in foreign jurisdictions	(2,058)	(1,570)	-	-
	14,241	24,515	-	-
(Over)/Under provision in prior years:				
- income tax	(2,994)	(292)	-	-
- deferred tax	(2,650)	1,057	-	-
Income tax	8,597	25,280	-	-

- (i) A foreign subsidiary company of the Group is entitled to an exemption from current income tax for 2 years commencing from the first year in which a taxable income is earned (which is 2024) and a 50% reduction of the applicable current income tax rate for the following 4 years. As the subsidiary company was still operating within its tax exemption period during the year ended 31 December 2025, no provision for income tax has been made. The applicable tax rate after the tax exemption and reduced tax rate period is 17%.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

9. INCOME TAX AND ZAKAT (continued)

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

	Group		
	Before tax RM'000	Tax effect RM'000	After tax RM'000
2025			
Item that may be reclassified subsequently to profit or loss			
Loss on foreign currency translation:			
- Continuing operations	(21,778)	-	(21,778)
Item that may not be classified subsequently to profit or loss			
Remeasurement of post-employment benefits:			
- Continuing operations	(695)	-	(695)
2024			
Item that may be reclassified subsequently to profit or loss			
(Loss)/Gain on foreign currency translation:			
- Continuing operations	(12,051)	-	(12,051)
- Discontinued operations	4,242	-	4,242
Item that may not be classified subsequently to profit or loss			
Remeasurement of post-employment benefits:			
- Continuing operations	423	(95)	328

(f) Global Minimum Tax Pillar Two

The Organisation for Economic Co-operation and Development ("OECD")/G20 Inclusive Framework on Base Erosion and Profit Shifting ("BEPS") addresses tax challenges arising from the digitalisation of the global economy. The Global Anti-Base Erosion Model Rules ("Pillar Two Model Rules") apply to multinational enterprises ("MNEs") with consolidated annual revenue exceeding EUR 750 million and introduce a global minimum effective tax rate of 15%. This is implemented through the Income Inclusion Rule ("IIR") and the Qualified Domestic Minimum Top-up Tax ("QDMTT"), which impose a top-up tax in jurisdictions where the effective tax rate falls below the minimum level.

On 2 June 2023, the MASB has issued the Amendments to MFRS 112 Income Taxes International Tax Reform – Pillar Two Model Rules. The Group has adopted these amendments, which introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and the disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

As the Group is an indirect subsidiary company of Menteri Besar Selangor (Incorporation) ("MBI"), which is the ultimate parent corporation of a multinational group that is in-scope of the Pillar Two Model Rules (with consolidated annual revenues in excess of EUR750 million), the Group also fall within the scope of the Rules.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

9. INCOME TAX AND ZAKAT (continued)

(f) Global Minimum Tax Pillar Two (continued)

The Pillar Two Model Rules became effective in Vietnam from 1 January 2024, under which the Group is an in-scope multinational enterprise. Pillar Two legislation has also been enacted or substantively enacted in other jurisdictions where the Group operates, including Malaysia, Singapore, Hong Kong and Indonesia, and is effective for financial years beginning on or after 1 January 2025. For China, the Pillar Two legislation has not yet been enacted as at reporting date.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the best latest available financial information as at 31 December 2025. Based on the assessment performed, the Group has identified potential exposure to Pillar Two income taxes on several jurisdictions where effective tax rate ("ETR") is likely to be lower than 15%. The Group, however, has not provided for any top-up tax for the financial year ended 31 December 2025, as the exposure is deemed not material to the Group's financial statements.

This conclusion does not eliminate the administrative burdens associated with Pillar Two implementation and is subject to interpretative uncertainties as jurisdictions continue to issue guidance and administrative practices evolve. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows.

10. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group for the financial year is calculated by dividing profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year:

	Group	
	2025 RM'000	2024 RM'000
Profit for the financial year attributable to owners of the parent (RM'000)		
- Continuing operations	39,708	17,879
- Discontinued operations	-	55,244
	39,708	73,123
Weighted average number of ordinary shares in issue ('000)	537,385	537,385
Basic earnings per share (sen)		
- Continuing operations	7.39	3.33
- Discontinued operations	-	10.28
	7.39	13.61

(b) Diluted EPS

The diluted earnings per ordinary share equals basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

11. DIVIDENDS

	Group and Company			
	2025		2024	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
In respect of the financial year ended 31 December 2023				
Single-tier final dividend declared on 26 March 2024 and paid on 25 June 2024	-	-	1.00	5,374
In respect of the financial year ended 31 December 2024				
Special dividend declared on 26 March 2024 and paid on 30 April 2024	-	-	4.50	24,182
Single-tier interim dividend declared on 28 November 2024 and paid on 30 December 2024	-	-	1.00	5,374
Single-tier final dividend declared on 28 March 2025 and paid on 18 June 2025	2.00	10,748	-	-
	2.00	10,748	5.50	29,556
In respect of the financial year ended 31 December 2025				
Single-tier interim dividend declared on 24 November 2025 and paid on 23 December 2025	1.00	5,374	-	-
	3.00	16,122	6.50	34,930

The Directors recommend a single-tier final dividend of 2.0 sen per ordinary share of approximately RM10,747,708 in respect of the financial year ended 31 December 2025, which is subject to the approval of shareholders at the forthcoming Annual General Meeting.

The financial statements for the financial year ended 31 December 2025 do not reflect this proposed final cash dividend. The proposed final cash dividend shall be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2026.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

12. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Work-in- progress RM'000	Total RM'000
2025								
Cost								
At 1 January 2025		26,776	301,829	125,742	407,754	122,584	5,094	989,779
Additions		-	861	352	13,729	4,229	14,982	34,153
Disposals		(1,400)	(5,105)	(425)	(11,975)	(560)	-	(19,465)
Written off		-	-	(60)	(8,929)	(884)	-	(9,873)
Reclassification		-	252	-	1,611	2,846	(4,709)	-
Transfer from right-of- use assets	13	-	-	469	3,385	-	-	3,854
Foreign exchange movement		-	(10,281)	(300)	(15,498)	(1,947)	(85)	(28,111)
Adjustment		-	(565)	-	-	-	-	(565)
At 31 December 2025		25,376	286,991	125,778	390,077	126,268	15,282	969,772
Accumulated depreciation								
At 1 January 2025		-	78,759	124,082	309,996	101,475	-	614,312
Depreciation charge for the financial year		-	7,395	538	20,204	5,456	-	33,593
Disposals		-	(1,641)	(425)	(9,796)	(385)	-	(12,247)
Written off		-	-	(53)	(6,687)	(848)	-	(7,588)
Transfer from right-of- use assets	13	-	-	418	1,481	-	-	1,899
Foreign exchange movement		-	(4,167)	(218)	(13,000)	(1,928)	-	(19,313)
At 31 December 2025		-	80,346	124,342	302,198	103,770	-	610,656
Accumulated impairment loss								
At 1 January 2025		-	1,039	-	2,898	55	-	3,992
Impairment during the financial year		-	1,021	-	-	-	-	1,021
Disposals		-	(468)	-	(316)	(31)	-	(815)
Written off		-	-	-	(2,163)	(21)	-	(2,184)
Foreign exchange movement		-	(76)	-	(35)	(3)	-	(114)
At 31 December 2025		-	1,516	-	384	-	-	1,900
Net carrying amount								
At 31 December 2025		25,376	205,129	1,436	87,495	22,498	15,282	357,216

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Work-in- progress RM'000	Total RM'000
2024							
Cost							
At 1 January 2024	26,776	306,663	127,335	442,015	127,211	8,804	1,038,804
Additions	-	260	775	20,498	3,017	4,318	28,868
Disposals	-	(73)	(2,203)	(47,769)	(3,476)	-	(53,521)
Written off	-	(280)	(20)	(7,628)	(3,793)	-	(11,721)
Reclassification	-	-	-	7,651	268	(7,919)	-
Foreign exchange movement	-	(4,741)	(145)	(7,013)	(643)	(109)	(12,651)
At 31 December 2024	26,776	301,829	125,742	407,754	122,584	5,094	989,779
Accumulated depreciation							
At 1 January 2024	-	72,498	125,922	339,348	103,625	-	641,393
Depreciation charge for the financial year	-	7,838	390	17,945	4,760	-	30,933
Disposals	-	-	(2,110)	(36,657)	(3,391)	-	(42,158)
Written off	-	(230)	(11)	(5,773)	(2,918)	-	(8,932)
Foreign exchange movement	-	(1,347)	(109)	(4,867)	(601)	-	(6,924)
At 31 December 2024	-	78,759	124,082	309,996	101,475	-	614,312
Accumulated impairment loss							
At 1 January 2024	-	601	49	4,755	377	-	5,782
Impairment during the financial year	-	520	-	2,647	55	-	3,222
Disposals	-	-	-	(860)	-	-	(860)
Written off	-	-	-	(1,491)	-	-	(1,491)
Reversal of impairment charge during the financial year	-	(50)	(49)	(2,118)	(361)	-	(2,578)
Foreign exchange movement	-	(32)	-	(35)	(16)	-	(83)
At 31 December 2024	-	1,039	-	2,898	55	-	3,992
Net carrying amount							
At 31 December 2024	26,776	222,031	1,660	94,860	21,054	5,094	371,475

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Work-in-progress RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
2025				
Cost				
At 1 January 2025	57	591	4,316	4,964
Additions	138	-	100	238
Reclassification	(195)	-	195	-
Disposal	-	-	(9)	(9)
Written off	-	-	(10)	(10)
At 31 December 2025	-	591	4,592	5,183
Accumulated depreciation				
At 1 January 2025	-	408	3,393	3,801
Depreciation charge for the financial year	-	71	275	346
Disposal	-	-	(9)	(9)
Written off	-	-	(6)	(6)
At 31 December 2025	-	479	3,653	4,132
Net carrying amount				
At 31 December 2025	-	112	939	1,051
2024				
Cost				
At 1 January 2024	-	591	6,790	7,381
Additions	57	-	281	338
Written off	-	-	(85)	(85)
Disposal	-	-	(2,670)	(2,670)
At 31 December 2024	57	591	4,316	4,964
Accumulated depreciation				
At 1 January 2024	-	337	5,922	6,259
Depreciation charge for the financial year	-	71	223	294
Written off	-	-	(82)	(82)
Disposal	-	-	(2,670)	(2,670)
At 31 December 2024	-	408	3,393	3,801
Net carrying amount				
At 31 December 2024	57	183	923	1,163

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land has an unlimited useful life and is not depreciated. Construction work-in-progress represent machinery under installation and building under construction, are not depreciated until such time when the assets are available for use.

Depreciation on other property, plant and equipment is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group. The principal depreciation period and annual rates are as follows:

Buildings	2% - 10%
Motor vehicles	10% - 20%
Plant and machinery	8% - 20%
Office equipment, furniture and fittings:	
- furniture, fittings and equipment	10% - 33.33%
- computers and office equipment	10% - 33.33%

- (b) Carrying amounts of freehold land and buildings of the Group charged as securities to banks for loans and borrowings and guarantees granted to the Group as disclosed in Note 25 and Note 36 respectively are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Freehold land and buildings	57,836	63,524

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

- (c) Significant estimates and judgements - Impairment assessment of property, plant and equipment

Current financial year

The Group assessed whether there were any indication of impairment during the financial year. In performing this assessment, management considered the current operating environment and the performance of the Cash Generating Units ("CGUs"). A CGU represents the smallest identifiable group of assets that generates cash inflows largely independent of other assets or groups of assets. In the current financial year, certain CGUs within the Group reported loss and experienced a decline in customer demand. These CGUs collectively had a carrying amount of property, plant and equipment of RM98,495,000 (2024: RM113,644,000) as at the end of the reporting period.

A CGU's recoverable amount is determined as being the higher of the CGU's fair value less costs of disposal and its value-in-use.

Value in use calculations requires significant judgements, estimates about the future results and key assumptions made by the management. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions include projected revenue growth rate, projected gross margin, discount rate and terminal growth rate.

For fair value less costs of disposal calculations, the recoverable amount of the CGU is estimated based on independent valuations carried out by the professional valuers appointed by the Group and/or by using suppliers' quotations. The key assumptions used are recent market transactions of comparable land and recent published prices for machineries, taking into consideration of capacity and other specification of the assets, estimated cost of construction, useful lives of buildings and machineries and net rental income of properties.

Based on management's impairment assessment, an impairment losses of RM1,021,000 for property, plant and equipment was recognised for PT Prestige Packages Indonesia ("PTPPI")'s CGU under the manufacturing segment, based on fair value less costs of disposal due to declining customer demand and the resulting reduction in expected future cash flows. For the purpose of impairment assessment, the property, plant and equipment, intangible assets and goodwill of PTPPI are grouped as one CGU. Accordingly, the impairment assessment is performed on a CGU basis as disclosed in Note 18.

For the other CGUs with impairment indicators which consist of certain subsidiary companies in carton and offset business, plastic injection moulding and electronic manufacturing system business, based on management's impairment assessment, the recoverable amounts of these CGUs are higher than their carrying amounts, hence, no impairment has been recognised. The recoverable amounts are determined based on fair value less costs of disposal.

The fair value of properties and machineries of these CGUs are determined by external independent valuers, having appropriate recognised professional qualifications in the category of properties and machineries being valued and/or machineries' suppliers that possess the necessary expertise and experience. The directors have determined that the current use of the property, plant and equipment represents the highest and best use and the valuations performed by the valuers and quotations derived from the suppliers represent the exit prices for these assets.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

(c) Significant estimates and judgements - Impairment assessment of property, plant and equipment (continued)

Current financial year (continued)

The following table shows the valuation techniques that have been considered in deriving the recoverable amount of the above CGUs (excluding PTPPI's CGU) within Level 3 of the fair value hierarchy, as well as the significant unobservable inputs used in the valuation provided by the independent valuers and quotations from the suppliers:

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<i>Sales comparison approach:</i>		
Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as tenure, size, accessibility and physical condition of the specific assets	Prices per square foot ranged from RM65 to RM236	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).
Published/quoted prices of comparable machineries with compatible specifications, features, capacity and other relevant specification	Valuer [^] : Published prices ranged from RM38,612 to RM2,679,200	The estimated fair value would increase/(decrease) if the market price is higher/(lower).
	Supplier: Quoted prices ranged from RM172 to RM1,744,200	
<i>Depreciated replacement cost approach:</i>		
Estimated current construction cost of building of the same kind adjusted for physical deterioration, functional deterioration and economic deterioration	Construction costs (Price per square foot range from RM60 to RM210)	The estimated fair value would increase/(decrease) if the cost per square foot is higher/(lower).
	Depreciation rate per annum ranged from 1.5% to 2.5%	The estimated fair value would increase/(decrease) if the depreciation rate is lower/(higher).
Estimated present market prices for the machineries adjusted for the assets' condition and life span	Estimated market prices of new machineries ranged from RM118,606 to RM5,002,500	The estimated fair value would increase/(decrease) if the market price is higher/(lower).
	Depreciation rate ranged from 14% to 90%	The estimated fair value would increase/(decrease) if the depreciation rate is lower/(higher).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

- (c) Significant estimates and judgements - Impairment assessment of property, plant and equipment (continued)

Current financial year (continued)

The following table shows the valuation techniques that have been considered in deriving the recoverable amount of the above CGUs (excluding PTPPI's CGU) within Level 3 of the fair value hierarchy, as well as the significant unobservable inputs used in the valuation provided by the independent valuers and quotations from the suppliers: (continued)

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<i>* Income approach by investment method:</i>		
Capitalisation of the net annual income stream that is expected to be received after deducting the annual outgoings and other operating expenses incidental to the properties with allowance for void by using an appropriate market derived capitalisation rate	Net rental rates per square foot of comparable properties range from RM1.10 to RM3.43	The estimated fair value would increase/(decrease) if the net rental rates per square foot is higher/(lower).
	Rental yields of comparable properties range from 5.14% to 7.62%	The estimated fair value would increase/(decrease) if the rental yield is lower/(higher).
	Void allowance at 5.00%	The estimated fair value would increase/(decrease) if the void allowance is lower/(higher).

^ The valuer adopted the comparison approach for machineries as a secondary valuation method to the depreciated replacement cost method.

* The valuer adopted the comparison approach for land and the depreciated replacement cost method for buildings, with the income approach applied as a secondary method for the valuation of the properties.

Changes in Level 3 fair values are analysed by the management every year after obtaining valuation report from the external independent valuers and suppliers' quotation. There has not been any change in fair value hierarchy in the current and prior financial year.

Previous financial year

In the previous financial year, the Group recognised a reversal of impairment losses on property, plant and equipment amounting to RM2,578,000 within other income in the statements of profit or loss of the manufacturing segment. The reversal arose because certain assets that had been fully impaired in earlier years were subsequently identified for use by other subsidiary companies or were disposed of at favourable amounts. The recoverable amounts, determined based on fair value less costs of disposal, exceeded their carrying amounts.

In the previous financial year, the Group recognised an impairment loss on property, plant and equipment amounting to RM3,222,000 within other expenses in the statements of profit or loss of the manufacturing segment. The impairment resulted from an internal re-organisation in certain subsidiary companies, during which management identified specific plant and machineries to be disposed of and consequently measured them at their fair value less costs of disposal.

Accordingly, the net impairment loss for property, plant and equipment for the Group as at 31 December 2024 amounted to RM644,000.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

13. LEASES

The Group as a lessee

Right-of-use assets

	Balance as at 1.1.2025 RM'000	Depreciation charge for financial year RM'000	Transfer to property, plant and equipment RM'000	Termination of lease contracts RM'000	Foreign exchange movement RM'000	Lease modification RM'000	Balance as at 31.12.2025 RM'000
Carrying amounts							
Leasehold land	68,296	(1,965)	-	(237)	(831)	-	69,778
Buildings	9,732	(4,959)	-	(176)	(250)	85	10,548
Machineries	2,175	(295)	(1,904)	-	-	-	194
Motor vehicles	69	(18)	(51)	-	-	-	-
	80,272	(7,237)	(1,955)	(413)	(1,081)	85	80,520

	Balance as at 1.1.2024 RM'000	Additions RM'000	Depreciation charge for financial year RM'000	Termination of lease contracts RM'000	Foreign exchange movement RM'000	Balance as at 31.12.2024 RM'000
Carrying amounts						
Leasehold land	70,983	265	(2,243)	-	(709)	68,296
Buildings	11,871	5,290	(5,312)	(2,026)	(91)	9,732
Machineries	5,042	-	(2,797)	(69)	(1)	2,175
Motor vehicles	139	-	(70)	-	-	69
	88,035	5,555	(10,422)	(2,095)	(801)	80,272

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

13. LEASES (continued)

The Group as a lessee (continued)

Lease liabilities

	Balance as at 1.1.2025 RM'000	Additions RM'000	Payments of lease liabilities RM'000	Accretion of interest RM'000	Termination of lease contracts RM'000	Foreign exchange movement RM'000	Lease modification RM'000	Balance as at 31.12.2025 RM'000
Carrying amounts								
Buildings	7,584	6,116	(5,426)	333	(192)	(134)	82	8,363
Machineries	996	218	(1,052)	33	-	-	-	195
Motor vehicles	82	-	(84)	2	-	-	-	-
	8,662	6,334	(6,562)	368	(192)	(134)	82	8,558

	Balance as at 1.1.2024 RM'000	Additions RM'000	Payments of lease liabilities RM'000	Accretion of interest RM'000	Termination of lease contracts RM'000	Foreign exchange movement RM'000	Balance as at 31.12.2024 RM'000
Carrying amounts							
Buildings	12,065	5,371	(6,053)	360	(3,957)	(202)	7,584
Machineries	1,992	-	(1,025)	106	(77)	-	996
Motor vehicles	107	-	(30)	5	-	-	82
	14,164	5,371	(7,108)	471	(4,034)	(202)	8,662

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

13. LEASES (continued)

The Company as a lessee

Right-of-use assets

	Balance as at 1.1.2025 RM'000	Additions RM'000	Depreciation charge for financial year RM'000	Balance as at 31.12.2025 RM'000
Carrying amount				
Office building	1,307	-	(523)	784

	Balance as at 1.1.2024 RM'000	Additions RM'000	Depreciation charge for financial year RM'000	Balance as at 31.12.2024 RM'000
Carrying amount				
Office building	-	1,568	(261)	1,307

Lease liabilities

	Balance as at 1.1.2025 RM'000	Additions RM'000	Payment of lease liabilities RM'000	Accretion of interest RM'000	Balance as at 31.12.2025 RM'000
Carrying amount					
Office building	1,325	-	(568)	60	817

	Balance as at 1.1.2024 RM'000	Additions RM'000	Payment of lease liabilities RM'000	Accretion of interest RM'000	Balance as at 31.12.2024 RM'000
Carrying amount					
Office building	1	1,568	(284)	40	1,325

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

13. LEASES (continued)

The Company as a lessee (continued)

Lease liabilities

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Represented by:				
Current liabilities	3,981	5,217	537	508
Non-current liabilities	4,577	3,445	280	817
	8,558	8,662	817	1,325

- (a) The Group and the Company leased a number of land, building, machineries and motor vehicles in the locations, which they operate with fixed periodic rent over the lease term.

