



# KPS Berhad

2025 Integrated Annual Report

Positioned with Purpose



## Positioned with Purpose

In an operating environment increasingly characterised by volatility, uncertainty, complexity and ambiguity (VUCA), KPS Berhad continued to take deliberate steps to strengthen its strategic positioning. Structural shifts across global manufacturing markets, evolving trade dynamics and rising sustainability expectations underscore the need to remain disciplined in business direction, capital allocation, and operational resilience.

**“Positioned with Purpose”** reflects this strategic clarity, a commitment to ensure that our decisions contribute meaningfully to building a more resilient and strategically aligned Group.



Scan this QR code to view our 2025 Integrated Annual Report, 2025 Sustainability Report, 2025 Audited Financial Statements and 2025 Corporate Governance Report. Other information on KPS Berhad is available at [www.kps.com.my](http://www.kps.com.my)



## Vision

### Leading Investments for Shared Prosperity

Making progress in business dealings and positive impacts along its value chain with Environmental, Social and Governance (“ESG”) considerations, benefiting the communities in which our business operates.

---



## Mission

### Cultivating Value, Creating Positive Impact

Focusing on long-term value creation via responsible business practices, while creating positive impacts for our stakeholders.

---



## Brand Promise

### We Invest in Better

Seeking investment opportunities that generate growth towards the betterment of the society.

---



## Core Values

- 1 Pride**  
Take Pride in our jobs and KPS Berhad as an organisation and commit to its success.
- 2 Respect**  
Recognise the value of other people and accept differences.
- 3 Integrity**  
Integrity in our conduct is guided by responsibility and accountability.
- 4 Discipline**  
Operate with team spirit guided by clear rules of work, discipline, and a healthy work-life balance.
- 5 Extra-mile**  
Contribute to stakeholders’ growth by “Going the Extra-Mile”.

# INSIDE THIS REPORT

<b>1 Introduction</b>		
About This Report	2	
<b>2 Overview of KPS Berhad</b>		
Who We Are	6	
Corporate Structure	7	
Where We Operate	8	
Our Business Model	9	
Our Competitive Advantage	10	
Information on Subsidiary Companies	11	
Year in Review	16	
<b>3 Value Creation at KPS Berhad</b>		
Value Creation Model	18	
Stakeholder Engagement	20	
Distribution of Value Created	25	
Our Material Matters	26	
Operating Environment, Risks and Opportunities	33	
<b>4 Responding Strategically</b>		
Message from the Managing Director/Group Chief Executive Officer	40	
5-year Financial Highlights	50	
Financial Review	52	
Business Review	57	
<b>5 Investor Relations</b>		
• Investor Outreach and Communications		82
• Overview of KPS Berhad's Performance		82
• Value Creation		83
• Key Financial Results		84
• Discussions on Key Risks and How They are Managed		85
• Corporate Governance and Ethics		85
• Share Price Performance		86
• Financial Calendar		87
• Future Outlook and Strategy		88
<b>6 Our Leadership</b>		
Organisation Structure		90
Board of Directors' Profile		91
Senior Management's Profile		99
Heads of Department		101
Heads of Subsidiary Companies		104
<b>7 Governance</b>		
Corporate Governance Overview Statement		110
• Nomination and Remuneration Committee Report		129
Board Audit Committee Report		143
Statement on Risk Management and Internal Control		147
<b>8 Stakeholder Information</b>		
Analysis of Shareholdings		158
Additional Compliance Information Disclosures		160
Disclosure of Financial Data for Shariah Screening		163
List of Group Properties		165
Corporate Information		170
Notice of the 49 <sup>th</sup> Annual General Meeting		172
Statement Accompanying Notice of the 49 <sup>th</sup> Annual General Meeting		180
Administrative Guide for Shareholders		184
• Proxy Form		

CHAPTER

01

# Introduction

## About This Report

### Our Reporting Suite

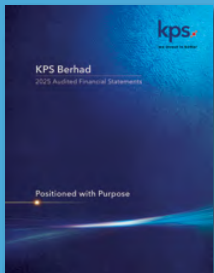
2025  
Integrated  
Annual  
Report



2025  
Sustainability  
Report



2025  
Audited  
Financial  
Statements



Kumpulan Perangsang Selangor Berhad (“KPS Berhad” or “the Company”) and its subsidiary companies (“the Group”) present their fourth Integrated Annual Report for the financial year ended 31 December 2025.