In addition, the Group has certain leases of office equipment with lease term of 12 months or less, and/or low value in nature. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

- (b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

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

The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	20 - 60 years
Buildings	2 - 50 years
Machineries	2 - 5 years
Motor vehicles	5 - 7 years

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

13. LEASES (continued)

(c) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Purchase of right-of-use assets	10,849	5,555	-	1,568
Financed under lease arrangement	(6,334)	(5,371)	-	(1,568)
Cash payments on purchase of right-of-use assets (i)	4,515	184	-	-

(i) This relates to payment made for the extension of leasehold land of a subsidiary company.

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	7,237	10,422	523	261
Interest expense on lease liabilities (included in finance costs)	368	471	60	40
Expense relating to short-term leases (included in administrative expenses)	87	990	28	40
Expense relating to leases of low-value assets (included in administrative expenses)	65	58	-	-
Income arising from modification of lease contracts	(3)	-	-	-
Expense/(income) arising from termination of lease contracts	221	(1,939)	-	-
	7,975	10,002	611	341

(e) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in net cash from operating activities:				
Payment relating to short-term leases and leases of low-value assets	152	1,048	28	40
Included in net cash used in financing activities:				
Payment of lease liabilities	6,562	7,108	568	284
	6,714	8,156	596	324

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

13. LEASES (continued)

- (f) Leasehold land and machinery of the Group with carrying amounts of RM60,736,000 (2024: RM63,339,000) and Nil (2024: RM2,157,927) respectively have been charged as securities to banks for loans and borrowings granted to the Group as disclosed in Note 25. No machinery is pledged in the current financial year as the related loans and borrowings have been fully repaid during the financial year.
- (g) The following table summarises the incremental borrowing rate as at the end of the reporting date and remaining maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

	Incremental borrowing rate per annum %	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	More than five (5) years RM'000	Total RM'000
Group					
31 December 2025					
Lease liabilities	4.03 - 5.49	5,518	6,763	-	12,281
31 December 2024					
Lease liabilities	3.07 - 6.33	5,454	3,410	240	9,104
Company					
31 December 2025					
Lease liabilities	5.49	568	284	-	852
31 December 2024					
Lease liabilities	5.49	568	852	-	1,420

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

The Group assessed whether there were any indicators of impairment during the financial year. In performing this assessment, management considered the current operating environment and the performance of the CGUs. Management identified losses incurred by certain operating subsidiary companies during the current financial year, as well as the impact of declining customer demand, as indicators of impairment. These subsidiary companies collectively held RM25,367,000 (2024: RM26,207,000) as the carrying amount of right-of-use assets as at the end of the reporting period.

For the purpose of impairment assessment, management has grouped the property, plant and equipment and right-of-use assets of the respective subsidiary companies with indicators of impairment as one CGU. Accordingly, the impairment assessment has been carried out for the respective CGUs as disclosed in Note 12(c).

Based on management's assessment, there has been no impairment noted for these CGUs as the recoverable amounts of the CGUs are in excess of their carrying amounts as at financial year end.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

14. INVESTMENT PROPERTY

	Group	
	2025 RM'000	2024 RM'000
Cost		
At 1 January/ 31 December	3,370	3,370
Accumulated depreciation		
At 1 January	484	427
Depreciation charge for the financial year	57	57
At 31 December	541	484
Net carrying amount	2,829	2,886

The investment property consist of the following:

	Group	
	2025 RM'000	2024 RM'000
Freehold land	699	699
Buildings	2,130	2,187
	2,829	2,886
Fair value	3,000	3,000

- (a) Investment property, which is owned is initially measured at cost. After initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated to write off the cost of the investment property to its residual values on a straight-line basis over its estimated useful lives. The principal depreciation period and rates are as follows:

Buildings	3%
-----------	----

Freehold land has an unlimited useful life and is not depreciated.

- (b) The fair values of the investment property of the Group which comprise freehold land and building have been arrived on the basis of valuation carried out by an independent valuer and categorised as Level 3 in the fair value hierarchy. For the land, the valuer applied the comparison method, referencing relevant comparable market transactions and adjusting for differences in key attributes such as size and time factors. For the building, the depreciated replacement cost method was adopted, which takes into consideration the estimated current construction cost of a similar building, adjusted for the relevant depreciation factors.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

14. INVESTMENT PROPERTY (continued)

- (c) Investment property of the Group is mainly used to generate rental income. However, the fair value of the investment property reflects the highest and best use of the said property should the investment property be disposed.
- (d) In the previous financial year, freehold land and building of the Group with carrying amounts of RM2,111,000 has been charged as securities to banks for loans and borrowings granted to the Group as disclosed in Note 25. The loans and borrowings has been fully repaid in the current financial year.
- (e) Description of valuation techniques used and key inputs to valuation on investment property of the Group measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Group			
At 31 December 2025/2024			
Freehold land	Comparison method	Comparable properties (RM180 per square foot)	The estimated fair value would increase/(decrease) if the price per square foot higher/(lower).
Building	Depreciated replacement cost method	Construction cost (RM126 per square foot)	The estimated fair value would increase/(decrease) if the cost per square foot is higher/(lower).
		Depreciation rate of 10%	The estimated fair value would increase/(decrease) if the depreciation rate is lower/(higher).

- (f) The following are recognised in the statements of profit or loss in respect of investment properties:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Leasing and rental income:				
Investment properties (i)	114	4,025	-	3,916
Direct operating expenses incurred on income generating investment properties	13	338	-	326

- (i) Included in prior year was rental income amounted to RM3,916,000 relating to an investment property held by the Company that was disposed during the year.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	1,160,315	1,160,315
Less: Accumulated impairment losses	(126,397)	(61,692)
Less: Reclassification to non-current asset held for sale (Note 24a)	(32,000)	-
Less: Redemption of redeemable convertible preference shares	(97,600)	-
	904,318	1,098,623

- (a) Investments in subsidiary companies, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) Details of the subsidiary companies as follows:

Name of subsidiary companies	Country of incorporation/ principal place of business	Proportion of effective ownership interest		% of ownership interest held by non-controlling interest		Principal activities
		2025	2024	2025	2024	
		%	%	%	%	
+ Viable Chip (M) Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding
# Cash Band (M) Berhad	Malaysia	100	100	-	-	Investment holding
+ Nadi Biru Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding
+ Bold Approach Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding
# Perangsang Packaging Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding
# Perangsang Dinamik Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding
+ Perangsang Oil and Gas Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding
# Perangsang Capital Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Details of the subsidiary companies as follows (continued):

Name of subsidiary companies	Country of incorporation/ principal place of business	Proportion of effective ownership interest		% of ownership interest held by non-controlling interest		Principal activities
		2025	2024	2025	2024	
		%	%	%	%	
# Aqua-Flo Sdn. Bhd.	Malaysia	51	51	49	49	Trading of chemical products, water meters and laboratory monitoring equipment and disinfection system
Ω KPS-HCM Sdn.Bhd.	Malaysia	51	51	49	49	In voluntary winding up
Held under Cash Band (M) Berhad						
# Perangsang Hotel and Properties Sdn. Bhd.	Malaysia	100	100	-	-	Dormant
Held under Nadi Biru Sdn. Bhd.						
# Smartpipe Technology Sdn. Bhd.	Malaysia	64	64	36	36	Contractors and subcontractors for the laying of pipes for all kinds of constructional, structural and civil engineering works
Held under Perangsang Dinamik Sdn. Bhd.						
# CPI (Penang) Sdn. Bhd.	Malaysia	100	100	-	-	Manufacturing, assembly and sale of electronic products and plastic moulded components and parts
# Toyoplas Manufacturing (Malaysia) Sdn. Bhd.	Malaysia	100	100	-	-	Manufacturing, assembly and sale of plastic injection moulded components and tooling
# MDS Advance Sdn. Bhd.	Malaysia	100	100	-	-	Manufacturer of machine parts

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Details of the subsidiary companies as follows (continued):

Name of subsidiary companies	Country of incorporation/ principal place of business	Proportion of effective ownership interest		% of ownership interest held by non-controlling interest		Principal activities
		2025	2024	2025	2024	
		%	%	%	%	
Held under CPI (Penang) Sdn. Bhd.						
# PCM Manufacturing Sdn. Bhd.	Malaysia	60	60	40	40	Secondary processes including silk screening, spray printing & tempo printing
Held under Toyoplas Manufacturing (Malaysia) Sdn. Bhd.						
+,@ Toyoplas Holdings Pte Ltd.	Singapore	-	100	-	-	Investment holdings, traders and provision of tooling services
# PT Toyoplas Manufacturing Indonesia	Indonesia	99.92	99.92	-	-	Producing semi-conductor and other electronic components, electronic measurement instruments and test equipment, household electrical appliances, pump, faucets, valves and moving hand equipments
+ Toyoplas Manufacturing (HK) Co., Ltd.	Hong Kong	100	100	-	-	Trading of plastic products, moulds investment
Held under Toyoplas Holdings Pte. Ltd.						
+,^ Toyoplas Manufacturing (Shanghai Songjiang) Co., Ltd.	The People's Republic of China	-	100	-	-	Voluntary wound up
+,^ Toyoplas Manufacturing (Vietnam) Co., Ltd.	Vietnam	-	100	-	-	Voluntary wound up

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Details of the subsidiary companies as follows (continued):

Name of subsidiary companies	Country of incorporation/ principal place of business	Proportion of effective ownership interest		% of ownership interest held by non-controlling interest		Principal activities
		2025	2024	2025	2024	
		%	%	%	%	
Held under Toyoplas Holdings Pte. Ltd. (continued)						
# Toyoplas Manufacturing (Bac Giang) Co., Ltd.	Vietnam	100	100	-	-	Manufacturing plastic injection
+,@ Toyoplas Manufacturing (Dongguan) Co., Ltd.	The People's Republic of China	100	-	-	-	Production and sales of the precise plastic mould and electrical precision plastic accessories, electrical appliance and its accessories telecommunication products and provide after sales service
# PT Toyoplas Manufacturing (Indonesia)	Indonesia	0.08	0.08	-	-	Producing semi-conductor and other electronic components, electronic measurement instruments and test equipment, household electrical appliances, pump, faucets, valves and moving hand equipments
Held under Toyoplas Manufacturing (HK) Co., Ltd.						
+,@ Toyoplas Manufacturing (Dongguan) Co., Ltd.	The People's Republic of China	-	100	-	-	Production and sales of the precise plastic mould and electrical precision plastic accessories, electrical appliance and its accessories telecommunication products and provide after sales service
+,@ Toyoplas Holdings Pte. Ltd.	Singapore	100	-	-	-	Investment holdings, traders and provision of tooling services

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Details of the subsidiary companies as follows (continued):

Name of subsidiary companies	Country of incorporation/ principal place of business	Proportion of effective ownership interest		% of ownership interest held by non-controlling interest		Principal activities
		2025	2024	2025	2024	
		%	%	%	%	
Held under Perangsang Packaging Sdn. Bhd.						
# Century Bond Bhd.	Malaysia	100	100	-	-	Investment holding and provision of management services
Held under Century Bond Bhd.						
# Pro Pulp Packages Sdn. Bhd.	Malaysia	100	100	-	-	Manufacture and sale of pulp moulded products
# Prestige Packages Sdn. Bhd.	Malaysia	100	100	-	-	Manufacture and sale of multi-wall paper bags, woven laminated bags, pulp moulded products and food process packaging, and manufacture, process and trade in all kinds of food and beverage products including but not limited to coffee and sugar and manufacturing of plastic bags, firms and liner
# Polyplus Packages (JB) Sdn. Bhd.	Malaysia	100	100	-	-	Manufacture and sales of corrugated carton boxes
# Polyplus Packages Sdn. Bhd.	Malaysia	100	100	-	-	Manufacture and sales of corrugated carton boxes
# Multiview Enterprises Sdn. Bhd.	Malaysia	100	100	-	-	Sale and marketing of industries tapes, materials and machinery and household care products
# Eversynergy Sdn. Bhd.	Malaysia	100	100	-	-	Property holding

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Details of the subsidiary companies as follows (continued):

Name of subsidiary companies	Country of incorporation/ principal place of business	Proportion of effective ownership interest		% of ownership interest held by non-controlling interest		Principal activities
		2025	2024	2025	2024	
		%	%	%	%	
Held under Pro Pulp Packages Sdn. Bhd.						
^ Century Packing & Printing Sdn Bhd	Malaysia	60	60	40	40	Voluntary wound up
Held under Prestige Packages Sdn. Bhd.						
# Centoz Industries Sdn. Bhd.	Malaysia	80	80	20	20	Manufacture and sale of paper products
# Brandpak Industries Sdn. Bhd.	Malaysia	100	100	-	-	Manufacture and marketing of stretch films, plastic bags and liners
+ PT Prestige Packages Indonesia	Indonesia	100	100	-	-	Manufacture and sale of cement paper bags
+ Esteem Packaging Pte. Ltd.	Singapore	80	80	20	20	Trading of paper and plastic packaging products
Held under Polyplus Packages (JB) Sdn. Bhd.						
# Taspack Industrial Sdn. Bhd.	Malaysia	97	97	3	3	Processing and supplying of instruction manual books, boxes and all other packing materials
+ PT Infinity Packaging Solution	Indonesia	77	51	23	49	Processing of packaging and boxes from paper and cardboard
# Infinity Packaging Solution Sdn. Bhd.	Malaysia	51	51	49	49	Offset printing for corrugated carton boxes, pulp moulded products and packaging

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Details of the subsidiary companies as follows (continued):

Name of subsidiary companies	Country of incorporation/ principal place of business	Proportion of effective ownership interest		% of ownership interest held by non-controlling interest		Principal activities
		2025	2024	2025	2024	
		%	%	%	%	
Held under Polyplus Packages (JB) Sdn. Bhd. (continued)						
# Polyplus Packages (PG) Sdn. Bhd.	Malaysia	60	60	40	40	Manufacture and sales of corrugated carton boxes and packaging
Held under Multiview Enterprises Sdn. Bhd.						
# Multiview Packaging Sdn. Bhd.	Malaysia	100	100	-	-	Manufacturing, marketing and trading of stretch film, shrink film, plastic bags, liners, industrial packaging tapes, edge protector paper core, garbage bags and plastic related products
+ Multiview (S) Pte. Ltd.	Singapore	100	100	-	-	Trading of industrial packaging materials and consumer household products
# Macro Chemicals Sdn. Bhd.	Malaysia	100	100	-	-	Contract manufacturing of adhesive products and household care products

- # Subsidiary companies audited by EY PLT or its affiliates
+ Subsidiary companies not audited by EY PLT or its affiliates
Ω In liquidation
^ Voluntary wound up completed
@ Underwent internal group restructuring

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(c) Significant estimates and judgements - Impairment assessment of investment in subsidiary companies

The Group reviews its investments in subsidiary companies for impairment whenever indicators of impairment arise. An impairment loss is recognised when the carrying amount of an investment in a subsidiary company exceeds its recoverable amount. As at the end of the reporting period, the carrying amounts of the cost of investments in certain direct and indirect subsidiary companies with indicators of impairment amounted to RM870,814,000 (2024: RM967,519,000). The indicators of impairment arose because the carrying amounts of these investments in the Company's separate financial statements exceeded the investees' net asset values reported in their financial statements, and because the affected investees were loss-making and/or experiencing a decline in customer demand. Based on the review performed, an impairment loss on investment in subsidiary companies of RM64,705,000 (2024: Nil) was recognised during the financial year, as follows:

	Impairment loss
	2025
	RM'000
Perangsang Oil and Gas Sdn. Bhd. ("POGSB")	18,000
Perangsang Packaging Sdn. Bhd. ("PPSB")	46,705
	64,705

The Company performed impairment testing on investment in subsidiary companies if there is an indication of impairment based on the higher of fair value less costs of disposal and value in use. In assessing the value in use, management estimates the future cash inflows and outflows that will be derived from the investment and discounting them at an appropriate rate. The future cash inflows and outflows are based on cash flow forecasts approved by the directors, covering one (1) year period and cash flows beyond the one (1) year period (up to 5 years) extrapolated using the estimated growth in future revenues. Significant estimates and judgements had also been used to determine the key assumptions applied to the cash flow projections, which includes the projected revenue growth, projected gross margin, discount rate and terminal growth rates used for each of the affected subsidiary company by CGUs.

In assessing fair value less costs of disposal for a subsidiary company with group of companies, management applied sum-of-the parts approach, comprising income approach, using discounted cash flow calculation, and the cost approach, using adjusted net assets method. The discounted cash flow approach involves estimating the future cash inflows and outflows expected to be generated from the investment and discounting them at an appropriate rate. For certain loss-making and inactive subsidiary companies, management applied the adjusted net assets method, whereby the carrying amounts of the subsidiary companies' net assets were adjusted to reflect the revaluation surplus of their properties and machineries.

POGSB

During the financial year, the Company recognised an impairment loss of RM18,000,000 on its investment in POGSB under investment holding segment. The recoverable amount was derived from the purchase consideration of RM32,000,000 stipulated in the executed Share Sale Agreement for the disposal of POGSB (together with its investment in NGC Energy Sdn. Bhd.), after deducting estimated costs of disposal. As the valuation is based on an observable transaction price from an orderly sale agreement rather than quoted prices in an active market, the fair value measurement is categorised within Level 2 of the fair value hierarchy under MFRS 13. The investment in POGSB has been reclassified as a non-current asset held for sale as at 31 December 2025, as disclosed in Note 24(a).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(c) Significant estimates and judgements - Impairment assessment of investment in subsidiary companies (continued)

PPSB

During the financial year, the Company recognised an impairment loss of RM46,705,000 on its investment in PPSB, being the investment holding company that holds 100% equity interest in Century Bond Berhad Group ("CBB Group"), based on the fair value less costs of disposal method due to declining customer demand and the resulting reduction in expected future cash flows. In assessing fair value less costs of disposal, management applied sum-of-the-parts approach, comprising the income approach, using discounted cash flow calculation, and the cost approach, using adjusted net assets method. Certain subsidiary companies within CBB Group were valued using discounted cash flow calculations, while for those that were loss-making or inactive, were valued using the adjusted net assets method.

The directors have determined that the current use of the assets within the business operations reflects their highest and best use, and that the valuation derived represents the exit price for the investment in CBB Group as at reporting date. The key assumptions used in valuation for certain subsidiary companies within CBB Group by using discounted cash flow calculation are as follows:

- Projected revenue growth rate

The projected revenue growth rate is based on actual historical trend for the past 3 years adjusted for certain market and economic condition. The projected revenue growth rate used for the subsidiary companies within CBB Group is ranged from -9.1% to 25.1%.

- Projected gross margin

The projected gross margin is based on actual historical trends for the past 3 years adjusted for certain market and economic condition. The projected gross margin used for the subsidiary companies within CBB Group is ranged from 9.5% to 23.9%.