### Reporting Approach

The 2025 Integrated Annual Report (“2025IAR”) covers the main activities and operations of KPS Berhad and its subsidiary companies. It follows the principles of the Integrated Reporting Framework, including:

- **Six Capitals** - the foundation of integrated thinking
- **Seven Guiding Principles** - ensuring clarity, consistency and connectivity
- **Eight Content Elements** - structuring disclosures for comprehensive reporting

We are working to align the disclosure more closely with the National Sustainability Reporting Framework (“NSRF”), which is based on the International Financial Reporting Standards (“IFRS®”) S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, where applicable. These standards focus on sustainability issues, notably on climate risks that directly affect KPS Berhad’s financial and business performance over the short-term (1-2 years), medium-term (2-5 years), and long-term (beyond 5 years). Topics with broader social or environmental implications are discussed in the 2025 Sustainability Report (“2025SR”).

### The 6 Capitals

The 2025IAR shares details about the resources used and achievements made by KPS Berhad’s business model in 2025. It shows how we manage resources through business and operational strategies, what we achieved, and the trade-offs involved. Keep the report explains how creating value in one area can sometimes impact value creation in another area of our operations.

#### Financial Capital



All liquid assets, such as cash and cash equivalents, equities, shareholdings, investments, debts and liabilities, as well as other liquid assets.

#### Manufactured Capital



All physical assets employed by the business model, including machinery, equipment and business premises owned or leased.

#### Intellectual Capital



This includes KPS Berhad’s business model, proprietary knowledge and intellectual property, related internal systems and processes, market insights and intelligence.

#### Human Capital



This refers to our total workforce, including collective and individual skills, capabilities and the professional contributions of our employees.

#### Social Capital



This is the value and strength we developed through relationships with stakeholders, our brand reputation and the benefits we create for society including Social Return on Investment.

#### Natural Capital



This relates to how we use and conserve natural resources, such as raw materials and energy across our business model.



The full version of these reports can be downloaded from our website at <https://kps.com.my>

## About This Report

### Application of the 7 Guiding Principles

The seven guiding principles below are the foundation for best-practice integrated reporting. We used them to develop this report and to reference other documents, such as the 2025SR. This aligns with the Integrated Reporting Framework’s focus on clear, connected information. Key principles, such as materiality and stakeholder relationships, are summarised here, with more details in the 2025SR.

- ✔ Strategic focus and future orientation
- ✔ Connectivity of information
- ✔ Conciseness
- ✔ Reliability and completeness
- ✔ Consistency and comparability
- ✔ Materiality
- ✔ Stakeholder relationships

### Provision of the 8 Content Elements

The eight content elements listed below are addressed across various sections of the report to provide a clear and comprehensive understanding of the Group’s operating environment, governance structure, strategy, business model, risks and opportunities, performance and future outlook, illustrating how value is created.

- ✔ Organisational overview and external environment
- ✔ Governance
- ✔ Business model
- ✔ Risks and opportunities
- ✔ Strategy and resource allocation
- ✔ Performance
- ✔ Outlook
- ✔ Basis of preparation and presentation

### Basis of Preparation

The 2025IAR has been prepared with reference to the following regulatory and reporting frameworks:

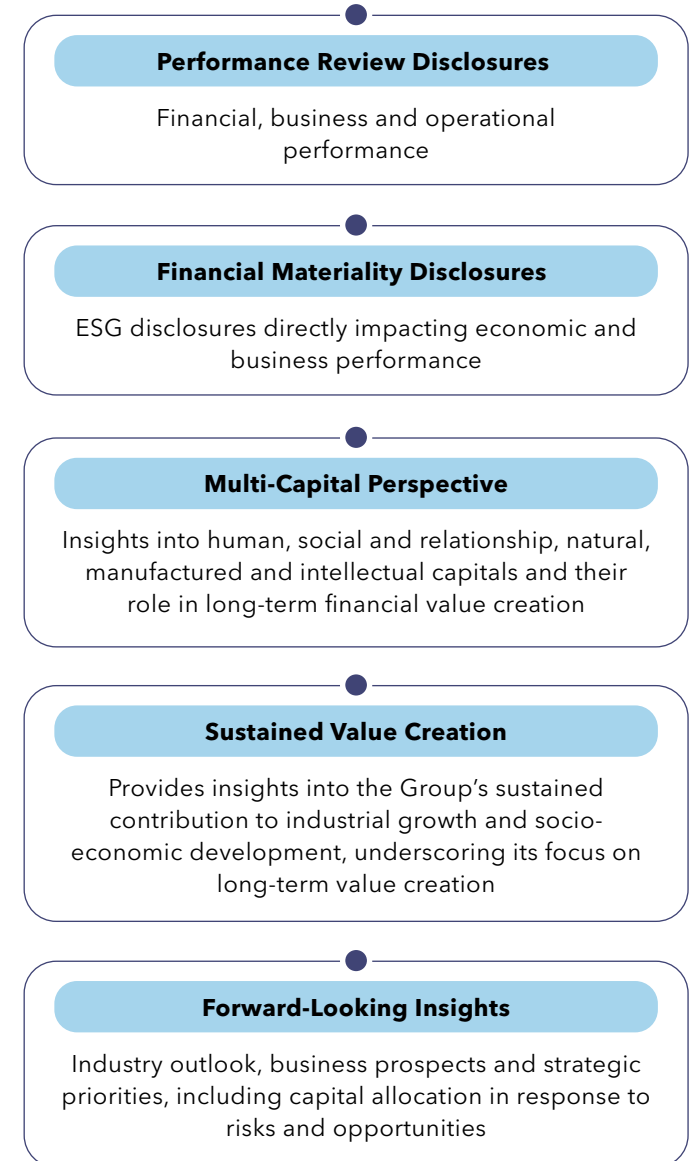
- **Regulatory Compliance:**
  - Companies Act 2016 (“Act”)
  - Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”)
  - Malaysian Code on Corporate Governance 2021 (“MCCG”)
  - Malaysian Financial Reporting Standards (“MFRS”)
  - IFRS
- **Sustainability and Integrated Reporting:**
  - IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
  - IFRS S2: Climate-related Disclosures
  - Bursa Malaysia Sustainability Reporting Guide - Third Edition
  - Global Reporting Initiative (“GRI”) Sustainability Reporting Standards
  - NSRF
  - United Nations Sustainable Development Goals (“UNSDGs”)

### Forward-Looking Statements

This report contains certain forward-looking statements about KPS Berhad’s future strategy, performance, operations and prospects. These statements and expectations carry risks and uncertainties given that they are dependent on circumstances that will take place in the future. As such, these factors may cause actual outcomes to deviate materially from KPS Berhad’s statements made at the time of this report. KPS Berhad makes no representations or warranties that these forward-looking statements will be realised. Undue reliance should not be placed on such statements, and KPS Berhad will not assume responsibility for any losses by any party arising from reliance on these statements.

### Structure of Disclosures

2025IAR is curated to provide relevant and decision-useful information, particularly for investors and capital providers. Key focus areas include:



## About This Report

### Assurance

- The 2025 Audited Financial Statements (“2025AFS”) have been audited by Ernst & Young PLT and are presented in a separate publication as part of the 2025 reporting suite.
- The 2025SR has undergone external verification by SIRM QAS International Sdn Bhd (“SIRIM QAS”) to validate key sustainability disclosures, policies and initiatives. More details about the assurance process and statement are available in the 2025SR.