- Post-tax discount rate

Discount rate is used to reflect management's estimate of the risks specific to the CGU. The discount rate is estimated based on its weighted average cost of capital. The post-tax discount rate used for the subsidiary companies within CBB Group is ranged from 9.5% to 10%.

- Terminal growth rate

The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU. The terminal growth rate used for the subsidiary companies within CBB Group is 1%.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(c) Significant estimates and judgements - Impairment assessment of investment in subsidiary companies (continued)

PPSB (continued)

Impact of possible changes in key assumption

- 1% decrease in projected revenue growth rate would decrease the recoverable amounts of certain subsidiary companies within CBB Group by RM1,229,000, resulted in further impairment loss in PPSB of RM1,229,000.
- 1% decrease in projected gross margin would decrease the recoverable amounts of certain subsidiary companies within CBB Group by RM14,011,000, resulted in further impairment loss in PPSB of RM14,011,000.

The following table shows the valuation techniques that have been considered in deriving the recoverable amounts of the subsidiary companies within CBB Group within Level 3 of the fair value hierarchy, as well as the significant unobservable inputs used in the adjusted net assets approach, where net assets are adjusted based on valuation surplus of the subsidiary companies' properties and machineries. The valuations of properties and machineries are based on fair value less costs of disposal where key assumptions include recent market transactions of comparable land and recent published prices for machineries, taking into consideration of capacity and other specification of the assets, estimated cost of construction, useful lives of buildings and machineries and net rental income of properties.

The fair value of these properties and machineries are determined by external independent valuers, having appropriate recognised professional qualifications in the category of properties and machineries being valued and/or machineries' suppliers that possess the necessary expertise and experience. The directors have determined that the current use of the properties and machineries represent the highest and best use and the valuations performed by the valuers and quotations derived from the suppliers represent the exit prices for these assets.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<i>Sales comparison approach:</i>		
Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as tenure, size, accessibility and physical condition of the specific assets	Prices per square foot of comparable properties ranged from RM30 to RM97	The estimated fair value would increase/(decrease) if the price per square foot higher/(lower).
Published/quoted prices of comparable machineries with compatible specifications, features, capacity and other relevant specification	Valuer [^] : Published prices ranged from RM38,612 to RM12,411,000 Supplier: Quoted prices ranged from RM172 to RM2,100,000	The estimated fair value would increase/(decrease) if the market price is higher/(lower).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(c) Significant estimates and judgements - Impairment assessment of investment in subsidiary companies (continued)

PPSB (continued)

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<i>Depreciated replacement cost approach:</i>		
Estimated current construction cost of building of the same kind adjusted for physical deterioration, functional deterioration and economic deterioration	Construction costs (Price per square foot range from RM60 to RM150)	The estimated fair value would increase/(decrease) if the cost per square foot is higher/(lower).
	Depreciation rate per annum is at 1.5%	The estimated fair value would increase/(decrease) if the depreciation rate is lower/(higher).
Estimated present market prices for the machineries, adjusted for the assets' condition and life span	Estimated market prices of new machineries ranged from RM118,606 to RM10,721,860 Depreciation rate ranged from 14% to 90%	The estimated fair value would increase/(decrease) if the market price is higher/(lower).
<i>* Income approach by investment method:</i>		
Capitalisation of the net annual income stream that is expected to be received after deducting the annual outgoings and other operating expenses incidental to the properties with allowance for void by using an appropriate market derived capitalisation rate	Net rental rates per square foot of comparable properties range from RM1.10 to RM1.50	The estimated fair value would increase/(decrease) if the net rental rates per square foot is higher/(lower).
	Rental yields of comparable properties range from 6.25% to 6.50%	The estimated fair value would increase/(decrease) if the rental yield is lower/(higher).
	Void allowance at 5.00%	The estimated fair value would increase/(decrease) if the void allowance is lower/(higher).

[^] The valuer adopted the comparison approach for machineries as a secondary valuation method to the depreciated replacement cost method.

^{*} The valuer adopted the comparison approach for land and the depreciated replacement cost method for buildings, with the income approach applied as a secondary method for the valuation of the properties.

Changes in Level 3 fair values are analysed by the management every year after obtaining valuation report from the external independent valuers and suppliers' quotation. There has not been any change in fair value hierarchy in the current and prior financial year.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(d) Capital injection/(reduction) in subsidiary companies

Current financial year (continued)

(i) Redemption of redeemable convertible preference shares ("RCPS") in Bold Approach Sdn. Bhd. ("BASB")

The Company had redeemed its 97,600,000 RCPS at a redemption price of RM1 per RCPS, totalling RM97,600,000 pursuant to Section 113 of the Companies Act 2016 by way of settling the amount due to BASB. The redemption does not have any effect on the effective interest in equity of the Group.

(ii) Capital injection in PT Toyoplas Manufacturing Indonesia ("TMI")

On 3 July 2025, Toyoplas Manufacturing (Malaysia) Sdn. Bhd. ("Toyoplas"), an indirect subsidiary company of the Group increased its investments in TMI, a wholly owned subsidiary company of Toyoplas via capital injection of USD1,200,000 (equivalent to RM5,160,000). The capital injection does not have any effect on the effective interest in equity of the Group.

(iii) Capitalisation of amounts owing by PT Infinity Packaging Solutions ("PT IPS") to its shareholders

During the financial year, PT IPS increased its issued and paid-up ordinary shares from IDR8,000,000,000 (equivalent to RM2,500,000) to IDR35,308,000,000 (equivalent to RM9,190,460) by way of capitalisation of amounts owing by PT IPS to its shareholders, including its immediate holding company, Polyplus Packages (JB) Sdn. Bhd., an indirect wholly-owned subsidiary company of the Group.

As a result, RM5,919,879 (equivalent to IDR23,046,000,000) owing by PT IPS to Polyplus Packages (JB) Sdn. Bhd. was converted into 23,046 shares.

Consequently, the effective interest in equity for the Group had increase from 51% to 77%.

Previous financial year

(i) Acquisition of additional equity interests from non-controlling interests in Taspac Industrial Sdn. Bhd. ("TISB")

On 23 December 2024, Polyplus Packages (JB) Sdn. Bhd., an indirect subsidiary company of the Group, acquired an additional 12% equity interests from non-controlling interest of TISB for a cash consideration of RM1,350,000. The acquisition of additional equity interests from non-controlling interests of TISB has the following effects to the Group:

	2024 RM'000
Cash consideration	1,350
Net assets acquired from non-controlling interests	(3,660)
Equity adjustment on acquisition of additional equity interests in TISB	(2,310)

Consequently, the effective interest in equity of the Group had increased from 85% to 97%.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

- (d) Capital injection/(reduction) in subsidiary companies (continued)

Previous financial year (continued)

- (ii) Subscription of additional new ordinary shares in Infinity Packaging Solution Sdn. Bhd. ("IPS")

On 1 October 2024, Polyplus Packages (JB) Sdn. Bhd., an indirect subsidiary company of the Group, subscribed an additional 1,020,000 new ordinary shares in IPS for a consideration of RM1,020,000 by way of capitalisation of amount due from IPS. The balance of 980,000 ordinary shares were subscribed by the existing non-controlling interests of the Group for a consideration of RM980,000 by way of capitalisation of amounts due from related parties. The additional acquisition does not have any effect on the effective interest in equity of the Group.

- (e) Internal group restructuring

Current financial year

- (i) Intragroup transfer of equity interest in Toyoplas Holdings Pte. Ltd. ("THS") from Toyoplas to Toyoplas Manufacturing (HK) Company Limited ("TMH")

On 23 June 2025, Toyoplas has disposed of its entire equity interest in THS, comprising 6,650,004 ordinary shares to TMH. The disposal was effected for a total consideration of USD14,307,309 (equivalent to RM61,378,356), satisfied wholly through the allotment and issuance of 18,097 new ordinary shares in THS at an issue price of USD790.59 per share. The transaction represents an internal group restructuring, undertaken via a share-swap arrangement, and therefore no cash consideration was involved.

Subsequently on October 2025, TMH transferred Toyoplas Manufacturing (Dongguan) Co., Ltd, a wholly owned subsidiary company of TMH to be held directly by THS for a consideration of USD3,100,000 (equivalent to RM12,589,100). 1,550,000 ordinary shares in THS were issued to TMH in satisfaction of the amount owing to TMH of USD3,100,000.

There is no financial impact to the financial position and financial performance of the Group and does not have any effect on the effective interest in equity of the Group arising from the internal group restructuring exercise above.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

- (f) Winding up of subsidiary companies

Current financial year

Winding up of Toyoplas Manufacturing (Vietnam) Company Limited ("TMV") and Toyoplas Manufacturing (Shanghai Songjiang) Co., Ltd ("TMS")

TMS, an indirect wholly-owned subsidiary company of the Toyoplas has completed its voluntary winding up process on 18 April 2025, pursuant to a notification received from Shanghai City Administration for Market Regulation in the People's Republic of China on the same date. The winding up has the following effects to the Group:

	Group RM'000
Gain from winding up of TMS	4,190

TMV, an indirect wholly-owned subsidiary company of Toyoplas has completed its voluntary winding up process on 13 August 2025, pursuant to a notification received from the Department of Finance of Bac Ninh Province in Vietnam on the same date. The winding up has the following effects to the Group:

	Group RM'000
Loss from winding up of TMV	994

Accordingly, the net gain from winding up of subsidiary companies recognised in other income amounted to RM3,196,000 (2024: nil) as disclosed in Note 5.

Previous financial year

- (i) Winding up of KPS-HCM Sdn. Bhd. ("KPS-HCM")

KPS-HCM, a 51% owned subsidiary company of the Company and the remaining 49% equity interest owned by HCM Engineering Sdn. Bhd, had commenced its member's voluntary winding up on 29 August 2024, pursuant to Section 439(1)(b) of the Companies Act 2016.

KPS-HCM has ceased its operations during the financial year ended 31 December 2023 and it has no intention of carrying on business in the future. The Members' Voluntary Winding-Up will enable the Group to save future costs associated with maintaining KPS-HCM.

The Members' Voluntary Winding-Up is not expected to have any material impact on the Group's consolidated net asset per share, gearing, earnings, or earnings per share for the financial year ending 31 December 2025, nor will it affect the Group's business operations.

As of the date of this report, the winding up exercise of the subsidiary company has yet to be completed.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

- (f) Winding up of subsidiary companies (continued)

Previous financial year (continued)

- (ii) Winding up of Century Packing & Printing Sdn. Bhd. ("CPP")

On 23 October 2024, CPP, an indirect subsidiary company of the Group, entered into Members' Voluntary Winding Up, pursuant to Section 439(1)(b) of the Companies Act 2016. CPP held its final meeting on 5 January 2026 to conclude the members' voluntary winding up.

Subsequently on the same day, the liquidators lodged with the Registrar of Companies and the Official Receiver the Returns by Liquidator relating to the final meeting together with a copy of the accounts.

As of the date of this report, the winding up exercise of the subsidiary company has been completed.

- (g) Dissolution of a subsidiary company

Previous financial year

Dissolution of Darul Aman Water Solution Sdn. Bhd. ("DAWS")

DAWS, an indirect subsidiary company of the Group has been struck off from the register and dissolved on 10 July 2024, following the publication of the notice of striking off in the Gazette by registrar of companies.

There is no financial impact to the financial position and financial performance of the Group and of the Company arising from the dissolution.

- (h) Divestment of a subsidiary company

Previous financial year

On 20 March 2024, BASB, a wholly-owned subsidiary of the Company, has disposed 50% of its equity interest in a subsidiary company, Kaiserkorp Corporation Sdn. Bhd. ("Kaiserkorp"), a company incorporated in Malaysia which is engaged in investment holding for a cash consideration of USD57,463,605 (equivalent to RM271,458,070).

Following the divestment of equity interest of Kaiserkorp, the result of Kaiserkorp shall deconsolidated from the Group on the same date. Management has accounted for the remaining interest in Kaiserkorp as other investment as disclosed in Note 19.

The value of the assets and liabilities disposed at the date of the divestment and the financial impact to the financial position and financial performance of the Group arising from the divestment are disclosed in Note 24(b).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

- (i) Summarised financial information on a subsidiary company with material non-controlling interests

Summarised financial information of Aqua-Flo Sdn. Bhd. ("Aqua-Flo") which has non-controlling interests ("NCI") that are material to the Group, are set out below. The summarised financial information presented below is the amount before inter-companies elimination. The NCI in respect of other entities within the Group are not material to the Group.

- (a) Summarised statement of financial position

	Aqua-Flo Sdn. Bhd.	
	2025 RM'000	2024 RM'000
Non-current assets	3,294	3,342
Current assets	114,898	102,910
Total assets	118,192	106,252
Current liabilities	63,208	54,657
Net assets	54,984	51,595
Equity attributable to owners of the parent	28,042	26,313

- (b) Summarised statement profit or loss and other comprehensive income

	Aqua-Flo Sdn. Bhd.	
	2025 RM'000	2024 RM'000
Revenue	176,477	178,257
Profit for the financial year, representing total comprehensive income for the financial year	9,089	9,464
Profit attributable to owners of the parent, representing total comprehensive income attributable to owners of the parent	4,635	4,827

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

15. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

- (i) Summarised financial information on a subsidiary company with material non-controlling interests (continued)
- (c) Summarised statement of cash flows

	Aqua-Flo Sdn. Bhd.	
	2025 RM'000	2024 RM'000
Net cash flows from/(used in) operating activities	11,947	(2,884)
Net cash flows (used in)/from investing activities	(2,559)	3,747
Net cash flows used in financing activities	(5,809)	(10,107)
Net increase/(decrease) in cash and cash equivalents	3,579	(9,244)
Cash and cash equivalents at 1 January	24,567	33,811
Cash and cash equivalents at 31 December	28,146	24,567

- (j) Subsidiary companies of the Group that have material non controlling interests ("NCI") are as follows:

	Aqua-Flo RM'000	Other individually immaterial subsidiary companies RM'000	Total RM'000
As at 31 December 2025			
NCI percentage of ownership interest and voting interest	49%	*	
Carrying amount of NCI	26,942	4,433	31,375
Profit/(Loss) attributable to NCI, representing total comprehensive income/(loss) for the year	4,454	(371)	4,083
Dividends paid to NCI	2,793	-	2,793
As at 31 December 2024			
NCI percentage of ownership interest and voting interest	49%	*	
Carrying amount of NCI	25,282	4,080	29,362
Profit/(loss) attributable to NCI, representing total comprehensive income/(loss) for the year	4,637	(2,360)	2,277
Dividends paid to NCI	4,900	284	5,184

* Comprises of NCI ownership of other individually immaterial subsidiary companies.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

16. INVESTMENT IN ASSOCIATE COMPANIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares, at cost	54,299	54,299	2,809	2,809
Share of post- acquisition reserves	40,893	40,927	-	-
Less: Impairment losses	(63,530)	(63,164)	(2,700)	(2,700)
Less: Reclassified to disposal group held for sale (Note 24a)	(27,040)	-	-	-
	4,622	32,062	109	109

- (a) Associate company is accounted for using the equity method from the date the Group obtains significant influence. The investment is initially recognised at cost. After acquisition, the carrying amount of the investment is adjusted to reflect the Group's share of the associate company's profit or loss and other comprehensive income.

If the Group's share of losses equals or exceeds its interest in the associate company, the Group ceases to recognise further losses unless it has a legal or constructive obligation to make additional payments on behalf of the investee.

The financial statements of associate companies are prepared for the same reporting period as the Group. Where necessary, adjustments are made to ensure that their accounting policies are consistent with those of the Group.

Investments in associate companies are measured at cost less impairment losses, if any, and accounted for using the equity method in the consolidated financial statements.

Management assesses if there are any indicators of impairment in the investment in associate companies and performs impairment assessment based on the higher of the fair values less cost of disposal and value in use of the associate companies. Estimating value in use requires management to make an estimate of the expected future cash flows to be derived from the investment, expectations about possible variations in the amount, timing of those cash flows, the time value of money and others relevant factors.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

16. INVESTMENT IN ASSOCIATE COMPANIES (continued)

(b) Details of the associate companies are as follows:

Name of associate companies	Country of incorporation/ principal place of business	Effective interest in equity (%)		Nature of relationship
		2025	2024	
Held by the Company:				
# Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. ("SPRINT Holdings")	Malaysia	20	20	Investment holding and provision of management services. The activities contribute to the infrastructure business segment of the Group.
+ Perangsang Water Management Sdn. Bhd. ("PWM")	Malaysia	40	40	Water project operation and management. The activities contribute to the infrastructure business segment of the Group.
Held by Viable Chip (M) Sdn. Bhd.				
# Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH")	Malaysia	30	30	Investment holding. The activities contribute to the infrastructure business segment of the Group.
Held by Perangsang Oil and Gas Sdn. Bhd.				
+ NGC Energy Sdn. Bhd. ("NGC Energy")	Malaysia	40	40	Operation, marketing and selling of liquefied petroleum gas.

Associate companies audited by EY PLT

+ Associate companies not audited by EY PLT

The above investments are accounted for as investments in associate companies by virtue of the ability of the Group to exercise significant influence over the financial and operating policies of the investee companies through representation in the Board of Directors of these associate companies.

During the year, the investment in NGC Energy of RM27,040,000 has been reclassified as disposal group held for sale following the execution of a conditional Share Sale Agreement on the proposed disposal of its shareholders, Perangsang Oil and Gas Sdn. Bhd. as disclosed in Note 24(a).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

16. INVESTMENT IN ASSOCIATE COMPANIES (continued)

- (c) The summarised financial information of the associate companies which are accounted for using the equity method are as follows:

Summarised statements of financial position

	SPLASH Holdings RM'000	SPRINT Holdings RM'000	NGC Energy RM'000	PWM RM'000	Total RM'000
As at 31 December 2025					
Non-current assets	-	-	257,743	-	257,743
Current assets	40,596	249	101,710	5,821	148,376
Total assets	40,596	249	359,453	5,821	406,119
Non current liabilities	-	-	40,339	-	40,339
Current liabilities	175	10	105,079	2	105,266
Total liabilities	175	10	145,418	2	145,605
Net assets attributable	40,421	239	214,035	5,819	260,514

Summarised statements of profit or loss and other comprehensive income

	SPLASH Holdings RM'000	SPRINT Holdings RM'000	NGC Energy RM'000	PWM RM'000	Total RM'000
Year ended					
31 December 2025					
Revenue	-	-	778,568	3,776	782,344
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year	1,549	(43)	100	3,675	5,281

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

16. INVESTMENT IN ASSOCIATE COMPANIES (continued)

- (c) The summarised financial information of the associate companies which are accounted for using the equity method are as follows (continued):

Reconciliation of net assets to carrying amount of Group's interest in associate companies

	SPLASH Holdings RM'000	SPRINT Holdings RM'000	NGC Energy RM'000	PWM RM'000	Total RM'000
Year ended 31 December 2025					
Group's share of net assets	2,295	(1,434)	85,884	2,702	89,447
Goodwill	-	3,356	2,389	-	5,745
	2,295	1,922	89,273	2,702	95,192
Less: Impairment loss	-	(1,922)	(61,233)	(375)	(63,530)
Less: Asset held for sale (Note 24a)	-	-	(27,040)	-	(27,040)
Carrying amount of group's interest in associate companies	2,295	-	-	2,327	4,622
Group's share of results of associate companies	465	(9)	40	1,470	1,966
Dividend received from associate companies	-	-	2,000	-	2,000

Summarised statements of financial position

	SPLASH Holdings RM'000	SPRINT Holdings RM'000	NGC Energy RM'000	PWM RM'000	Total RM'000
As at 31 December 2024					
Non-current assets	-	-	261,329	-	261,329
Current assets	5,031	298	166,666	3,023	175,018
Total assets	5,031	298	427,995	3,023	436,347
Non current liabilities	-	-	39,609	-	39,609
Current liabilities	44	18	169,451	2	169,515
Total liabilities	44	18	209,060	2	209,124
Net assets attributable	4,987	280	218,935	3,021	227,223

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

16. INVESTMENT IN ASSOCIATE COMPANIES (continued)

- (c) The summarised financial information of the associate companies which are accounted for using the equity method are as follows (continued):

Summarised statements of profit or loss and other comprehensive income

	SPLASH Holdings RM'000	SPRINT Holdings RM'000	NGC Energy RM'000	PWM RM'000	Total RM'000
Year ended 31 December 2024					
Revenue	-	-	864,364	3,840	868,204
Profit for the year, representing total comprehensive income for the year	1,315	2,397	7,577	2,140	13,429

Reconciliation of net assets to carrying amount of Group's interest in associate companies

	SPLASH Holdings RM'000	SPRINT Holdings RM'000	NGC Energy RM'000	PWM RM'000	Total RM'000
Year ended 31 December 2024					
Group's share of net assets	1,830	(1,425)	87,844	1,232	89,481
Goodwill	-	3,356	2,389	-	5,745
	1,830	1,931	90,233	1,232	95,226
Less: Impairment loss	-	(1,931)	(61,233)	-	(63,164)
Carrying amount of group's interest in associate companies	1,830	-	29,000	1,232	32,062
Group's share of results of associate companies	395	479	3,031	856	4,761
Dividend received from associate companies	-	1,640	2,000	2,400	6,040

- (d) The financial statements of the associate companies of the Group are coterminous with those of the Group, except for SPLASH Holdings and SPRINT Holdings which have a financial year end of 31 March, as mutually agreed by respective shareholders.

The Group's share of results of SPLASH Holdings and SPRINT Holdings for the current financial year using equity method of accounting are based on their latest available financial information. Appropriate adjustments, where required have been made for the effects of significant transactions between the dates of the latest available financial information and financial years ended 31 December 2025 and 2024.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

16. INVESTMENT IN ASSOCIATE COMPANIES (continued)

- (e) The Group assesses its investment in associate companies for impairment when indicators arise. As at the end of the reporting period, an investment in associate company amounting to RM2,327,306 (2024: RM1,232,000) showed indication of impairment, as the carrying amount recognised under the equity method exceeded the associate companies' net assets following a dividend declaration.

An impairment loss of RM375,000 (2024: Nil) was recognised by the Group on its investment in PWM, based on fair value less costs of disposal using the adjusted net assets method, as PWM consists primarily of current assets and liabilities in its financial statements.

- (f) In the previous financial year, an impairment loss amounting to RM392,000 and RM2,700,000 was recognised by the Group and the Company respectively on the investment in SPRINT Holdings, as the associate company became dormant during the financial year.
- (g) In the previous financial year, SPRINT Holdings performed a capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 resulting in repayment of RM199,998 by way of cash distribution to the Company. The capital reduction activities do not have any effect on the effective interest in equity of the Group and of the Company.

17. INTANGIBLE ASSETS

	Customer relationships RM'000	Website and software development RM'000	Total RM'000
Group			
Cost			
At 1 January 2025	77,347	4,217	81,564
Additions	-	143	143
Written off	-	(271)	(271)
Foreign exchange movement	-	(234)	(234)
At 31 December 2025	77,347	3,855	81,202
Accumulated amortisation			
At 1 January 2025	34,047	2,561	36,608
Amortisation charge for the financial year	6,573	554	7,127
Written off	-	(271)	(271)
Foreign exchange movement	-	(111)	(111)
At 31 December 2025	40,620	2,733	43,353
Accumulated impairment losses			
At 1 January 2025	634	2	636
Impairment charge for the financial year	747	-	747
At 31 December	1,381	2	1,383
Carrying amounts			
At 31 December	35,346	1,120	36,466

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

17. INTANGIBLE ASSETS (continued)

	Customer relationships RM'000	Website and software development RM'000	Total RM'000
Group			
Cost			
At 1 January 2024	77,347	3,885	81,232
Additions	-	944	944
Written off	-	(479)	(479)
Foreign exchange movement	-	(133)	(133)
At 31 December 2024	77,347	4,217	81,564
Accumulated amortization			
At 1 January 2024	27,474	2,309	29,783
Amortisation charge for the financial year	6,573	595	7,168
Written off	-	(263)	(263)
Foreign exchange movement	-	(80)	(80)
At 31 December 2024	34,047	2,561	36,608
Accumulated impairment losses			
As at 1 January 2024	634	83	717
Written off	-	(80)	(80)
Foreign exchange movement	-	(1)	(1)
At 31 December	634	2	636
Carrying amounts			
At 31 December	42,666	1,654	44,320

- (a) Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition. After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.
- (b) Intangible asset with definite useful life:
- (i) Cost of website and software development expenditure are capitalised and amortised over the estimated useful life of five (5) years.
 - (ii) The customer relationships are recognised separately from goodwill on acquisition of subsidiary companies. The useful lives of the customer relationships are in the range of eight (8) to nineteen (19) years, determined based on customer attrition from the acquired relationships.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (continued)

17. INTANGIBLE ASSETS (continued)

(c) Significant estimates and judgements - Impairment assessment of intangible assets

The Group assessed whether there were any indication of impairment during the financial year. In performing this assessment, management considered the current operating environment and the performance of the CGUs. Management identified losses incurred by certain operating subsidiary companies during the current financial year, as well as the impact of declining customer demand, as indicators of impairment. The carrying value of intangible asset (i.e. customer relationship) where there had been impairment indicators for the CGU amounted to RM747,000 (2024: RM747,000) before recognising the current year impairment loss as at the end of the reporting period.

Based on management's impairment assessment, an impairment loss of RM747,000 (2024: Nil) was recognised for PTPPI's CGU during the financial year based on the fair value less costs of disposal.

For the purpose of impairment assessment, the property, plant and equipment, intangible assets and goodwill of PTPPI are grouped as one CGU. Accordingly, the impairment assessment is performed on a CGU basis as disclosed in Note 18.

18. GOODWILL

	Group	
	2025 RM'000	2024 RM'000
Cost		
At 1 January/ 31 December	217,568	217,568
Accumulated impairment		
At 1 January	(4,638)	(4,103)
Charge for the financial year	(4,837)	(535)
At 31 December	(9,475)	(4,638)
Net carrying amount		
At 31 December	208,093	212,930

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

Significant estimates and judgements - Impairment assessment of goodwill

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the Cash-Generating Units ("CGUs"). The recoverable amount was determined based on the higher of value in use or fair value less cost of disposal calculations. When the recoverable amount of the CGU is less than its carrying amount, the impairment loss is recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU or group of CGUs and then, to reduce the carrying amount of the other assets in the CGU or group of CGUs on a pro-rata basis. Impairment losses relating to goodwill cannot be reversed in future periods.

Value in use calculations requires significant judgements, estimates about the future results and key assumptions made by the management. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions include projected revenue growth rate, projected gross margin, discount rate and terminal growth rate.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

18. GOODWILL (continued)

For fair value less costs of disposal calculations, the recoverable amount of the CGU is estimated based on independent valuations carried out by the professional valuers appointed by the Group and/or suppliers' quotations. The key assumptions used are recent market transactions of comparable land and recent published prices for machineries, taking into consideration of capacity and other specification of the assets, estimated cost of construction, useful lives of buildings and machineries and net rental income of properties.

Impairment tests for goodwill

For impairment testing purpose, goodwill arising from business combinations has been allocated to CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

The carrying amount of goodwill has been allocated to CGUs identified as follows:

	2025 RM'000	2024 RM'000
<u>Manufacturing segment</u>		
Century Bond Bhd		
- Paper Division		
(i) PT Prestige Packages Indonesia ("PTPPI")	-	4,837
(ii) Other paper entities ("CBB - Paper Division")	11,769	11,769
- Carton Division	2,770	2,770
- Supporting Division	1,126	1,126
- Consumer Division	1,696	1,696
CPI (Penang) Sdn. Bhd. ("CPI")	86,343	86,343
Toyoplas Manufacturing (Malaysia) Sdn. Bhd. ("Toyoplas")	57,556	57,556
MDS Advance Sdn. Bhd. ("MDS")	46,833	46,833
	208,093	212,930

A CGU's recoverable amount is determined as being the higher of the CGU's fair value less costs of disposal and its value-in-use.

Based on management's impairment assessment, impairment losses amounting to RM4,837,000 for goodwill relating to the PTPPI's CGU under manufacturing segment was recognised during the financial year due to declining customer demand and the resulting reduction in expected future cash flows.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (continued)

18. GOODWILL (continued)

CGUs of CBB - Paper, Supporting and Consumer Divisions, CPI, Toyoplas and MDS

Where the value-in-use model is used, management has exercised significant judgement and made estimates regarding future results and the key assumptions used in the cash flow projections of the CGUs. These projections are based on cash flow forecasts approved by the directors, covering one (1) year period and cash flows beyond the one (1) year period (up to five (5) years) extrapolated using the estimated growth in future revenues.

The key assumptions used in valuation of these CGUs are as follows:

- Projected revenue growth rate

The projected revenue growth rate is based on actual historical trend for the past 3 years adjusted for certain market and economic condition. The projected revenue growth rate used for the CGU is ranged from:

- CBB - Paper Division	-9.1% to 25.0%
- CBB - Supporting Division	1.4% to 4.0%
- CBB - Consumer Division	-3.3% to 5.0%
- CPI	0% to 6.0%
- Toyoplas	-4.0% to 7.0%
- MDS	4.5%

- Projected gross margin

The projected gross margin is based on actual historical trends for the past 3 years adjusted for certain market and economic condition. The projected gross margin used for the CGU is ranged from:

- CBB - Paper Division	16.4% to 23.9%
- CBB - Supporting Division	9.5% to 10.9%
- CBB - Consumer Division	12.5% to 23.0%
- CPI	26.0%
- Toyoplas	20.0% to 21.0%
- MDS	45.0%

- Post-tax discount rate

Discount rate is used to reflect management's estimate of the risks specific to the CGU. The discount rate is estimated based on its weighted average cost of capital. The post-tax discount rate, applied to post-tax cash flows, used for the CGU is as follows:

- CBB - Paper Division	9.50%
- CBB - Supporting Division	10.0%
- CBB - Consumer Division	10.0%
- CPI	12.0%
- Toyoplas	12.0%
- MDS	12.0%

- Terminal growth rate

The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU. The terminal growth rate used for the CGU is as follows:

- CBB - Paper Division	1.0%
- CBB - Supporting Division	1.0%
- CBB - Consumer Division	1.0%
- CPI	2.0%
- Toyoplas	2.0%
- MDS	2.0%

Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (continued)

18. GOODWILL (continued)

CGUs of CBB - Paper, Supporting and Consumer Divisions, CPI, TMM and MDS (continued)

The key assumptions used in valuation of these CGUs are as follows: (continued)

As at 31 December 2025, the recoverable amounts of these CGUs based on value in use method were higher than the carrying amounts of the CGUs, therefore no impairment loss was noted.

There are no reasonably possible changes in any key assumptions used that would cause the carrying amounts of these CGUs to materially exceed their recoverable amounts.

CGUs of PTPPI and CBB - Carton Division

For the impairment assessment of PTPPI and CBB - Carton Division' CGUs. Management has adopted the fair value less costs of disposal approach to determine their recoverable amounts. The fair value of machineries of these CGUs are determined by external independent valuers, having appropriate recognised professional qualifications in the category of machineries being valued and/or machineries' suppliers that possess the necessary expertise and experience. The directors have determined that the current use of the property, plant and equipment represents the highest and best use and the valuations performed by the valuers and quotations derived from the suppliers represent the exit prices for these assets.

The following table shows the valuation techniques that have been considered in deriving the recoverable amount of the CGU within Level 3 of the fair value hierarchy, as well as the significant unobservable inputs used in the valuation provided by the independent valuers and quotations from the suppliers:

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<i>Sales comparison approach:</i>		
Published/quoted prices of comparable machineries with compatible specifications, features, capacity and other relevant specification	<u>PTPPI</u> Valuer [^] : Published prices ranged from RM3,546,000 to RM12,411,000 Supplier: Quoted prices at RM2,100,000	The estimated fair value would increase/(decrease) if the market price is higher/(lower).
	<u>CBB - Carton Division</u> Valuer [^] : Published prices ranged from RM38,612 to RM2,679,200 Supplier: Quoted prices ranged from RM1,000 to RM1,744,200	

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

18. GOODWILL (continued)

CGUs of PTPPI and CBB - Carton Division (continued)

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<i>Depreciated replacement cost approach:</i>		
Estimated present market prices for the machineries, adjusted for the assets' condition and life span	<u>PTPPI</u> Estimated market prices of new machineries at RM10,721,860	The estimated fair value would increase/(decrease) if the market price is higher/(lower).
	Depreciation rate at 81%	The estimated fair value would increase/(decrease) if the depreciation rate is lower/(higher).
	<u>CBB - Carton Division</u> Estimated market prices of new machineries ranged from RM118,606 to RM 2,332,652	The estimated fair value would increase/(decrease) if the market price is higher/(lower).
	Depreciation rate ranged from 14% to 42%	The estimated fair value would increase/(decrease) if the depreciation rate is lower/(higher).

^ The valuer adopted the comparison approach for machineries as a secondary valuation method to the depreciated replacement cost method.

Changes in Level 3 fair values are analysed by the management every year after obtaining valuation report from the external independent valuers and suppliers' quotation. There has not been any change in fair value hierarchy in the current and prior financial year.

Previous financial year

In prior financial year, an impairment loss amounting to RM535,000 was recognised on the goodwill of a subsidiary company under Century Bond Bhd as at the end of the reporting period due to management plans to cease the operation of the subsidiary company.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

19. OTHER INVESTMENTS

	Group	
	2025 RM'000	2024 RM'000
At fair value through profit or loss		
Club memberships		
At 1 January/31 December	153	153
Unquoted shares		
At 1 January	19,443	-
Fair value adjustment	3,000	-
Remaining interest in a former subsidiary company	-	19,443
At 31 December	22,443	19,443
	22,596	19,596

	Company	
	2025 RM'000	2024 RM'000
At fair value through profit or loss		
Club memberships		
At 1 January/31 December	153	153

- (a) Other investments are classified as financial assets measured at fair value through profit or loss pursuant to MFRS 9 Financial Instruments.
- (b) Fair value of club memberships is determined by reference to the quoted price active markets at the end of the reporting date, which are adjusted for differences in key attributable price such as type of membership.

Fair value of club memberships of the Group and of the Company are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels of hierarchy during the financial year.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

19. OTHER INVESTMENTS (continued)

- (c) Significant estimates and judgements - Fair value of unquoted shares

The fair value of the Group investment in unquoted ordinary shares, classified within Level 3 of the fair value hierarchy, requires significant judgement due to the absence of observable market inputs. Although an income approach is typically applied for valuing equity instruments under MFRS 13, the Group was unable to obtain sufficiently reliable forward-looking financial information from the investee. Accordingly, management determined that the cost approach, using the adjusted net asset method, provides the most reliable basis for measurement in the circumstances.

The use of the adjusted net asset method involves key estimates, particularly in determining adjustments to net asset values and the discounts applied for lack of control and lack of marketability of the investment. As at the reporting date, management applied a range of discount from 0% to 10% when considering the lack of control and lack of marketability adjustments on the net asset of the investee. These inputs are unobservable and inherently subjective, and changes to these assumptions could affect the fair value measurement.

- (d) Sensitivity analysis for other investments in unquoted shares is not disclosed as it is considered not material to the Group.

20. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
At cost/net realisable value		
Raw material	55,512	61,585
Work-in-progress	14,839	14,982
Finished goods	43,770	43,820
	114,121	120,387

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

- Raw materials, packing materials, spare parts, water meter, monitoring equipment and chemical products

Measured using either first-in, first-out method or weighted average cost method, depending on the nature of the products and the Group's established costing practices.

- Finished goods and work-in-progress

Costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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

- (b) During the financial year, inventories recognised as an expense in cost of sales of the Group is RM831,788,000 (2024: RM804,790,000).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

20. INVENTORIES (continued)

- (c) Significant estimates and judgement - Net realisable value of inventories

The Group reviews the adequacy of write-down of inventories at each reporting date to ensure that the inventories are stated at lower of cost and net realisable value. The Group tailored the provisioning policies based on typical inventories life cycle vis-a-vis market demand for the specific industry and geographical location where the subsidiaries operate. Changes in the inventory ageing and expected sales patterns may have an impact on the provision recorded.

- (d) The amounts of inventories written back and inventories written down recognised in the statements of profit or loss are as follows:

	Group	
	2025 RM'000	2024 RM'000
Recognised in cost of sales		
Inventories written down	436	2,104
Inventories written back	(1,276)	(2,506)
	(840)	(402)

During the current and previous financial year, inventories written back was made as the Group were able to sell those inventories above their carrying amount.

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Other receivables				
Sundry receivables (Note b)	3,350	3,350	-	-
Amount due from a subsidiary company (Note e)	-	-	-	4,000
	3,350	3,350	-	4,000
Less: Impairment losses (Note j)				
- sundry receivable	(3,350)	(3,350)	-	-
Total non-current receivables	-	-	-	4,000
Other non-current assets				
Prepayments	741	815	-	-
	741	815	-	4,000

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

21. TRADE AND OTHER RECEIVABLES (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Trade receivables				
Third parties (Note c)	244,400	253,833	-	37
Related companies (Note d)	29,220	40,543	-	-
	273,620	294,376	-	37
Less: Impairment losses (Note j)				
- third parties	(3,199)	(1,384)	-	-
- related companies	(907)	(1,355)	-	-
	(4,106)	(2,739)	-	-
Current trade receivables, net	269,514	291,637	-	37
Other receivables				
Sundry receivables	8,935	15,355	560	1,933
Amounts due from subsidiary companies (Note f)	-	-	2,258	11,697
Amounts due from associate company (Note f)	75	160	75	160
	9,010	15,515	2,893	13,790
Less: Impairment losses (Note j)				
- subsidiary companies	-	-	(1,038)	(1,038)
Current other receivables, net	9,010	15,515	1,855	12,752
Total current receivables	278,524	307,152	1,855	12,789
Other current assets				
Indirect tax receivables	879	6,309	272	272
Prepayments (Note e)	19,534	11,224	243	189
	20,413	17,533	515	461
Total	298,937	324,685	2,370	13,250

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

21. TRADE AND OTHER RECEIVABLES (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total non-current receivables	-	-	-	4,000
Total current receivables	278,524	307,152	1,855	12,789
Total receivables (Note a)	278,524	307,152	1,855	16,789
Other non-current assets	741	815	-	-
Other current assets	20,413	17,533	515	461
Total other assets	21,154	18,348	515	461
Total trade, other receivables and other assets	299,678	325,500	2,370	17,250

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Included in non-current receivables of the Group is a receivable of RM3,349,813 (2024: RM3,349,813) from Leo Hospitality Sdn. Bhd. arising from lease income and business commission receivables over a period of twenty-three (23) months commenced from April 2017. Full allowance for impairment had been recognised in the prior year due to default on payments by the lessee as disclosed in Note 21(j).
- (c) Trade receivables, including amounts due from related companies, are unsecured and interest-free with normal trade credit terms ranges from 30 to 120 days (2024: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (d) Trade amounts due from related companies are unsecured and interest-free.
- (e) Out of the total prepayments of RM19,534,000, RM11,579,000 (2024: RM5,971,000) relates to the advances made by a subsidiary company for the purchase of machineries.
- (f) Non-trade amounts due from subsidiary companies and an associate company represent advances and payment on behalf, which are unsecured, interest-free except an amount due from a subsidiary company of RM5,500,000 in the previous financial year, which bears a fixed profit rate of 4.83% per annum as follows:

	Company 2024 RM'000
Non-current	4,000
Current	1,500
	5,500

The carrying amount of the non-current amount due from a subsidiary company is reasonable approximation of its fair value due to the insignificant impact of discounting. The amount has been fully settled in the current financial year.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

21. TRADE AND OTHER RECEIVABLES (continued)

(g) Included in trade and other receivables of the Group is a sum of RM20,000,000 (2024: RM20,000,000) charged to financial institutions for banking facilities granted to the Group as disclosed in Note 25.