### Directors’ Statement of Responsibility

The Board of Directors (“the Board” or “BOD”) has reviewed and approved the 2025IAR, ensuring it is balanced and comprehensive, follows good governance practices and aligns with the Integrated Reporting Framework.

### Reporting Scope and Boundary

The 2025IAR includes important disclosures regarding the Group’s operations and subsidiary companies managed by KPS Berhad, excluding Smartpipe Technology Sdn. Bhd., which has not made any material contribution to the Group over the past three financial years. Associate companies are also excluded, together with any data that is unverified, incomplete, or not relevant to the Group’s business model and activities.

### Time Period











This report covers the Group’s financial year from 1 January 2025 to 31 December 2025. Financial and non-financial information presented in this report generally relates to this reporting period, unless otherwise stated. Certain non-financial information, including relevant developments and disclosures, reflects events up to 26 March 2026, being the latest practicable date prior to the publication of this report.

### Feedback

For enquiries, feedback, or suggestions regarding this report, please contact: **Email: [irsc@kps.com.my](mailto:irsc@kps.com.my)**

## Navigation Icons







### Stakeholder Group


 Board of Directors	 Investors & Shareholders
 Business Partners & State Entities	 Local Communities
 Certification Bodies	 Media
 Customers	 Regulators
 Employees	 Vendors & Suppliers


### Material Matters

 1 Digitalisation and Technology	 8 Waste Reduction, Recycling and the Circular Economy
 2 Quality Control and Customer Satisfaction	 9 Climate Change and Emissions
 3 Economic and Business Performance	 10 Occupational Safety and Health
 4 Employee Training and Career Development	 11 Sustainable Procurement and Local Sourcing
 5 Environmental and Social Compliance	 12 Water Security
 6 Energy Efficiency	 13 Labour Standards
 7 Good Governance and Anti-Corruption	 14 Human Rights

### Our Six Capitals

 Financial Capital	 Human Capital
 Manufactured Capital	 Social and Relationship Capital
 Intellectual Capital	 Natural Capital

 Directs you to additional information available online.

 Directs you to related information elsewhere in this report.

CHAPTER

02

# Overview of KPS Berhad

## Who We Are



### Listed on Bursa Securities

Since 22 July 2003



### Sector

Industrial Products  
and Services



### Core Investment

Manufacturing and  
Trading Activities

### An Investment Holding Company Positioned for Long-Term Value Creation

KPS Berhad is an investment holding company with core investments in manufacturing and trading, supporting key industries through strategic investments and an international manufacturing footprint. Through its portfolio of subsidiary companies, the Group serves a diversified global customer base across its value chain.

The Group's businesses support a wide range of industries, including electronics, multimedia and communications, healthcare, packaging, information technology and semiconductors. Anchored by a diversified manufacturing base and an expanding customer portfolio, KPS Berhad continues to strengthen its resilience and agility in responding to evolving market opportunities.