(h) Currency exposure profile of total receivables are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	155,262	166,128	1,855	16,789
United States Dollar	114,482	116,345	-	-
Indonesia Rupiah	1,202	5,859	-	-
Singapore Dollar	4,820	5,460	-	-
Chinese Renminbi	671	12,022	-	-
Others	2,087	1,338	-	-
	278,524	307,152	1,855	16,789

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

21. TRADE AND OTHER RECEIVABLES (continued)

- (i) The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the foreign currencies receivables strengthened or weakened by 10% and the exchange rates against the respective functional currencies of the Group, with all other variables held constants:

	Group	
	2025 RM'000	2024 RM'000
	Increase/(Decrease)	
Profit after tax		
USD/RM		
- Strengthened by 10%	8,701	8,842
- Weakened by 10%	(8,701)	(8,842)
IDR/RM		
- Strengthened by 10%	91	445
- Weakened by 10%	(91)	(445)
SGD/RM		
- Strengthened by 10%	366	415
- Weakened by 10%	(366)	(415)
CNY/RM		
- Strengthened by 10%	51	914
- Weakened by 10%	(51)	(914)

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

- (j) Significant estimates and judgements - Allowance for expected credit losses of trade receivables

The Group uses simplified approach in calculating loss allowances for trade receivables by applying expected credit losses ("ECL") rate. Significant estimate required in determining the impairment of trade receivables. Impairment loss measured based on ECL model is based on assumptions on risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past collection records, existing market conditions as well as forward looking estimates as at the end of the reporting period. The Group has considered consumer price index, gross domestic product, unemployment rate, inflation rate and producer price index as potential factors, of which the most relevant factor is then identified and multiplied by the amount of the expected loss arising from default to determine the allowance for ECL for the trade receivable.

The Group considers a financial asset in default when contractual payments are on average, 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (j) Significant estimates and judgements - Allowance for expected credit losses of trade receivables (continued)

Aging analysis of trade receivables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Not past due	180,989	205,306	-	-
1 to 90 days past due	82,088	78,470	-	-
Over 90 days past due	6,437	7,861	-	37
	88,525	86,331	-	37
Impaired	4,106	2,739	-	-
	273,620	294,376	-	37

Trade receivables that are neither not past due

Trade receivables that are not past due are creditworthy debtors with good payment records.

Trade receivables that are past due

The Group has trade receivables amounting to RM88,525,000 (2024: RM86,331,000) that are past due at the reporting date. These balances mainly relate to customers with the Group or those with ongoing transactions and progressive payments but are slow paymasters and hence, are periodically monitored.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for ECL is as follows:

Trade receivables that are impaired on collective basis

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables - nominal amount	270,146	292,899	-	37
Allowance for ECL	(1,632)	(1,262)	-	-
	269,514	291,637	-	37

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

(j) Significant estimates and judgements - Allowance for expected credit losses of trade receivables (continued)

Trade receivables that are individually impaired

	Group	
	2025 RM'000	2024 RM'000
Trade receivables - nominal amount	2,474	1,477
Allowance for ECL	(2,474)	(1,477)
	-	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Movement in allowance for ECL for trade receivables:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	2,739	2,007
Charge for the financial year	3,035	1,274
Reversal	(1,087)	(382)
Written off	(572)	(187)
Foreign exchange movement	(9)	27
At 31 December	4,106	2,739

Sundry receivables that are individually impaired

The Group's sundry receivables that are individually impaired at the reporting date and the movement of the allowance for ECL is as follows:

	Group	
	2025 RM'000	2024 RM'000
Sundry receivables - nominal amount (Note b)	3,350	3,350
Allowance for ECL	(3,350)	(3,350)
	-	-

Sundry receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (j) Significant estimates and judgements - Allowance for expected credit losses of trade receivables (continued)

Movement in allowance for ECL for sundry receivables:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	3,350	3,451
Written off	-	(101)
At 31 December	3,350	3,350

Amount due from subsidiary companies that are individually impaired

The Company's amount due from subsidiary companies that are impaired at the reporting date and the movement of the allowance for ECL is as follows:

	Company	
	2025 RM'000	2024 RM'000
Amount due from subsidiary companies - nominal amount	1,062	1,066
Allowance for ECL	(1,038)	(1,038)
	24	28

Movement in allowance for ECL for amount due from subsidiary companies:

	Company	
	2025 RM'000	2024 RM'000
At 1 January/ 31 December	1,038	1,038

- (k) No ECL are recognised arising from other financial assets as the amount is negligible.
- (l) As at the end of the reporting period, trade receivables of the Group and of the Company are not secured by any collaterals. The Group has significant concentration of credit risks that arise from exposure of amounts from related companies, which make up 10% (2024: 12%) of total receivables. The Company has significant concentrations of credit risks that arise from exposure to amounts due from subsidiary companies and associate companies, which make up 51% (2024: 86%) of total receivables of the Company.
- (m) The Group and the Company did not negotiate the terms of any trade receivables at the end of each reporting period.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

22. CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash on hand and at banks	141,868	194,358	1,205	19,620
Deposits with licensed banks and financial institutions	28,034	11,536	1,396	1,361
Total cash and bank balances	169,902	205,894	2,601	20,981
Less:				
Deposits with licensed banks with maturity period of more than three (3) months	(5,718)	(5,517)	-	-
Deposits pledges with licensed banks	(6,163)	(6,019)	(1,396)	(1,361)
Cash and cash equivalent included in disposal group classified as held for sale (Note 24a)	108	-	-	-
Total cash and cash equivalents	158,129	194,358	1,205	19,620

- (a) Total cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Certain deposits placed with licensed banks and financial institutions of the Group and of the Company amounting to RM6,163,730 (2024: RM6,019,281) and RM1,395,869 (2024: RM1,361,616) respectively, are pledged for credit and banking facilities granted to the Group and the Company as disclosed in Note 25 and Note 36.
- (c) Deposits with licensed banks and financial institutions of the Group and of the Company have an average maturity period of 155 days and 182 days (2024: 229 days and 182 days) respectively.
- (d) Weighted average effective interest rate of deposits with licensed banks and financial institutions of the Group and of the Company as at the end of each reporting period are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Fixed rate	2.95	3.21	2.05	2.50

The Group and the Company do not account for fixed rate instruments at fair value through profit or loss, and the carrying amount of fixed rate deposits with licensed banks and financial institutions of the Group and of the Company are measured at amortised cost. Therefore, no sensitivity analysis was prepared as the change in interest rate at the end of the reporting period would not affect profit or loss.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

22. CASH AND BANK BALANCES (continued)

(e) Currency exposure profile of cash and bank are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia ("RM")	86,238	95,034	2,601	20,981
United States Dollar ("USD")	62,756	51,115	-	-
Indonesia Rupiah ("IDR")	2,860	10,741	-	-
Singapore Dollar ("SGD")	5,349	3,580	-	-
Euro ("EUR")	1,914	2,624	-	-
Chinese Renminbi ("CNY")	9,574	39,402	-	-
Others	1,211	3,398	-	-
	169,902	205,894	2,601	20,981

(f) The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the foreign currencies strengthened or weakened by 10% and the exchange rates against the respective functional currencies of the Group, with all other variables held constants:

	Group	
	2025 RM'000	2024 RM'000
	Increase/(Decrease)	
Profit after tax		
USD/RM		
- Strengthened by 10%	4,769	3,885
- Weakened by 10%	(4,769)	(3,885)
CNY/RM		
- Strengthened by 10%	728	2,995
- Weakened by 10%	(728)	(2,995)
IDR/RM		
- Strengthened by 10%	217	816
- Weakened by 10%	(217)	(816)
SGD/RM		
- Strengthened by 10%	407	272
- Weakened by 10%	(407)	(272)
EUR/RM		
- Strengthened by 10%	145	199
- Weakened by 10%	(145)	(199)

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

22. CASH AND BANK BALANCES (continued)

- (g) No ECL were recognised arising from the deposits and cash and bank balances because the probability of default by these financial institutions are negligible.

23. SHORT TERM FUNDS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000

At fair value through profit or loss

Current

Money market deposits	195,722	179,676	89,137	69,087
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- (a) Short term funds of the Group and of the Company represent money market deposits and are classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value of money market deposit are based on price quotes for similar instruments or valuation techniques based on market observable inputs (Level 2) as quoted prices of identical instruments from an active market (Level 1) are not available. There is no transfer between levels in the hierarchy during the financial year.
- (b) Sensitivity analysis of market value for the short term funds at the end of the reporting period, assuming all other variables remain constant, is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000

Profit after tax

- increased by 1% (2024: 1%)	1,487	1,366	677	525
- decreased by 1% (2024: 1%)	(1,487)	(1,366)	(677)	(525)

- (c) No ECL were recognised arising from short term funds because the probability of default by these financial institutions are negligible.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

24. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets/(Liability) of disposal group classified as held for sale:				
- Assets of disposal group	28,148	-	32,000	-
- Liability of disposal group	(5)	-	-	-

- (a) On 9 September 2025, the Company entered into a conditional Share Sale Agreement to dispose 100% of its equity interest in a subsidiary company, Perangsang Oil And Gas Sdn. Bhd., a company incorporated in Malaysia which is engaged in investment holding of a 40% equity interest in NGC Energy Sdn. Bhd. for a cash consideration of RM28,000,000. The conditions precedent stipulated in the Share Sale Agreement have not been fulfilled as at the financial year end. The Proposed Divestment is expected to be completed in the first half of 2026 as disclosed in Note 41(f).

The carrying amounts of the assets and liability classified as disposal group held for sale as at 31 December 2025 are as follows:

	Group	Company
	2025 RM'000	2025 RM'000
Assets		
Investment in a subsidiary company	-	32,000
Investment in an associate company (Note 16)	27,040	-
Cash and bank balances	108	-
Amount due from associate company	1,000	-
	28,148	32,000
Liability		
Payables	(5)	-

The details of the fair value measurement is disclosed in Note 15(c).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

24. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

- (b) On 20 March 2024, Bold Approach Sdn. Bhd., a wholly-owned subsidiary of the Company, has disposed 50% of its equity interest in a subsidiary, Kaiserkorp Corporation Sdn. Bhd., a company incorporated in Malaysia which is engaged in investment holding for a cash consideration of USD57,463,605 (equivalent to RM271,458,070). This disposal was classified as held for sale as of the financial year ended 31 December 2023.

Following the disposal of Kaiserkorp Group, the result of Kaiserkorp Group shall be deconsolidated from the Group on the same date. However, the Group has elected to deconsolidate Kaiserkorp Group's results based on its financials as at 28 February 2024, as the financial results from 1 March 2024 up to 20 March 2024 were deemed insignificant to the Group.

- (i) The financial performance and cash flow information presented below are for the two months ended 28 February 2024.

	Note	Kaiserkorp Group 2024 RM'000
Statement of Profit or Loss and Other Comprehensive Income		
Revenue		28,301
Cost of sales		(15,255)
<hr/>		
Gross profit		13,046
Other income		495
Distribution costs		(5,173)
Administrative expenses		(4,561)
Impairment loss on financial assets		(29)
Other expenses		(132)
<hr/>		
Operating profit		3,646
Finance costs		(161)
<hr/>		
Profit before tax		3,485
Income tax		(921)
<hr/>		
Profit after tax of discontinued operations		2,564
Add: Gain on divestment of the subsidiary company	iv	106,543
Less: Others*		(52,791)
<hr/>		
Profit from discontinued operations		56,316

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

24. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

(b) (continued)

- (i) The financial performance and cash flow information presented below are for the two months ended 28 February 2024. (continued)

	Kaiserkorp Group
	2024
	RM'000

Statement of Profit or Loss and Other Comprehensive Income (continued)

Profit from discontinued operations 56,316

Other comprehensive income, net of tax Item that may be reclassified subsequently to profit or loss

Gain on foreign currency translation 4,242

Total comprehensive income, net of tax 60,558

* *Others represent long-term incentive plan, provision on ex-gratia and other professional fees related to divestment of Kaiserkorp Group.*

	Kaiserkorp Group
	2024
	RM'000

Statement of Cash Flows

Net cash from operating activities 2,278

Net cash used in investing activities (274)

Net cash used in financing activities (510)

Net increase in cash and cash equivalents 1,494

Effect of exchange rate difference on cash and cash equivalents 4,760

Cash and cash equivalents at beginning of the financial year 73,077

Cash and cash equivalents at end of the financial period 79,331

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

24. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

(b) (continued)

- (ii) Analysis of the income tax and zakat of the discontinued operations for the two months ended 28 February 2024 is as follows:

	Kaiserkorp Group
	2024
	RM'000
Foreign income tax, representing net income tax	921

The reconciliation of the tax effects of accounting profit and taxable income are as follows:

	Kaiserkorp Group
	2024
	RM'000
Profit before tax and zakat	57,237
Tax at Malaysian statutory rate of 24%	13,737
Tax effects in respect of:	
- non-taxable income	(12,901)
- non-deductible expenses	85
Income tax expense	921

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

24. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

(b) (continued)

(iii) The carrying amounts of assets and liabilities as at 28 February 2024 are as follows:

	Kaiserkorp Group
	2024
	RM'000
Assets	
Property, plant and equipment	10,689
Right-of-use assets	8,472
Intangible assets	219,815
Goodwill	21,572
Inventories	15,597
Receivables	41,760
Cash and bank balances	79,331
	<u>397,236</u>
Liabilities	
Lease liabilities	9,648
Contract liabilities	2,387
Deferred tax liabilities	63,450
Borrowings	1,292
Current tax liabilities	2,121
Payables	16,860
	<u>95,758</u>
Net assets of Kaiserkorp Group at date of divestment	301,478
Less: Non-controlling interest	(117,120)
Net assets of Kaiserkorp Group at date of divestment less non-controlling interest	<u>184,358</u>

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

24. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

(b) (continued)

(iv) Details of the divestment of subsidiary company

	Kaiserkorp Group
	2024
	RM'000
Cash consideration	271,458
Less: Net assets of Kaiserkorp Group at date of divestment less non-controlling interest	(184,358)
Add: Fair value of remaining interest held as other investment (Note 19)	19,443
<u>Gain on divestment of discontinued operation, net of tax</u>	<u>106,543</u>

(v) Effect of divestment on the cash flows of the Group

	Kaiserkorp Group
	2024
	RM'000
Cash consideration	271,458
Less: Cash and bank balances of Kaiserkorp Group at date of divestment	(79,331)
<u>Net cash inflow from proceeds from divestment of a subsidiary company</u>	<u>192,127</u>

(vi) Analysis of the results of the discontinued operations for the two months ended 28 February 2024 is as follows:

	Kaiserkorp Group
	2024
	RM'000
Profit before tax arrived after charging:	
Profit rate/interest expense on:	
- term loans	21
- lease liabilities	140
Depreciation of property, plant and equipment	412
Amortisation of right-of-use assets	642
Impairment loss on trade receivables	29
And crediting:	
<u>Profit rate/Interest income from deposits with licensed banks</u>	<u>471</u>

(c) On 19 December 2023 and 29 February 2024, the Company entered into Sale and Purchase Agreement to dispose two (2) investment properties for a total consideration of RM46,000,000 and RM325,000 respectively. The conditions precedent stipulated in the Sale and Purchase Agreement have been fulfilled in the previous financial year. These investment properties were classified as assets held for sale as of the financial year ended 31 December 2023.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

25. LOANS AND BORROWINGS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Secured:				
Term loans	40,893	72,718	-	-
Unsecured:				
Hire purchase	2,426	4,345	-	-
Term loan	357	1,071	-	-
	43,676	78,134	-	-
Current				
Secured:				
Revolving credits	-	3,511	-	-
Term loans	31,363	29,528	-	-
Factoring	1,888	1,339	-	-
Unsecured:				
Bankers' acceptance	-	13,183	-	-
Revolving credits	27,000	37,000	25,000	20,000
Trust receipt	14,425	17,861	-	-
Hire purchase	1,869	3,642	-	-
Term loan	714	714	-	-
	77,259	106,778	25,000	20,000
Total				
Revolving credits	27,000	40,511	25,000	20,000
Bankers' acceptance	-	13,183	-	-
Hire purchase	4,295	7,987	-	-
Term loans	73,327	104,031	-	-
Trust receipt	14,425	17,861	-	-
Factoring	1,888	1,339	-	-
	120,935	184,912	25,000	20,000

(a) Loans and borrowings are classified as financial liabilities measured at amortised cost.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

25. LOANS AND BORROWINGS (continued)

- (b) The remaining maturities of the loans and borrowings as at the end of each of reporting period are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
On demand or within one (1) year	77,259	106,778	25,000	20,000
One (1) to five (5) years	43,676	78,092	-	-
Over five (5) years	-	42	-	-
	120,935	184,912	25,000	20,000

- (c) The hire purchase has effective interest rate ranges from 2.95% to 5% (2024: 2.95% to 5%) per annum. The carrying amount of non-current hire purchase are reasonable approximation of their fair values due to insignificant impact from discounting.
- (d) The carrying amounts of loans and borrowings (excluding non-current hire purchase) are reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments, which are re-priced to market interest rates on or near the end of the reporting period.
- (e) The weighted average effective profit/interest rates per annum at the end of the reporting date for loans and borrowings that are exposed to interest rate risk are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Floating rate				
Revolving credits	4.41	4.94	4.35	5.10
Banker's acceptance	-	5.59	-	-
Term loans	4.87	4.94	-	-
Trust receipt	4.60	4.90	-	-
Factoring	7.10	7.10	-	-

- (f) Sensitivity analysis of profit/interest rates for floating rate instruments at the end of the reporting period assuming all other variables remain constant is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Effect of 25 (2024: 25) basis point changes to profit after tax				
Floating rate instruments	(222)	(336)	(48)	(38)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

25. LOANS AND BORROWINGS (continued)

(g) Term loans

(i) Term loan - Facility of RM150.0 million

Perangsang Dinamik Sdn. Bhd., a wholly-owned subsidiary of the Company had secured a term loan facility of RM150.0 million. The purpose of the banking facilities is to part finance the acquisition of 100% equity stake in Toyoplas Manufacturing (Malaysia) Sdn. Bhd. ("Toyoplas").

The tenure of the term loan facility is eight (8) years and matures on 15 August 2027.

The term loan facility is secured via the following:

- (i) Memorandum of charge over the shares of Toyoplas;
- (ii) Assignment and charge over designated accounts to be opened with the Bank; and
- (iii) An irrevocable letter of undertaking from the Company to cover cash flow shortfall in meeting the financial covenants of the Customer and debt obligations under the Banking Facility.

In addition, the term loan facility is guaranteed by the Company.

(ii) Term loan - Facility of RM38.0 million

Toyoplas, a wholly-owned indirect subsidiary of the Company had secured a term loan facility of RM38.0 million to part finance extension of new two-storey factory and the construction cost of the new factory in Bac Giang, Vietnam.

The tenure of these term loan facilities ranges from five (5) to ten (10) years and matures from 1 March 2024 to 30 September 2027.

The term loan facilities are secured via the following:

- (i) Mortgage guarantees from Toyoplas;
- (ii) Legal charge over property of HSD 2603 PTD 5364 Mukim of Kesang, District of Ledang, Johor as disclosed in Note 12 and Note 13;
- (iii) Trade Financing General Agreement from Toyoplas; and
- (iv) Legal charge over property of HSD 62238 PTD 105112, Mukim of Senai, District of Kulajjaya, Johor as disclosed in Note 12.

In addition, the term loan facilities are guaranteed by the Company.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

25. LOANS AND BORROWINGS (continued)

(g) Term loans (continued)

(iii) Term loan - Facility of RM22.1 million

CPI (Penang) Sdn. Bhd. ("CPI"), a wholly-owned indirect subsidiary of the Company secured a term loan facility of RM22.1 million to part finance the acquisition of a plot of land from the Penang Development Corporation identified as Plot 109 at Bayan Lepas Industrial Park comprising an approximate area of 4.5364 acres ("Land Plot 109") at RM27,664,781.

The tenure of the term loan facility is eight (8) years and matures on 4 July 2027.

The term loan facility is secured via the following:

- (i) Facilities Agreement entered between CPI and the bank;
- (ii) First party first fixed charge over the Land Plot 109 (a plot vacant industrial land at Bayan Lepas Industrial Park Phase 4 comprising an approximate area of 4.5364 acres) as disclosed in Note 13;
- (iii) First party deed of assignment and legal charge over the Finance Service Reserve Account-I to be opened and maintained by the CPI with the bank as disclosed in Note 22; and
- (iv) Irrevocable and unconditional Letter of Undertaking from the Company to honour any shortfalls of the CPI's financing obligation with the bank.

(iv) Term loan - Facilities of RM1.3 million and RM2 million

MDS Advance Sdn. Bhd. ("MDS Advance"), a wholly-owned indirect subsidiary of the Company secured two term loan facilities of RM1.3 million and RM2 million to part finance the acquisition of a unit of 1.5 storey and a unit of 2 storey semi-detached light industrial factory in Kawasan Industri Ringan Permatang Tinggi, Pulau Pinang and Taman Industri Ringan Permatang Tinggi, Pulau Pinang.

The tenure of the term loan facilities is twenty (20) years and matures on 5 April 2038 and 9 January 2037 respectively.

The term loan facility is secured via the following:

- (i) Facilities Agreement to be entered between the MDS Advance and the Bank;
- (ii) First party first fixed charge over the freehold land and building, plant and machinery and investment properties as disclosed in Note 12, Note 13 and Note 14; and
- (iii) Joint and several guarantee by a key management personnel of MDS Advance.

The Group has made early settlement on the term loan facilities of RM1.3 million and RM2 million during the current financial year.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

25. LOANS AND BORROWINGS (continued)

- (h) Certain revolving credits and factoring are secured by way of a legal charge over certain property, plant and equipment and trade receivables of the Group as disclosed in Note 12 and Note 21.
- (i) Currency exposure profile of loans and borrowings are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	119,047	180,061	25,000	20,000
United States Dollar	1,888	1,339	-	-
Chinese Renminbi	-	3,512	-	-
	120,935	184,912	25,000	20,000

- (j) The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the foreign currencies strengthened or weakened by 10% and the exchange rates against the respective functional currencies of the Group, with all other variables held constants:

	Group	
	2025 RM'000	2024 RM'000
	Increase/(Decrease)	
Profit after tax		
USD/RM		
- Strengthened by 10%	(143)	(102)
- Weakened by 10%	143	102
CNY/RM		
- Strengthened by 10%	-	(267)
- Weakened by 10%	-	267

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

25. LOANS AND BORROWINGS (continued)

- (k) The table below summarises the maturity profile of the loans and borrowings of the Group and of the Company at the end of the reporting date based on contractual undiscounted repayment obligations:

	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Total RM'000
Group			
2025			
Revolving credits	28,088	-	28,088
Hire purchase	2,901	3,129	6,030
Term loans	35,420	43,129	78,549
Trust receipt	14,425	-	14,425
Factoring	2,022	-	2,022
	82,856	46,528	129,114
2024			
Revolving credits	42,512	-	42,512
Hire purchase	3,805	4,552	8,357
Bankers' acceptance	13,921	-	13,921
Term loans	35,152	88,909	124,061
Trust receipt	18,736	-	18,736
Factoring	1,407	-	1,407
	115,533	93,461	208,994
Company			
2025			
Revolving credits	26,088	-	26,088
2024			
Revolving credits	20,980	-	20,980

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

25. LOANS AND BORROWINGS (continued)

(l) Reconciliation of liabilities arising from financing activities

	Other borrowings [#] RM'000	Term loans RM'000	Total loans and borrowings RM'000	Lease liabilities (Note 13) RM'000	Total RM'000
Group					
At 1 January 2025	80,881	104,031	184,912	8,662	193,574
Cash flows:					
- drawdowns	203,627	-	203,627	-	203,627
- repayments	(236,769)	(30,704)	(267,473)	(6,194)	(273,667)
- payments of profit rate/interest	(2,703)	(4,530)	(7,233)	(368)	(7,601)
Non-cash flows:					
- additions of lease liabilities	-	-	-	6,334	6,334
- termination of lease contracts	-	-	-	(192)	(192)
- foreign exchange movement	(131)	-	(131)	(134)	(265)
- unwinding of profit rate/interest	2,730	4,530	7,233	368	7,601
- lease modification	-	-	-	82	82
As at 31 December 2025	47,608	73,327	120,935	8,558	129,493

[#] Other borrowings comprise revolving credits, hire purchase, trust receipt and factoring.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

25. LOANS AND BORROWINGS (continued)

(l) Reconciliation of liabilities arising from financing activities (continued)

	Other borrowings [#] RM'000	Term loans RM'000	Sukuk Murabahah Islamic Medium Term Notes RM'000	Total loans and borrowings RM'000	Lease liabilities (Note 13) RM'000	Total RM'000
Group						
As at 1 January 2024	91,125	132,853	257,000	480,978	14,164	495,142
Cash flows:						
- drawdowns	238,580	-	-	238,580	-	238,580
- repayments	(248,684)	(28,822)	(257,000)	(534,506)	(6,637)	(541,143)
- payments of profit rate/interest	(3,774)	(5,971)	(7,978)	(17,723)	(471)	(18,194)
Non-cash flows:						
- additions of lease liabilities	-	-	-	-	5,371	5,371
- termination of lease contracts	-	-	-	-	(4,034)	(4,034)
- foreign exchange movement	(140)	-	-	(140)	(202)	(342)
- unwinding of profit rate/ interest	3,774	5,971	7,978	17,723	471	18,194
As at 31 December 2024	80,881	104,031	-	184,912	8,662	193,574

[#] Other borrowings comprise revolving credits, bankers' acceptance, trust receipt and factoring.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

25. LOANS AND BORROWINGS (continued)

(l) Reconciliation of liabilities arising from financing activities (continued)

	Revolving credit RM'000	Lease liabilities (Note 13) RM'000	Total RM'000
Company			
As at 1 January 2024	30,000	1	30,001
Cash flows:			
- drawdowns	30,000	-	30,000
- repayments	(40,000)	(244)	(40,244)
- payments of profit rate/interest	(177)	(40)	(217)
Non-cash flows:			
- addition of lease liability	-	1,568	1,568
- unwinding of profit rate/interest	177	40	217
As at 31 December 2024/1 January 2025	20,000	1,325	21,325
Cash flows:			
- drawdowns	40,000	-	40,000
- repayments	(35,000)	(508)	(35,508)
- payments of profit rate/interest	(162)	(60)	(222)
Non-cash flows:			
- unwinding of profit rate/interest	162	60	222
As at 31 December 2025	25,000	817	25,817

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

26. DEFERRED TAX (LIABILITIES)/ASSETS

	Group	
	2025 RM'000	2024 RM'000
At 1 January	(47,145)	(48,934)
Recognised in profit or loss (Note 9)	6,505	1,815
Recognised in other comprehensive income (Note 9)	-	(95)
Foreign exchange movement	75	69
At 31 December	(40,565)	(47,145)
Presenting after appropriate offsetting as follows:		
Deferred tax assets	655	2,180
Deferred tax liabilities	(41,220)	(49,325)
	(40,565)	(47,145)

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

Deferred tax liabilities of the Group:

	Intangible assets RM'000	Property, plant and equipment RM'000	Payables and others RM'000	Offsetting RM'000	Total RM'000
At 1 January 2025	(8,718)	(41,823)	(1,234)	2,450	(49,325)
Recognised in profit or loss	1,694	3,959	3,029	(810)	7,872
Foreign exchange movement	-	452	(219)	-	233
At 31 December 2025	(7,024)	(37,412)	1,576	1,640	(41,220)
At 1 January 2024	(10,412)	(41,900)	(341)	1,637	(51,016)
Recognised in profit or loss	1,694	(12)	(739)	813	1,756
Recognised in other comprehensive income	-	-	(95)	-	(95)
Foreign exchange movement	-	89	(59)	-	30
At 31 December 2024	(8,718)	(41,823)	(1,234)	2,450	(49,325)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

26. DEFERRED TAX (LIABILITIES)/ASSETS (continued)

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

Deferred tax assets of the Group:

	Unutilised tax losses and unabsorbed capital allowances RM'000	Payables and others RM'000	Offsetting RM'000	Total RM'000
At 1 January 2025	3,973	1,897	(3,690)	2,180
Recognised in profit or loss	(2,051)	(126)	810	(1,367)
Foreign exchange differences	-	(158)	-	(158)
At 31 December 2025	1,922	1,613	(2,880)	655
At 1 January 2024	3,142	1,727	(2,787)	2,082
Recognised in profit or loss	831	131	(903)	59
Foreign exchange differences	-	39	-	39
At 31 December 2024	3,973	1,897	(3,690)	2,180

Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of unutilised tax losses and unabsorbed capital allowances as they may not be used to offset taxable profits elsewhere in the Group and the Company, they have arisen in subsidiary companies and the Company that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group and the Company were able to recognise all unrecognised deferred tax assets, the retained earnings would increase by RM12,128,000 (2024: RM12,572,000) and RM3,059,000 (2024: RM2,782,000) respectively.

The unutilised tax losses of the Group is available up to 10 years, whereas the unabsorbed capital allowances and other temporary differences of the Group are available indefinitely for offsetting against future taxable profits of the subsidiary companies in Malaysia subject to no substantial changes in shareholdings of those subsidiary companies under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unutilised tax losses	38,109	47,191	12,745	11,592
Unabsorbed capital allowances	3,293	3,128	-	-
Other deductible temporary differences	9,133	2,066	-	-
	50,535	52,385	12,745	11,592

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

26. DEFERRED TAX (LIABILITIES)/ASSETS (continued)

Deferred tax assets not recognised (continued)

Year of expiry is analysed as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unutilised tax losses				
- expires by 31 December 2028	2,436	9,140	-	-
- expires by 31 December 2029	14,080	16,380	12,745	11,592
- expires by 31 December 2030	1,246	1,246	-	-
- expires by 31 December 2031	1,124	1,772	-	-
- expires by 31 December 2032	2,093	2,596	-	-
- expires by 31 December 2033	8,835	11,445	-	-
- expires by 31 December 2034	3,942	4,612	-	-
- expires by 31 December 2035	4,353	-	-	-
	38,109	47,191	12,745	11,592

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

27. POST-EMPLOYMENT BENEFITS

	Group	
	2025 RM'000	2024 RM'000
Net define benefit liabilities		
Current	361	-
Non current	9,180	9,791
	9,541	9,791

Subsidiaries of the Group in Indonesia provide post-employment benefits for all their eligible employees. The defined benefit plans, calculated using the projected unit credit method, is determined by independent actuaries, primarily considering the discount rate, salary incremental rate, mortality rate, disability rate, turnover rate and average remaining service lives. Judgement and estimates had been used to determine the valuation of the plans and the latest actuarial valuations of the plans were carried out in 2025.

(a) Movement in net defined benefit liabilities

The following table shows a reconciliation from the opening balance to closing balance for the net defined benefit liability:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	9,791	9,970
Included in profit or loss		
Current service cost	790	862
Past service cost	21	(107)
Interest on obligation	584	584
	1,395	1,339
Included in other comprehensive income		
Actuarial losses arising from:		
- Financial assumptions	440	(218)
- Experience adjustment	255	(205)
	695	(423)
Others		
Benefits paid by the plan	(1,005)	(380)
Foreign exchange rate effect	(1,335)	(715)
	(2,340)	(1,095)
At 31 December	9,541	9,791

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

27. POST-EMPLOYMENT BENEFITS (continued)

(b) Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages) are discount rate ranging from 6.50% to 7.11% (2024: 6.93% to 7.00%) and future salary growth ranging from 7.00% to 10.00% (2024: 6.25% to 7.00%). As at 31 December 2025, the weighted-average duration of the defined benefit obligation is 13.62 years (2024: 14.21 years).

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group	
	2025 RM'000	2024 RM'000
Discount rate		
- increase by 1%	(1,042)	(918)
- decrease by 1%	588	809
Future salary growth		
- increase by 1%	620	834
- decrease by 1%	(1,083)	(954)

Although the analysis does not account to the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Trade payables (Note b)	159,652	145,044	-	645
Other payables				
Amounts due to subsidiary companies (Note d)	-	-	12,228	112,010
Sundry payables (Note c)	17,545	22,121	3,402	2,827
Accrued liabilities	34,399	47,617	9,017	8,320
	51,944	69,738	24,647	123,157
Total payables (Note a)	211,596	214,782	24,647	123,802
Other current liability				
Indirect tax payable	223	223	223	223
Total payables and other current liability	211,819	215,005	24,870	124,025

- (a) Total payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranged from 30 to 90 days (2024: 30 to 90 days).
- (c) Sundry payables of the Group and of the Company are non-interest bearing and normally settled on an average term of 30 to 90 days (2024: 30 to 90 days) except for an amount of RM4,765,144 owing by a subsidiary company of the Group, which bears a fixed profit rate of 4% per annum in the previous financial year. The interest-bearing payables has been fully settled in the current financial year.
- (d) The amounts due to subsidiary companies are unsecured, non-interest bearing and payable within the next twelve (12) months.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

28. TRADE AND OTHER PAYABLES (continued)

(e) Currency exposure profile of total payables are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	130,541	139,109	24,647	123,802
United States Dollar	54,353	41,709	-	-
Chinese Renminbi	13,066	18,096	-	-
Indonesian Rupiah	5,721	9,220	-	-
Euro	2,359	1,757	-	-
Vietnamese Dong	4,298	3,702	-	-
Others	1,258	1,189	-	-
	211,596	214,782	24,647	123,802

(f) The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the foreign currencies strengthened or weakened by 10% and the exchange rates against the respective functional currencies of the Group, with all other variables held constants:

	Group	
	2025 RM'000	2024 RM'000
	Increase/(Decrease)	
Profit after tax		
USD/RM		
- Strengthened by 10%	(4,131)	(3,170)
- Weakened by 10%	4,131	3,170
CNY/RM		
- Strengthened by 10%	(993)	(1,375)
- Weakened by 10%	993	1,375
IDR/RM		
- Strengthened by 10%	(435)	(701)
- Weakened by 10%	435	701
EUR/RM		
- Strengthened by 10%	(179)	(134)
- Weakened by 10%	179	134
VND/RM		
- Strengthened by 10%	(327)	(281)
- Weakened by 10%	327	281

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

not presented.

28. TRADE AND OTHER PAYABLES (continued)

- (g) The table below summarises the remaining maturities of the total payables as at the end of each of reporting period:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
On demand or within one (1) year	211,596	214,782	24,647	123,802

- (h) The table below summarises the maturity profile of the total payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
On demand or within one (1) year	211,596	216,046	24,647	124,016

29. PROVISION

	Group 2025 RM'000
At 1 January	-
Addition	866
At 31 December	866

Provision is made for restoration costs which is expected to be incurred at end of the lease term in year 2066 of the factory lease by the Group.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

30. DERIVATIVE LIABILITIES

The nominal value and fair value of the forward currency contracts held by the Group as at 31 December 2025 are as follows:

	2025	
	Contract/ Notional amount RM'000	Liabilities RM'000
Current		
Forward currency contracts	3,778	123

- (a) Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives amounting to RM123,000 (2024: Nil) are recognised in profit or loss in the current financial year.
- (b) The Group uses forward currency contracts to manage the foreign transaction exposure arising from the Group's receivables denominated in currencies other than the functional currency of the Group. The forward exchange contracts have maturities of less than one year as at 31 December 2025.
- (c) Forward currency contracts are valued using a valuation technique with market-observable inputs and are categorised as Level 2 in the fair value hierarchy. The most commonly applied valuation techniques include the forward pricing model, which uses present value calculations. The model incorporates various inputs, including foreign exchange spot and forward rates.
- (d) The table below summarises the maturity profile of the derivative liabilities of the Group at the end of the reporting date based on contractual undiscounted repayment obligations:

	On demand or within one (1) year RM'000
Group	
2025	
Financial liabilities	
Derivative liabilities	123

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

31. CONTRACT LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
Current		
Unsatisfied performance obligations in respect of:		
Advance billings	10,868	8,941

(a) Advance billings represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts. Contract liabilities are recognised as revenue when performance obligations are satisfied.

(b) Movement of contract liabilities as at the end of each reporting period are as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	8,941	10,021
Revenue recognised during the year	(16,638)	(20,239)
Invoiced during the financial year	18,565	19,159
At 31 December	10,868	8,941

(c) Revenue of RM10,868,000 (2024: RM8,941,000) is expected to be recognised within the next twelve (12) months in the future in respect of unsatisfied contract liabilities as at the end of the reporting period.

32. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000

Issued and fully paid with no par value:

As at 1 January/31 December	537,385	537,927	537,385	537,927
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Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

33. RESERVES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Foreign currency translation reserves	(19,601)	2,130	-	-
Capital reserve	988	3,005	-	-
Retained earnings	567,941	545,617	443,909	525,396
	549,328	550,752	443,909	525,396

(a) Foreign currency translation reserves

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

(b) Capital reserve

Capital reserve represents appropriation of net profit of certain foreign subsidiary companies in accordance with their local regulation. During the financial year, RM1,751,000 of reserves has been transferred to retained earnings upon the completion of voluntary winding up process of foreign subsidiary companies as disclosed in Note 15(f) (2024: RM28,000 has been transferred from retained earnings).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

34. RELATED PARTY DISCLOSURES

(a) Identifies of related parties

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

Related parties of the Group include:

- (i) holding companies of the Company;
 - (ii) direct and indirect subsidiary companies as disclosed in Note 15;
 - (iii) associate companies as disclosed in Note 16;
 - (iv) direct and indirect subsidiary companies and associate companies of the ultimate holding corporation, Menteri Besar Selangor (Pemerbadanan); and
 - (v) key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include the Directors of the Group and of the Company.
- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Construction revenue from related companies	-	118	-	-
Sales of products to a subsidiary company of non-controlling interest	15,705	18,768	-	-
Sales of products to a related companies	65,778	91,875	-	-
Rental income from the related companies	-	270	-	270
Rental expense charged by a related company	(766)	(301)	(634)	(301)
Waste disposal services provided by a related company	-	(17)	-	(17)

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and of the Company.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

34. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total Directors' remuneration (Note 8)	7,124	11,480	5,395	9,670
Other key management personnel:				
Salaries, wages and bonus	9,333	8,033	3,819	2,001
Fees and allowances	2,037	219	1,758	144
Contributions to defined contribution plan	1,516	830	902	365
Other employee benefits	1,013	11,925	232	11,740
	13,899	21,007	6,711	14,250
	21,023	32,487	12,106	23,920

35. COMMITMENTS

(a) Operating lease commitments - as a lessor

The Group entered into a commercial property lease arrangement on their investment property. The non-cancellable lease has remaining lease terms in one (1) year (2024: two (2) years). The lease includes a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum rentals receivable under non-cancellable operating leases of the Group at the end of each reporting period are as follows:

	Group	
	2025 RM'000	2024 RM'000
Not later than one year	48	114
Between one to two years	-	48
	48	162

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

35. COMMITMENTS (continued)

(b) Capital commitments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:				
- Approved but not contracted for	3,155	3,515	900	1,210
- Approved and contracted for	1,482	3,825	-	133
	4,637	7,340	900	1,343

36. GUARANTEES AND CONTINGENT LIABILITIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Secured				
(i) Provision of corporate guarantee for an associate company				
Working capital and issuance of bank guarantees	15,186	34,986	15,186	34,986
(ii) Performance guarantees for third parties	9,815	11,901	-	-
(iii) Provision of corporate guarantee for subsidiary companies				
For financing of the loans and borrowings	-	-	73,505	154,552
Unsecured				
(i) Performance guarantees for third parties	2,749	2,346	639	236
(ii) Provision of corporate guarantee for a subsidiary company				
For financing of the loans and borrowings	-	-	21,791	34,861

- (a) The Group and the Company have effected guarantees given to third parties in respect of trade and contracts and to financial institutions for credit facilities granted to customers and subsidiary companies.