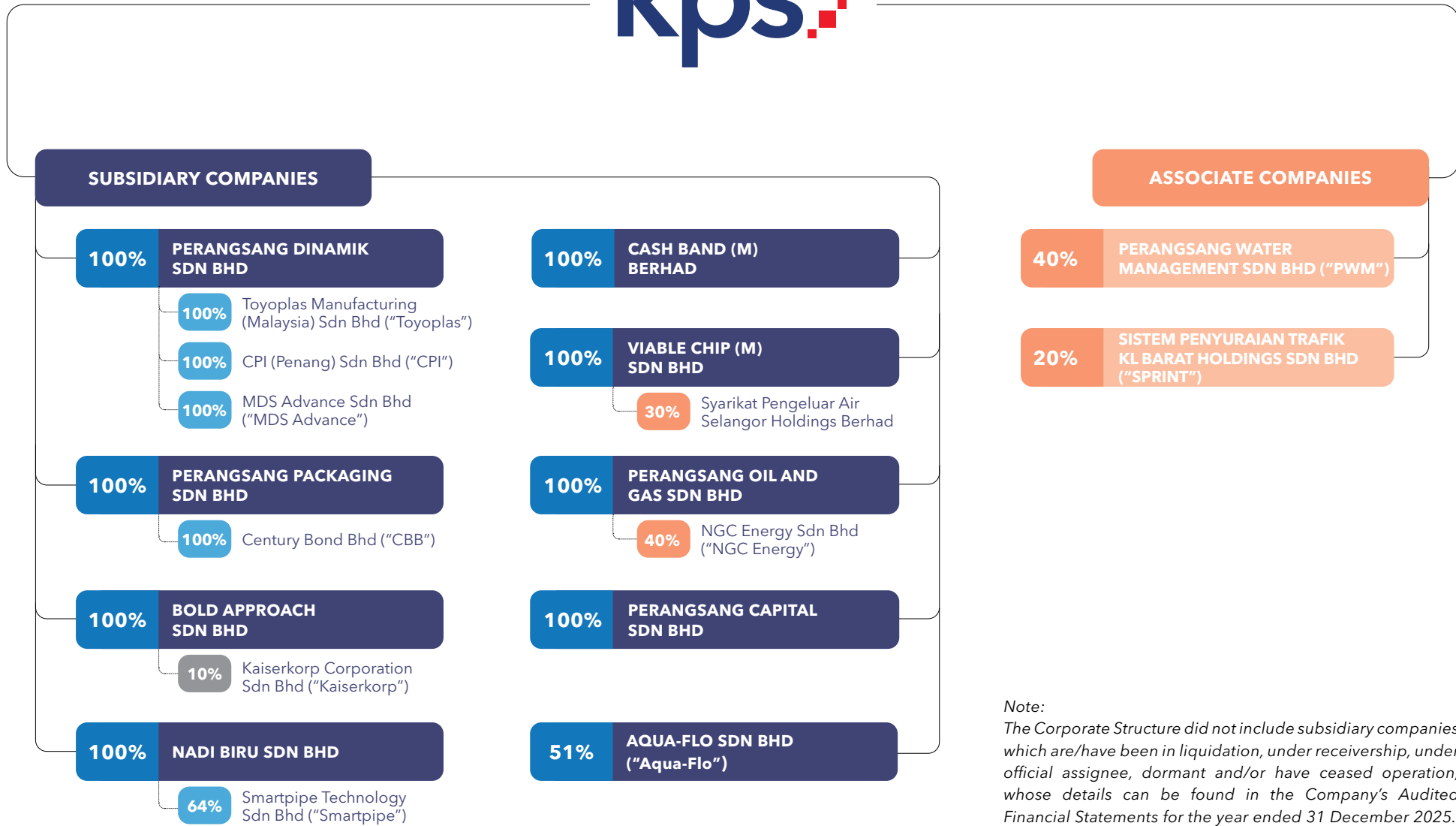
Established in 1975 to spur Selangor's economic growth, KPS Berhad has evolved from a state-owned entity into a regional investment holding company with a diversified portfolio of investments serving global markets. Since its listing on Bursa Securities in 2003, the Group has strengthened its governance framework and expanded its investment portfolio.

In 2016, KPS Berhad embarked on a Business Transformation Plan to pursue a new growth agenda. The transformation reshaped how the Group creates value, allocates capital and manages risks, enabling KPS Berhad to surpass RM1 billion in revenue within four years while embedding the sustainability practices principles as one of its core pillars in long-term value creation.

The Group has **3,363** team members and 15 manufacturing facilities across **four countries** - Malaysia, Indonesia, the People's Republic of China ("China") and Vietnam.



## Corporate Structure as of 26 March 2026



*Note:*  
The Corporate Structure did not include subsidiary companies which are/have been in liquidation, under receivership, under official assignee, dormant and/or have ceased operation, whose details can be found in the Company's Audited Financial Statements for the year ended 31 December 2025.