The Directors are of the view that the chances of the third parties and financial institutions to call upon the guarantees are remote. The resulting loss allowance is not material and hence, it is not provided for.

- (b) Certain performance guarantees to third parties are secured by a building and deposit with a licensed bank as disclosed in Note 12 and Note 22 respectively.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

36. GUARANTEES AND CONTINGENT LIABILITIES (continued)

- (c) The table below summarises the maturity profile of the financial guarantee contracts of the Group and the Company at the end of the reporting period based on contractual undiscounted repayment obligation:

	On demand or within one (1) year RM'000	Within (1) to (5) years RM'000	Total RM'000
Group			
Financial liabilities			
Financial guarantee contracts			
31 December 2025	25,295	2,472	27,767
Financial guarantee contracts			
31 December 2024	79,246	-	79,246
Company			
Financial liabilities			
Financial guarantee contracts			
31 December 2025	74,129	42,950	117,079
Financial guarantee contracts			
31 December 2024	154,816	77,672	232,488

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (continued)

37. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust its capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the current and previous financial years.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within its net debt, trade and other payables, loans and borrowings less cash and bank balances and short term funds. Capital includes equity attributable to the owners of the parent.

	Group	
	2025 RM'000	2024 RM'000
Trade and other payables	211,819	215,005
Loans and borrowings	120,935	184,912
Lease liabilities	8,558	8,662
Cash and bank	(169,902)	(205,894)
Short term funds	(195,722)	(179,676)
	(24,312)	23,009
Total capital, equity attributable to the owners of the parent	1,087,255	1,088,679
Capital and net debt	1,062,943	1,111,688
Gearing ratio	-2.3%	2.1%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares, if any) and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 December 2025 and 2024.

As disclosed in Note 33(b), a subsidiary company of the Group is required by the Foreign Enterprise Law of the People's Republic of China to contribute to and maintain a non-distributable reserve fund whose utilisation is subject to the approval by the relevant foreign authority. This externally imposed capital requirement has been complied with by the subsidiary company for the financial years ended 31 December 2025 and 2024.

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

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, profit/interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are regularly reviewed by the Board of Audit Committee.

It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

37. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

The following sections provide details regarding the exposure of the Group and of the Company to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The exposure of the Group and of the Company to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

As at the end of the reporting period, the maximum exposure to credit risk and credit risk profiles of the Group and of the Company have been disclosed in Note 21.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure to liquidity risk of the Group and of the Company arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position.

At the end of the reporting date, approximately 64% (2024: 58%) and 100% (2024: 100%) of the loans and borrowings of the Group and of the Company as disclosed in Note 25 matures in less than one (1) year based on the carrying amount reflected in the financial statements.

The analysis of financial instruments by remaining contractual activities has been disclosed in Note 13, Note 25, Note 28 and Note 30 respectively.

(iii) Profit/Interest rate risk

Profit/interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments fluctuates because of changes in profit/interest rates.

The exposure to profit/interest rate risk of the Group and of the Company arises primarily from their loans and borrowings. The Group and the Company have both short and long term debts. The tenure of the debts is matched against its underlying assets. For short term working capital requirements, the cost of borrowings is principally on floating rate basis.

In addition, the Group has borrowed on a long term basis where the cost of borrowings are matched to the tenure of the underlying assets.

It is the Group's policy not to trade in profit/interest rate swap agreements.

The profit/interest rate profile and sensitivity analysis of profit/interest rate risk have been disclosed in Note 28.

Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (continued)

37. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales and purchases that are denominated in currencies other than Ringgit Malaysia ("RM"). The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR"), Chinese Renminbi ("CNY"), Indonesian Rupiah ("IDR") and Vietnamese Dong ("VND").

The Group has adopted its foreign exchange policy to minimise the adverse exchange rate fluctuations.

The sensitivity analysis for foreign currency risk has been disclosed in Note 21, Note 22, Note 25 and Note 28 respectively.

The effects of the changes in the exchange rates to the equity are not presented as they are not significant.

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its placement in money market deposits. The instruments are classified as financial assets at fair value through profit or loss.

To manage its market price risk, the Group manages its portfolio in accordance with established guidelines and policies.

The sensitivity analysis for market price risk has been disclosed in Note 23.

38. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into business units based on their products and services, and has five (5) key reportable operating segments as follows:

- Manufacturing
- Trading
- Infrastructure
- Investment holding
- Others

Others comprises oil and gas services, which are not of a sufficient size to be reported separately.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

38. SEGMENT INFORMATION (continued)

(a) Geographical segment

In presenting information on the basis of geographical segment, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instrument, investments in associate companies and deferred tax assets.

(i) Revenue from external customers by geographical location of customers:

	Group	
	2025 RM'000	2024 RM'000
Malaysia	647,348	650,602
United States of America	31,565	209,339
China	37,342	22,223
Indonesia	53,256	103,809
Singapore	61,754	35,321
Vietnam	60,215	39
Others	151,801	71,692
	1,043,281	1,093,025

(ii) Non-current assets other than financial instruments, investment in associate companies and deferred tax assets by geographical location of the assets:

	Group	
	2025 RM'000	2024 RM'000
Malaysia	596,433	501,171
China	13,789	28,131
Indonesia	34,880	38,054
Singapore	3,066	98,527
Vietnam	36,956	46,000
	685,124	711,883

(b) There is no single customer with revenue equal or more than 10% of the Group revenue.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

38. SEGMENT INFORMATION (continued)

(c) Business segment

(i) Segment results

	Manufacturing RM'000	Trading RM'000	Infrastructure RM'000	Investment holding RM'000	Elimination RM'000	Continuing operations/ Total RM'000
2025						
External revenue	866,804	176,477	-	-	-	1,043,281
Inter-segment	1,736	-	-	64,202	(65,938)	-
Total revenue	868,540	176,477	-	64,202	(65,938)	1,043,281
Gross profit	165,711	14,751	-	1,463	-	181,925
Other income	31,218	499	-	7,845	-	39,562
Interest income	2,355	634	1	66	-	3,056
Operating expenses	(125,785)	(3,526)	-	(32,159)	-	(161,470)
Net impairment losses on financial assets	(1,596)	(352)	-	-	-	(1,948)
Share of results of associate companies	-	-	1,510	456	-	1,966
Finance costs	(3,695)	-	-	(4,065)	-	(7,760)
Segment profit/ (loss) before tax	68,208	12,006	1,511	(26,394)	-	55,331
Income tax and zakat	(6,887)	(2,919)	-	(1,734)	-	(11,540)
Segment profit/ (loss) after tax	61,321	9,087	1,511	(28,128)	-	43,791

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

38. SEGMENT INFORMATION (continued)

- (c) Business segment (continued)
(ii) Segment assets, liabilities and other information

	Manufacturing RM'000	Trading RM'000	Infrastructure RM'000	Investment holding RM'000	Others RM'000	Total RM'000
2025						
Assets						
Segment assets	1,183,014	118,135	-	191,172	-	1,492,321
Investment in associate companies	-	-	4,622	-	-	4,622
Deferred tax assets	598	57	-	-	-	655
Assets of disposal group classified as held for sales	-	-	-	1,108	27,040	28,148
Consolidated total assets	1,183,612	118,192	4,622	192,280	27,040	1,525,746
Liabilities						
Segment liabilities	191,283	63,067	1,288	100,707	5	356,350
Deferred tax liabilities	41,220	-	-	-	-	41,220
Post-employment benefits	9,541	-	-	-	-	9,541
Liabilities of disposal group classified as held for sales	-	-	-	5	-	5
Consolidated total liabilities	242,044	63,067	1,288	100,712	5	407,116

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

38. SEGMENT INFORMATION (continued)

- (c) Business segment (continued)
(ii) Segment assets, liabilities and other information (continued)

	Manufacturing RM'000	Trading RM'000	Infrastructure RM'000	Investment holding RM'000	Continuing operations/ Total RM'000
2025					
Other information					
Depreciation and amortisation	(47,002)	(143)	-	(869)	(48,014)
Net impairment losses on:					
- property, plant and equipment	(1,021)	-	-	-	(1,021)
- investment in associate companies	-	-	(366)	-	(366)
- intangible assets	(747)	-	-	-	(747)
- goodwill	(4,837)	-	-	-	(4,837)
Addition to:					
- property, plant and equipment	33,718	198	-	237	34,153
- right-of-use assets	10,849	-	-	-	10,849
- intangible assets	143	-	-	-	143

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

38. SEGMENT INFORMATION (continued)

(c) Business segment

(i) Segment results

	2024								
	Manufacturing RM'000	Trading RM'000	Infrastructure RM'000	Investment holding RM'000	Others RM'000	Elimination RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
Revenue									
External revenue	882,433	178,257	118	-	3,916	-	1,064,724	28,301	1,093,025
Inter-segment	1,772	-	-	249,967	-	(251,739)	-	-	-
Total revenue	884,205	178,257	118	249,967	3,916	(251,739)	1,064,724	28,301	1,093,025
Gross profit	171,731	15,629	(5)	3,915	-	-	191,270	13,046	204,316
Other income	40,552	475	-	9,404	-	-	50,431	24	50,455
Interest income	2,789	663	5	397	-	-	3,854	471	4,325
Profit guarantee	-	-	-	4,955	-	-	4,955	-	4,955
Operating expenses	(144,397)	(3,653)	(33)	(35,043)	-	-	(183,126)	(9,866)	(192,992)
Net impairment losses on financial assets	(466)	(462)	-	36	-	-	(892)	(29)	(921)
Share of results of associate companies	-	-	1,730	-	3,031	-	4,761	-	4,761
Finance costs	(5,771)	-	-	(12,855)	-	-	(18,626)	(161)	(18,787)
Segment profit/(loss) before tax	64,438	12,652	1,697	(29,191)	3,031	-	52,627	3,485	56,112
Income tax and zakat	(22,429)	(3,095)	(7)	(8,012)	-	-	(33,543)	(921)	(34,464)
Segment profit/(loss) after tax	42,009	9,557	1,690	(37,203)	3,031	-	19,084	2,564	21,648

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

38. SEGMENT INFORMATION (continued)

- (c) Business segment (continued)
(ii) Segment assets, liabilities and other information

	Manufacturing RM'000	Trading RM'000	Infrastructure RM'000	Investment holding RM'000	Others RM'000	Continuing operations/ Total RM'000
2024						
Assets						
Segment assets	1,049,559	106,093	13,909	399,953	-	1,569,514
Investment in associate companies	-	-	1,232	1,830	29,000	32,062
Deferred tax assets	2,020	160	-	-	-	-
Consolidated total assets	1,051,579	106,253	15,141	401,783	29,000	1,603,756
Liabilities						
Segment liabilities	251,739	54,522	1,294	119,044	-	426,599
Deferred tax liabilities	49,325	-	-	-	-	49,325
Post-employment benefits	9,791	-	-	-	-	9,791
Consolidated total liabilities	310,855	54,522	1,294	119,044	-	485,715

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

38. SEGMENT INFORMATION (continued)

- (c) Business segment (continued)
- (ii) Segment assets, liabilities and other information (continued)

	Manufacturing RM'000	Trading RM'000	Investment holding RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
2024						
Other information						
Depreciation and amortisation	(47,890)	(135)	(555)	(48,580)	(1,054)	(49,634)
Net impairment losses on:						
- property, plant and equipment	(644)	-	-	(644)	-	(644)
- investment in associates	-	-	(392)	(392)	-	(392)
- goodwill	(535)	-	-	(535)	-	(535)
Addition to:						
- property, plant and equipment	28,514	16	338	28,868	-	28,868
- right-of-use assets	3,987	-	1,568	5,555	-	5,555
- intangible assets	944	-	-	944	-	944

Notes to the Financial Statements For the Financial Year Ended 31 December 2025 (continued)

38. SEGMENT INFORMATION (continued)

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, net of tax and non-controlling interest.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between business segments are set on mutually agreed terms. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

39. MATERIAL LITIGATIONS

- (a) **Writ of Summons and Statement of Claim from 39 former employees of Quality Hotel City Centre ("QHCC") being the hotel owned by Perangsang Hotel and Properties Sdn. Bhd. ("PHP") against PHP, Kumpulan Perangsang Selangor Berhad ("KPS Berhad") and Leo Hospitality Sdn. Bhd. (In liquidation) ("Leo")**

On 25 May 2022, KPS Berhad and PHP received a letter dated 24 May 2022 from the solicitors representing 39 former employees of QHCC ("Plaintiffs"), together with a Writ of Summons and Statement of Claim both dated 13 May 2022 ("Claim") issued by the Kuala Lumpur High Court ("High Court"). The Claim was filed against:

- (i) PHP;
- (ii) KPS Berhad; and
- (iii) Leo

The Plaintiffs are claiming, inter-alia:

- (i) Loss of retrenchment benefits totalling RM2,777,952.21 ("Amount");
- (ii) Interest at the rate of 5% per annum on the Amount from 19 March 2018 or from such other date as determined by the High Court; and
- (iii) Other relief as the High Court deems fit.

Background

Following a change of business direction, the Boards of KPS Berhad and PHP decided that PHP would exit the hospitality sector. Accordingly, QHCC ceased operations in 2017. All QHCC employees, including the Plaintiffs, were offered employment and/or absorbed by Leo, the company that took over QHCC's hotel operations in 2017, on similar terms and conditions.

Leo was subsequently wound up by the Kuala Lumpur High Court ("High Court") on 15 May 2019, vide Winding-Up Suit No. WA28NCC-207-03/2019.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

39. MATERIAL LITIGATIONS (continued)

- (a) **Writ of Summons and Statement of Claim from 39 former employees of Quality Hotel City Centre ("QHCC") being the hotel owned by Perangsang Hotel and Properties Sdn. Bhd. ("PHP") against PHP, Kumpulan Perangsang Selangor Berhad ("KPS Berhad") and Leo Hospitality Sdn. Bhd. (In liquidation) ("Leo") (continued)**

Court Proceedings in the High Court

- | | |
|---------------------|---|
| (i) 8 June 2022: | KPS Berhad filed its Memorandum of Appearance through its solicitors. |
| (ii) 4 July 2022: | KPS Berhad and PHP filed their Statement of Defence; case management fixed on 20 July 2022. |
| (iii) 29 July 2022: | KPS Berhad and PHP received the Plaintiffs' Reply; case management fixed on 18 August 2022. |

Striking Out Application

- | | |
|--------------------------|--|
| (i) 4 August 2022: | KPS Berhad and PHP filed a Striking Out Application with an affidavit in support against the Plaintiffs' action ("Striking Out Application"). |
| (ii) 26 August 2022: | KPS Berhad and PHP received the Plaintiffs' Affidavit in Reply; case management fixed on 19 September 2022. |
| (iii) 19 September 2022: | Court directed all parties to file written submissions by 19 October 2022, reply submissions by 9 November 2022; hearing fixed for 14 December 2022 (later postponed to 2 March 2023). |
| (iv) 2 March 2023: | Striking Out Application heard. |
| (v) 11 April 2023: | Court allowed the Plaintiffs further submissions by 25 April 2023; KPS Berhad and PHP filed their reply submissions on 3 May 2023; hearing and decision fixed for 16 May 2023. |
| (vi) 16 May 2023: | Court dismissed KPS Berhad and PHP's Striking Out Application with global costs of RM7,000.00. Court also granted judgement in default against Leo. The Court had further fixed the trial dates from 17 to 20 June 2024. |
| (vii) 9 October 2023: | Trial dates that were fixed for 17 to 20 June 2024, was rescheduled to 24 to 27 February 2025 to enable all parties to strictly comply with all directions given by the Court. |

Trial and High Court Decision

- | | | | | | | | |
|-------|---|----|---|----|---|----|---|
| (i) | Trial for the Claim concluded on 27 February 2025. | | | | | | |
| (ii) | Decision initially set for 24 June 2025, rescheduled to 16 July 2025. | | | | | | |
| (iii) | On 16 July 2025, the High Court delivered its decision: <table border="0" style="margin-left: 20px;"> <tr> <td style="vertical-align: top;">a)</td> <td>Plaintiffs' Claim against PHP allowed, damages of RM63,952.53 and costs of RM40,000.00 awarded.</td> </tr> <tr> <td style="vertical-align: top;">b)</td> <td>Plaintiffs' Claim against KPS Berhad dismissed, with costs of RM5,000.00 awarded to KPS Berhad.</td> </tr> <tr> <td style="vertical-align: top;">c)</td> <td>Plaintiffs' Claim against Leo dismissed, with no order as to costs.</td> </tr> </table> | a) | Plaintiffs' Claim against PHP allowed, damages of RM63,952.53 and costs of RM40,000.00 awarded. | b) | Plaintiffs' Claim against KPS Berhad dismissed, with costs of RM5,000.00 awarded to KPS Berhad. | c) | Plaintiffs' Claim against Leo dismissed, with no order as to costs. |
| a) | Plaintiffs' Claim against PHP allowed, damages of RM63,952.53 and costs of RM40,000.00 awarded. | | | | | | |
| b) | Plaintiffs' Claim against KPS Berhad dismissed, with costs of RM5,000.00 awarded to KPS Berhad. | | | | | | |
| c) | Plaintiffs' Claim against Leo dismissed, with no order as to costs. | | | | | | |

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

39. MATERIAL LITIGATIONS (continued)

- (a) **Writ of Summons and Statement of Claim from 39 former employees of Quality Hotel City Centre ("QHCC") being the hotel owned by Perangsang Hotel and Properties Sdn. Bhd. ("PHP") against PHP, Kumpulan Perangsang Selangor Berhad ("KPS Berhad") and Leo Hospitality Sdn. Bhd. (In liquidation) ("Leo") (continued)**

Appeal Proceedings in the Court of Appeal

- (i) 11 August 2025: PHP filed a Notice of Appeal (Appeal No. W-02(NCvC)(W)-1534-08/2025).
- (ii) 12 August 2025: Plaintiffs filed a Notice of Appeal against KPS Berhad (Appeal No. W-02(NCvC)(W)-1535-08/2025); case management fixed on 11 December 2025.
- (iii) 28 November 2025: Plaintiffs filed a Notice of Cross-Appeal against PHP.

Court of Appeal Direction

At case management on 11 and 17 December 2025, the Court of Appeal directed:

1. Both PHP Appeal and Plaintiffs Appeal are fixed for hearing on 27 August 2026;
2. Parties to file Notis Makluman Butiran Pihak-Pihak on or before 30 July 2026;
3. Appellants to file and serve Special Bundle on or before 30 July 2026;
4. All parties to file Submissions, Bundle of Authorities, Executive Submission, and Common Core Bundle on or before 30 July 2026; and
5. Reply Submissions to be filed on or before 12 August 2026.

A further case management is fixed on 13 August 2026 to ensure compliance.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

39. MATERIAL LITIGATIONS (continued)

- (b) **Writ of Summons and Statement of Claim from (1) Tan Kok Heong, (2) Tan Kok Cheng and (3) Tan Kok Gea ("Plaintiffs") against (1) Menteri Besar Selangor, (2) Kerajaan Negeri Selangor, (3) Kumpulan Perangsang Selangor Berhad ("KPS Berhad") and (4) Pentadbir Tanah Daerah Kuala Langat ("Defendants")**

First Suit

On 14 November 2023, KPS Berhad received a letter from the Plaintiffs' solicitors enclosing a sealed Amended Writ dated 10 November 2023 and a Statement of Claim ("Claim") dated 6 November 2023 issued by the Shah Alam High Court ("High Court") (collectively, the "First Suit"). The Plaintiffs sought, inter-alia, the following Claim:

- (i) A declaration that the Plaintiffs are the previous landowners of:
- a) Land 21341: Hakmilik C.T. 21341, Lot 3322, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Negeri Selangor, measuring land areas of approximately 4.331 acres; and
 - b) Land 21331: Hakmilik C.T. 21331, Lot 3312, Mukim Tanjong Dua Belas, Daerah Kuala Langat, Negeri Selangor, measuring land areas of approximately 4.875 acres;
- (collectively, the "Lands"), being part of the mining scheme under KPS Berhad at Brooklyn and Sungai Kelambu, Banting, Selangor;
- (ii) A declaration that the Land Replacement Agreement (Perjanjian Penggantian Tanah) issued by 1st and 2nd Defendants to the Plaintiffs is valid;
- (iii) A declaration that the Defendants breached the trust and repudiated the Land Replacement Agreement by failing to provide replacement lands to the Plaintiffs;
- (iv) Damages for the Lands based on market value at the date of judgement, or alternatively based on previous Inland Revenue Board assessments;
- (v) General damages;
- (vi) Interest at 5% per annum on damages under paragraph (iv) above from 10 November 2023 until the full settlement date;
- (vii) Cost and other related cost; and
- (viii) Other relief(s) as the High Court deems fit.

The 1st and 2nd Plaintiffs alleged that the Lands were previously owned by their deceased parents, namely Ang Kua and Tan Hooy, while the 3rd Plaintiff is the appointed administrator of the estates.

The Plaintiffs subsequently withdrew the First Suit via a Notice of Discontinuance dated 13 November 2023 to include additional parties.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

39. MATERIAL LITIGATIONS (continued)

- (b) **Writ of Summons and Statement of Claim from (1) Tan Kok Heong, (2) Tan Kok Cheng and (3) Tan Kok Gea (“Plaintiffs”) against (1) Menteri Besar Selangor, (2) Kerajaan Negeri Selangor, (3) Kumpulan Perangsang Selangor Berhad (“KPS Berhad”) and (4) Pentadbir Tanah Daerah Kuala Langat (“Defendants”) (continued)**

Second Suit

On 4 January 2024, KPS Berhad received a letter dated 4 January 2024 from the Plaintiffs’ solicitors enclosing a sealed Writ and Statement of Claim dated 22 December 2023 issued by the High Court (collectively, the “Second Suit”).

This Second Suit arises from the same subject matter as the First Suit, save that it includes additional Defendants: Menteri Besar Selangor, Kerajaan Negeri Selangor, and Pentadbir Tanah Daerah Kuala Langat.

The Plaintiffs seek claims substantially similar to those in the First Suit.

Case Management and Pleadings

At case management on 23 January 2024, the Court directed:

- (i) Defendants to file Defences on or before 22 February 2024;
- (ii) The Plaintiffs’ were to file their Reply to Defence on or before 19 March 2024; and
- (iii) Next case management on 20 March 2024 for the Court to give pre-trial case management directions.

KPS Berhad filed its Statement of Defence on 22 February 2024 and received the Plaintiffs’ Reply to Defence dated 19 March 2024 on 20 March 2024.

At the case management on 20 and 21 March 2024, the High Court fixed 25 April 2024 to update the parties’ intention on mediation.

Applications (Enclosure 14 and Enclosure 16)

On 22 April 2024, KPS Berhad filed:

- (i) Amended Statement of Defence dated 22 April 2024;
- (ii) Notice of Application under Order 33 Rule 2 and 5 dated 23 April 2024 (“Application”); and
- (iii) Affidavit in Support dated 19 April 2024.

At the case management on 25 to 29 April 2024, the High Court suspended further pleadings pending disposal of:

- (i) Enclosure 14 – KPS Berhad’s Application; and
- (ii) Enclosure 16 – Striking Out Application by the 1st, 2nd and 4th Defendants.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

39. MATERIAL LITIGATIONS (continued)

- (b) **Writ of Summons and Statement of Claim from (1) Tan Kok Heong, (2) Tan Kok Cheng and (3) Tan Kok Gea (“Plaintiffs”) against (1) Menteri Besar Selangor, (2) Kerajaan Negeri Selangor, (3) Kumpulan Perangsang Selangor Berhad (“KPS Berhad”) and (4) Pentadbir Tanah Daerah Kuala Langat (“Defendants”) (continued)**

Court Directions for Enclosure 14

- (i) Plaintiffs’ Affidavit in Reply by 16 May 2024;
- (ii) KPS Berhad’s Affidavit in Reply by 6 June 2024;
- (iii) Written Submissions by 27 June 2024;
- (iv) Reply Submissions by 18 July 2024; and
- (v) Case management fixed on 19 July 2024.

KPS Berhad filed written submissions (“Enclosure 29”) and bundles of authorities (Enclosure 30 and 31) on 12 July 2024.

During the case management held on 19 July 2024, the High Court fixed the hearing date for the following applications:

- (i) Enclosure 14 on 12 September 2024; and
- (ii) Enclosure 16 on 12 September 2024

The case management for Enclosure 1 (being the Second Suit) was postponed pending the disposal of the applications filed by the Defendants.

KPS Berhad filed Supplementary Bundle of Authorities (Enclosure 36) on 26 July 2024, and received Plaintiffs’ Reply Submission on the same day.

On 30 August 2024, KPS Berhad filed its Executive Summary for the Enclosure 14.

On 12 September 2024, the High Court heard the Enclosure 14 and adjourned the matter for decision to 7 November 2024.

On 7 November 2024, the High Court dismissed the Enclosure 14.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

39. MATERIAL LITIGATIONS (continued)

- (b) **Writ of Summons and Statement of Claim from (1) Tan Kok Heong, (2) Tan Kok Cheng and (3) Tan Kok Gea (“Plaintiffs”) against (1) Menteri Besar Selangor, (2) Kerajaan Negeri Selangor, (3) Kumpulan Perangsang Selangor Berhad (“KPS Berhad”) and (4) Pentadbir Tanah Daerah Kuala Langat (“Defendants”) (continued)**

Developments in Enclosure 16 and Appeal

The High Court fixed case management for the Second Suit on 22 November 2024 and subsequently on 17 December 2024.

At the case management on 17 December 2024, the High Court recorded that the Enclosure 16 had been allowed for the 1st, 2nd and 4th Defendants.

The Plaintiffs filed an appeal (Enclosure 16 Appeal) to the Court of Appeal.

Case management for the appeal was fixed on 19 February 2025, and the High Court postponed Enclosure 1 pending its outcome. The High Court further fixed the next case management on 21 February 2025 for the relevant parties to update the status of the Enclosure 16 Appeal.

Subsequent Case Managements

On 21 February 2025, the Plaintiffs informed the High Court that the Court of Appeal hearing for the Enclosure 16 Appeal was fixed on 5 August 2025.

The High Court had fixed the case management for Enclosure 1 on 6 August 2025, during which directions were issued for the following documents to be filed by 26 September 2025:

- (i) Bundle of Pleadings;
- (ii) Common Bundle of Documents;
- (iii) Summary of Case;
- (iv) Agreed Facts;
- (v) Issues to be Tried; and
- (vi) Witness List

On 1 October 2025, the High Court directed:

- (i) All pre-trial directions to be complied with, and witness statements must be filled by 3 November 2025;
- (ii) Next case management was scheduled on 5 November 2025; and
- (iii) Trial dates fixed on 25 to 27 March 2026.

At case management on 5 November 2025, the trial dates were maintained with limited extensions for witness statements and chronology of facts.

Withdrawal of Suit Against KPS Berhad

On 18 December 2025, the Plaintiffs filed a Notice of Withdrawal (Notis Pemberhentian) of the Second Suit against KPS Berhad:

- (i) with no liberty to file afresh; and
- (ii) with cost of RM10,000.00 payable to KPS Berhad.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

During the financial year

(a) Voluntary winding-up of Toyoplas Manufacturing (Shanghai Songjiang) Co., Ltd. ("TMS")

TMS, an indirect wholly-owned subsidiary company of Toyoplas Manufacturing (Malaysia) Sdn. Bhd., which in turn is an indirect wholly-owned subsidiary company of the Company, commenced voluntary winding-up on 29 December 2023.

Incorporated in 2002 in the People's Republic of China ("PRC"), TMS had an authorised and paid-up capital of USD5,500,000. TMS was primarily engaged in the production and sale of precision plastic and precision plastic accessories for electrical appliances.

On 18 April 2025, the voluntary winding-up process of TMS has been completed, and TMS was duly wound-up, pursuant to a notification received from the Shanghai City Administration for Market Regulation in the PRC on the same date.

(b) Member's voluntary winding-up of Toyoplas Manufacturing (Vietnam) Co., Ltd. ("TMV")

TMV, an indirect wholly-owned subsidiary company of Toyoplas Manufacturing (Malaysia) Sdn. Bhd., which in turn is an indirect wholly-owned subsidiary company of the Company, commenced voluntary winding-up on 12 March 2025.

TMV was incorporated in 2019 in Vietnam with a paid-up capital of USD4,000,000. TMV was principally involved in the manufacturing of plastic components for consumer electronics, telecommunications, household electrical, automotive and home security products.

TMV was previously dormant. Its operations have been consolidated into Toyoplas Manufacturing (Malaysia) Sdn. Bhd. ("TMM")'s other indirect subsidiary located in Vietnam, Toyoplas Manufacturing (Bac Giang) Company Limited ("TMB"), which started operations in its newly constructed factory at the end of 2022. TMB has been designated as TMM Group's permanent base of operations in Vietnam, taking over from TMV's smaller-scale operations in a rented facility. The new factory operated by TMB is able to accommodate at least three (3) times the capacity of the factory operated by TMV. The voluntary winding-up of TMV is in line with TMM Group's expansion plan in Vietnam and its larger effort to streamline resources and operations.

On 13 August 2025, the voluntary winding-up process of TMV has been completed and officially dissolved, pursuant to a notification received from the Department of Finance of Bac Ninh Province in Vietnam on the same date.

None of the Directors, major shareholders of the Group, or persons connected to them have any direct or indirect interest in the voluntary winding-up of TMV.

(c) Members' Voluntary winding-up of Century Packing & Printing Sdn. Bhd. ("CPP")

CPP, an indirect subsidiary company of Century Bond Bhd, which in turn is an indirect wholly-owned subsidiary company of the Company, had commenced its member's voluntary winding up on 23 October 2024, pursuant to Section 439(1)(b) of the Companies Act 2016.

CPP has ceased its operations during the financial year ended 31 December 2023 and it has no intention of carrying on business in the future.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

During the financial year (continued)

(c) Members' Voluntary winding-up of Century Packing & Printing Sdn. Bhd. ("CPP") (continued)

On 5 January 2026, CPP held its final meeting to conclude the members' voluntary winding up.

Subsequently on the same day, the liquidator lodged with the Registrar of Companies and the Official Receiver the Returns by Liquidator relating to the final meeting together with a copy of the accounts.

The voluntary winding up was completed on 9 April 2026, pursuant to Section 459(5) of the Companies Act 2016, upon the expiration of three (3) months from the date of lodgement.

The exercise has not been completed as at the date of this report.

(d) Members' Voluntary winding-up of KPS-HCM Sdn. Bhd. ("KPS-HCM")

KPS-HCM, a 51% owned subsidiary company of the Company and the remaining 49% equity interest owned by HCM Engineering Sdn. Bhd, had commenced its member's voluntary winding up on 29 August 2024, pursuant to Section 439(1)(b) of the Companies Act 2016.

KPS-HCM has ceased its operations during the financial year ended 31 December 2023 and it has no intention of carrying on business in the future. The Members' Voluntary Winding-Up will enable the Group to save future costs associated with maintaining KPS-HCM.

The Members' Voluntary Winding-Up is not expected to have any material impact on the Group's consolidated net asset per share, gearing, earnings, or earnings per share for the financial year ending 31 December 2026, nor will it affect the Group's business operations.

The exercise has not been completed as at the date of this report.

(e) Status update on the Profit Guarantee ("PG") from the Vendors regarding the acquisition of 100% equity interest in MDS Advance Sdn. Bhd. ("MDS Advance") by Perangasng Dinamik Sdn. Bhd. ("PDSB" or "Purchaser")

In accordance with the terms set out in Section 2.2.4 of the conditional share sale agreement dated 1 December 2022 ("SSA"), entered into by PDSB with Gan Lian Ban ("GLB") and Chuah Mooi Kheng ("CMK") (collectively referred to as "Vendors"), the Vendors jointly and severally covenant, warrant and guarantee to the Purchaser that:

- i. the internally adjusted audited net profit after tax of MDS Advance for the financial period between 1 January 2023 to 31 December 2023 ("First PG Year") shall not be less than RM8,000,000 ("First PG Year Profit Guarantee"); and
- ii. the internally adjusted audited net profit after tax of MDS Advance for the financial period between 1 January 2024 to 31 December 2024 ("Second PG Year") shall not be less than RM9,000,000 ("Second PG Year Profit Guarantee"),

(The Purchaser and the Vendors shall hereinafter collectively known as the "Parties")

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

During the financial year (continued)

(e) Status update on the Profit Guarantee ("PG") from the Vendors regarding the acquisition of 100% equity interest in MDS Advance Sdn. Bhd. ("MDS Advance") by Perangsang Dinamik Sdn. Bhd. ("PDSB" or "Purchaser") (continued)

Pursuant to the SSA, in the event that the Second PG Year is less than the Holdback Amount of RM9,000,000, as certified by MDS Advance' Auditors in the Audit Certificate or as confirmed by the Parties by jointly sign a certificate confirming the amount of the adjusted audited net profit/loss after tax of MDS Advance for the Second PG Year ("Confirmation Certificate"), then each of the Vendors shall jointly and severally, within thirty (30) Business Days from the date of issuance of the Audit Certificate or the Confirmation Certificate, compensate the Purchaser for an amount equivalent to the aggregate shortfall.

Based on the internally adjusted audited financial statements for the financial year ended 31 December 2024 of MDS Advance, there was a shortfall in the Second PG Year Profit Guarantee. The adjusted audited net profit after tax of MDS Advance for the Second PG Year was recorded at RM4,045,000, resulting in a shortfall of RM4,955,000 ("Second PG Year Shortfall Amount") against the profit guarantee provided by the Vendors.

PDSB and the Vendors signed the Confirmation Certificate on 19 March 2025 ("Certificate Date"). The Purchaser has requested the Vendors to remit the Second PG Year Shortfall Amount within thirty (30) business days from 19 March 2025. Upon receipt of the Second PG Year Shortfall Amount, the Purchaser shall proceed with the release of the Holdback Amount for the Second PG Year Profit Guarantee to the Vendors.

Pursuant to the terms of the SSA, in the event that the Vendors fail to remit the full payment of the Second PG Year Shortfall Amount, if any, within thirty (30) Business Days from the Certificate Date, the Purchaser shall be entitled to release the Holdback Amount to the Vendors through a set-off arrangement, whereby the amount payable shall be the Second PG Year Holdback Amount less the Second PG Year Shortfall Amount.

As the shortfall confirmed relates to the financial year ended 31 December 2024, management has reflected the profit guarantee recoverable as an income in the previously financial year. Upon the receipt of RM4,955,000 of the profit guarantee in the current year, the Holdback Amount of RM9,000,000 has been released to the Vendors.

(f) Proposed divestment of 100% equity stake in Perangsang Oil and Gas Sdn Bhd to Manjaran Sdn Bhd

KPS Berhad had on 9 September 2025 entered into a Share Sale Agreement ("SSA") with Manjaran Sdn Bhd ("Purchaser") for the proposed divestment of its 100% equity stake in Perangsang Oil and Gas Sdn Bhd (which in turn owns 40% stake in NGC Energy Sdn Bhd ("NGC")) for a cash consideration of RM32.00 million ("Proposed Divestment"). Completion shall take place within one (1) month following the fulfillment or waiver of the conditions precedent of the SSA, or such other date as may be mutually agreed in writing between KPS Berhad and the Purchaser.

The Proposed Divestment is subject to the following conditions precedent:

- (i) NGC to procure a written approval from the Ministry of Domestic Trade and Cost of Living for the change in directors in NGC;
- (ii) NGC to procure and deliver an evidence of Bank Islam Malaysia Berhad ("BIMB") agreeing to the absolute release and discharge of all obligations of KPS Berhad under any corporate guarantee and/or any other securities provided by KPS Berhad in favour of BIMB in respect of any financing facilities granted to NGC, and in this connection, the Purchaser and/or its shareholders shall provide guarantee and/or any other securities as may be required by BIMB to secure the financing facilities in place of KPS Berhad;

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

During the financial year (continued)

(f) Proposed divestment of 100% equity stake in Perangsang Oil and Gas Sdn Bhd to Manjaran Sdn Bhd (continued)

- (iii) if applicable, NGC to procure and deliver an evidence of any third party(ies) agreeing to the absolute release and discharge of all obligations of KPS Berhad under any guarantee and/or indemnity provided by KPS Berhad in favour of such third party(ies) in relation to the business and/or for the benefit of NGC, and in this connection, the Purchaser and/or its shareholders shall provide such guarantee and/or indemnity in favour of such third party(ies) in place of KPS Berhad;
- (iv) NGC to obtain consent from BIMB for the change of directors in NGC, as may be required under the relevant facilities agreement and/or security documents in relation to the financing facilities granted by BIMB to NGC; and
- (v) KPS Berhad to deliver to the Purchaser a written confirmation that to the best of its knowledge and belief:
 - a. there are no actual or threatened claims, demands, proceedings, or investigations by any third party against POGSB; and
 - b. all statutory payments, taxes, levies, contributions and other payments required to be made by POGSB under any applicable laws have been duly and punctually paid up to the date of such confirmation.

The Proposed Divestment is expected to be completed in first half of 2026.

Subsequent to the end of the reporting period:

Geopolitical Developments in the Middle East

Subsequent to the financial year end, geopolitical tensions in the Middle East, particularly involving the United States, Israel and Iran, have escalated. These developments have contributed to increased volatility in global financial markets, including fluctuations in crude oil prices, foreign exchange rates, and international shipping conditions

The Group has assessed the potential implications of these developments on its operations. While the Group's direct exposure to the United States market remains limited, a portion of its revenue is linked to global supply chains and export-oriented customers, which may be indirectly affected by changes in global economic conditions.

Potential areas of impact include:

- (i) Logistics and supply chain disruptions, including longer lead times and higher freight costs;
- (ii) Energy and input cost pressures, particularly for petrochemical-based materials;
- (iii) Foreign exchange volatility, which may affect export pricing and margins; and
- (iv) Global demand conditions, particularly in manufacturing and export-driven sectors.

At this stage, the Group has not identified any material financial impact arising from these developments for the current financial period. Nevertheless, the situation remains fluid, and the Group continues to monitor developments closely.

The Group will continue to adopt prudent risk management practices, including maintaining operational flexibility, monitoring market conditions, and implementing appropriate mitigation measures where necessary.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

41. STATUTORY DISCLOSURES

Pursuant to Section 249(4)(e) of Companies Act 2016, details of auditors' remuneration payable by the Group and the Company during the financial year were as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations				
Statutory audit				
- Ernst & Young PLT and affiliated firms	1,589	-	578	-
- BDO PLT and affiliated firms	-	1,083	-	120
- Other auditors	603	730	-	-
	2,192	1,813	578	120
Non-audit related services				
- Ernst & Young PLT and affiliated firms	323	-	22	-
- BDO PLT and affiliated firms	-	20	-	5
- Other auditors	104	-	102	-
	427	20	124	5
	2,619	1,833	702	125

42. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

(a) New MFRSs and Amendments to MFRSs adopted during the financial year

The Group and the Company adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standard Board ("MASB") during the financial year:

Title	Effective Date
Amendment to MFRS 121 : Lack of exchangeability	1 January 2025

The adoption of these Standards and Amendments did not have any material effect on the financial statements of the Group and of the Company.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (continued)

42. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

- (b) New MFRSs and Amendments that have been issued, but only effective for annual periods beginning on or after 1 January 2026

Title	Effective Date
Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107: Annual Improvements - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The MFRS Accounting Standards and amendments to MFRS Accounting Standards above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of MFRS 18: Presentation and Disclosure in Financial Statements.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of comprehensive income, the statement of cash flows and the additional disclosures required for Management defined Performance Measures ("MPMs"). The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

43. COMPARATIVES

The comparative financial statements of the Group and Company were audited by a firm of chartered accountants other than Ernst & Young PLT.

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