## Where We Operate

### KPS BERHAD

Malaysia  
 • Selangor (Shah Alam)

### TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD

China  
 • Guangdong (Dongguan)

Malaysia  
 • Johor (Senai & Muar)

Indonesia  
 • West Java (Cikarang)

Vietnam  
 • North Vietnam (Bac Giang)

Hong Kong  
 • Hong Kong (Trading Office)

Singapore  
 • Tai Seng (Trading Office)

### CPI (PENANG) SDN BHD

Malaysia  
 • Pulau Pinang (Bayan Lepas)

### MDS ADVANCE SDN BHD

Malaysia  
 • Pulau Pinang (Simpang Ampat)

### CENTURY BOND BHD

#### Offset:

Malaysia  
 • Johor (Senai & Ulu Tiram)

#### Carton:

Malaysia  
 • Johor (Senai)  
 • Kedah (Sungai Petani)

#### Paper:

Malaysia  
 • Perak (Ipoh)  
 • Johor (Senai)

Indonesia  
 • Medan

Singapore  
 • Woodlands (Trading Office)

#### OEM:

Malaysia  
 • Johor (Senai)

#### Others:

Malaysia  
 • Johor (Senai)

### AQUA-FLO SDN BHD

Malaysia  
 • Selangor (Petaling Jaya, Sungai Buloh & Klang)



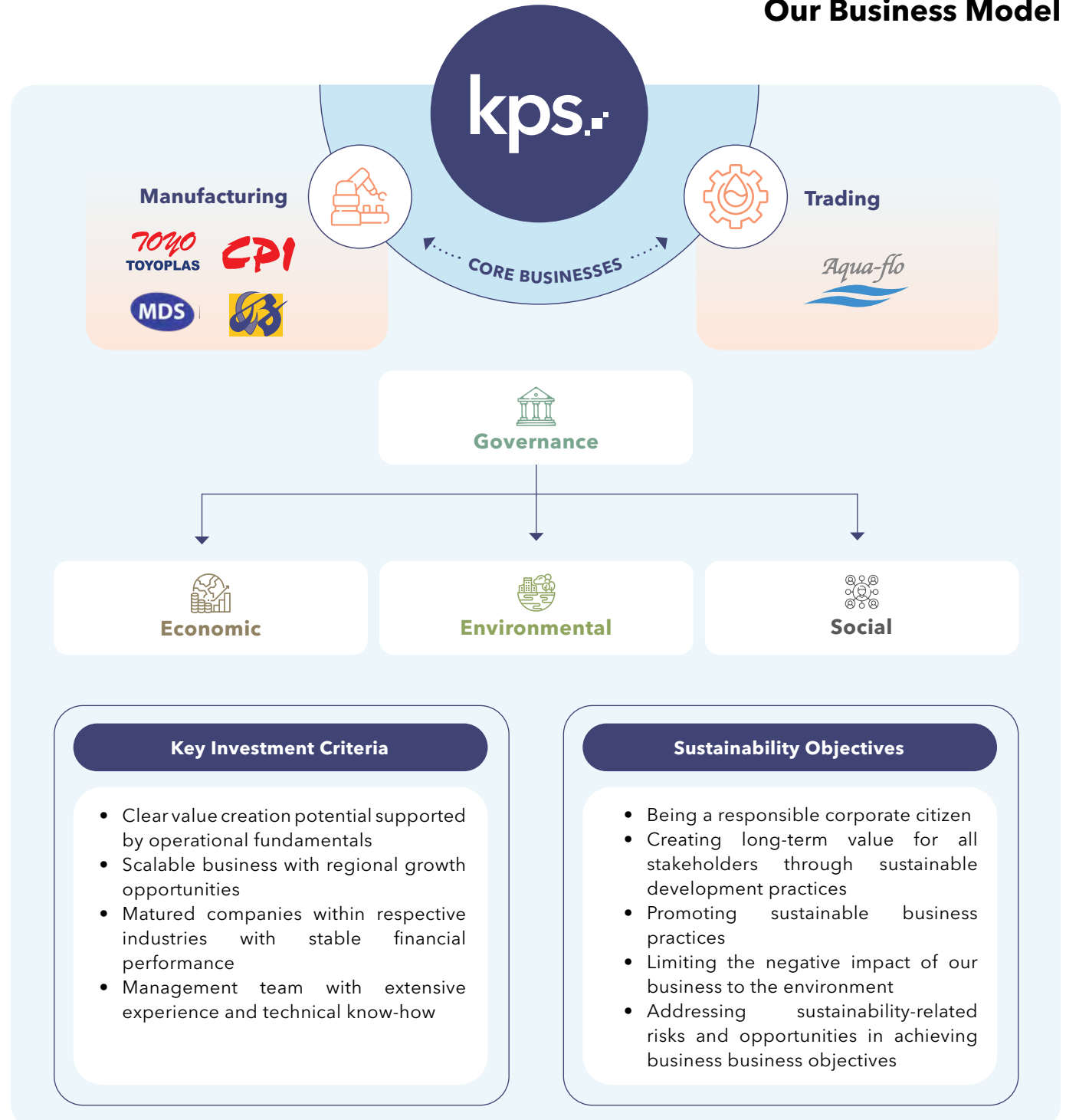
## Our Business Model

We are an investment holding company focused on acquiring, managing and optimising a diversified portfolio of businesses to deliver sustainable value. Through disciplined capital allocation and active stewardship of our subsidiary companies, we enhance portfolio performance, unlock synergies and create long-term value.

We generate revenue through equity holdings, dividend distributions and long-term value appreciation, ensuring that our investments contribute to financial strength and operational resilience. We identify and invest in scalable businesses with strong financial fundamentals, experienced management teams and regional growth potential. Through rigorous evaluation and strategic capital deployment, we acquire companies where value can be created by diversifying revenue streams, strengthening business viability and improving cost efficiency.

Following the acquisition, we work closely with our subsidiary companies to strengthen their capabilities and performance. By providing access to capital, advanced technology and talent, we support operational improvements, scalable growth and enhanced market positioning. We foster collaboration across our portfolio to unlock synergies, enhance operational efficiency and support innovation. Our approach integrates responsible business practices, addressing sustainability-related risks and opportunities while promoting environmentally and socially responsible operations.

Through active portfolio stewardship and disciplined oversight, we strengthen the performance and long-term value of our portfolio for the benefit of our stakeholders, reflecting our commitment to our vision and mission of building resilient, high-performing businesses that create sustainable value for our stakeholders and the communities in which we operate.




# Our Competitive Advantage

## Overview of Business


Our investment mandate focuses on generating sustainable financial returns through the strategic acquisition, active management and value enhancement of high-potential businesses, underpinned by disciplined capital allocation and operational excellence.




**Toyoplas Manufacturing (Malaysia) Sdn Bhd**  
End-to-end Plastic Injection Moulding Solutions Provider




**CPI (Penang) Sdn Bhd**  
High-precision Plastic Injection Moulding Provider with Electronics Manufacturing Services ("EMS") Capabilities



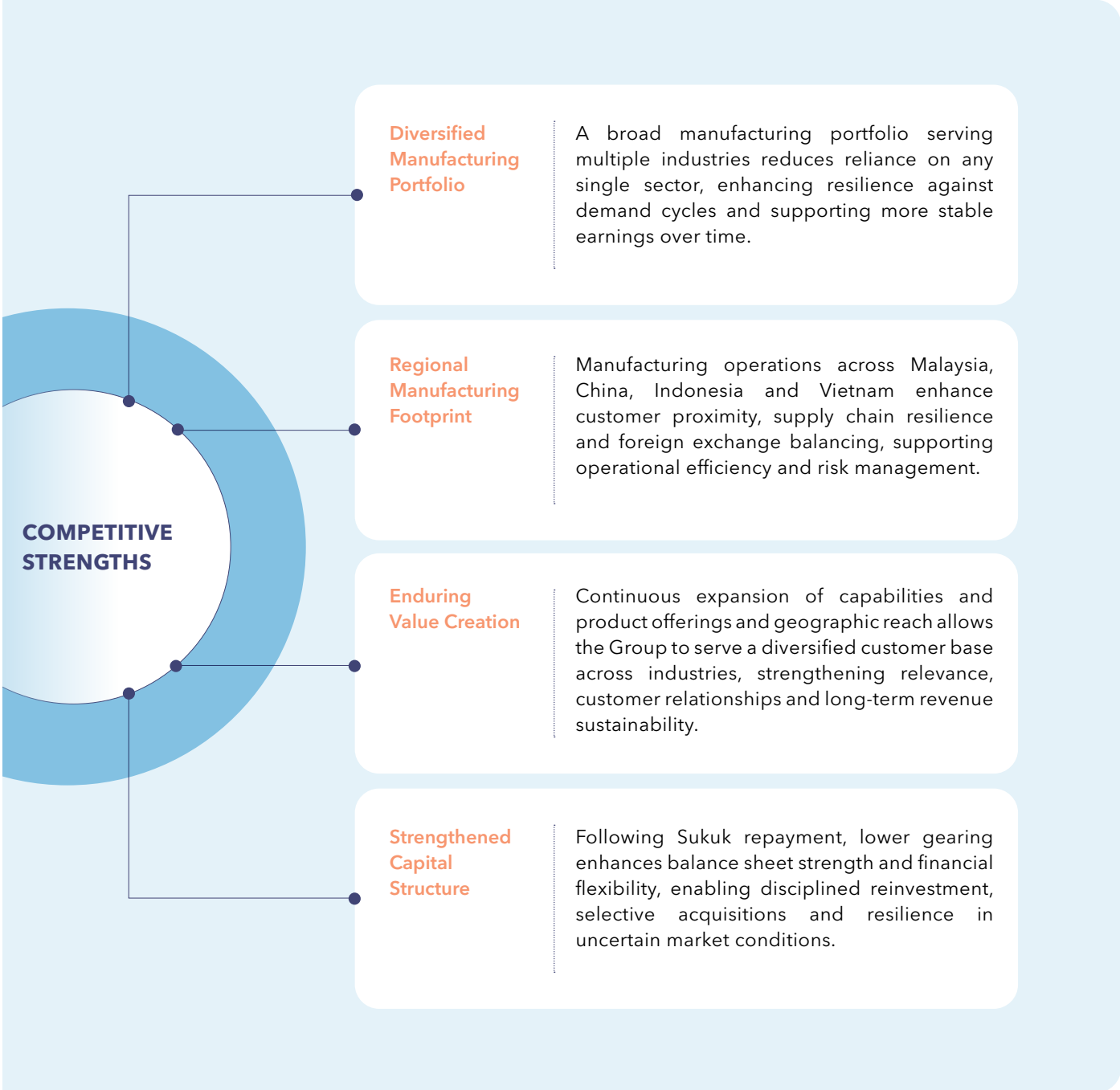
**MDS Advance Sdn Bhd**  
High-precision Computer Numerical Control ("CNC") Metal Machining



**Century Bond Bhd**  
Integrated Packaging Solutions Provider



**Aqua-Flo Sdn Bhd**  
Supply of Water Chemicals, Water Meters and Technical Services



## Information on Subsidiary Companies



Controlled assembly processes at Toyoplas' manufacturing facility, delivering quality consistency across production lines.



### TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD

Toyoplas is a one-stop integrated plastic injection moulding specialist with a value chain in multiple countries, providing a comprehensive range of services through its manufacturing facilities in Malaysia, China, Indonesia and Vietnam. The company offers services such as mould fabrication, precision injection moulding, secondary processes and assembly for clients from various industries, including consumer electronics, multimedia, automotive and other industries.

#### Business Activities

End-to-end capability from mould fabrication, precision injection moulding and secondary processes to full assembly of parts and products.

#### Industries Served and Revenue Structure

- Consumer Electronics
- Multimedia and Communications
- Automotive
- Others
- Revenue: Product sales

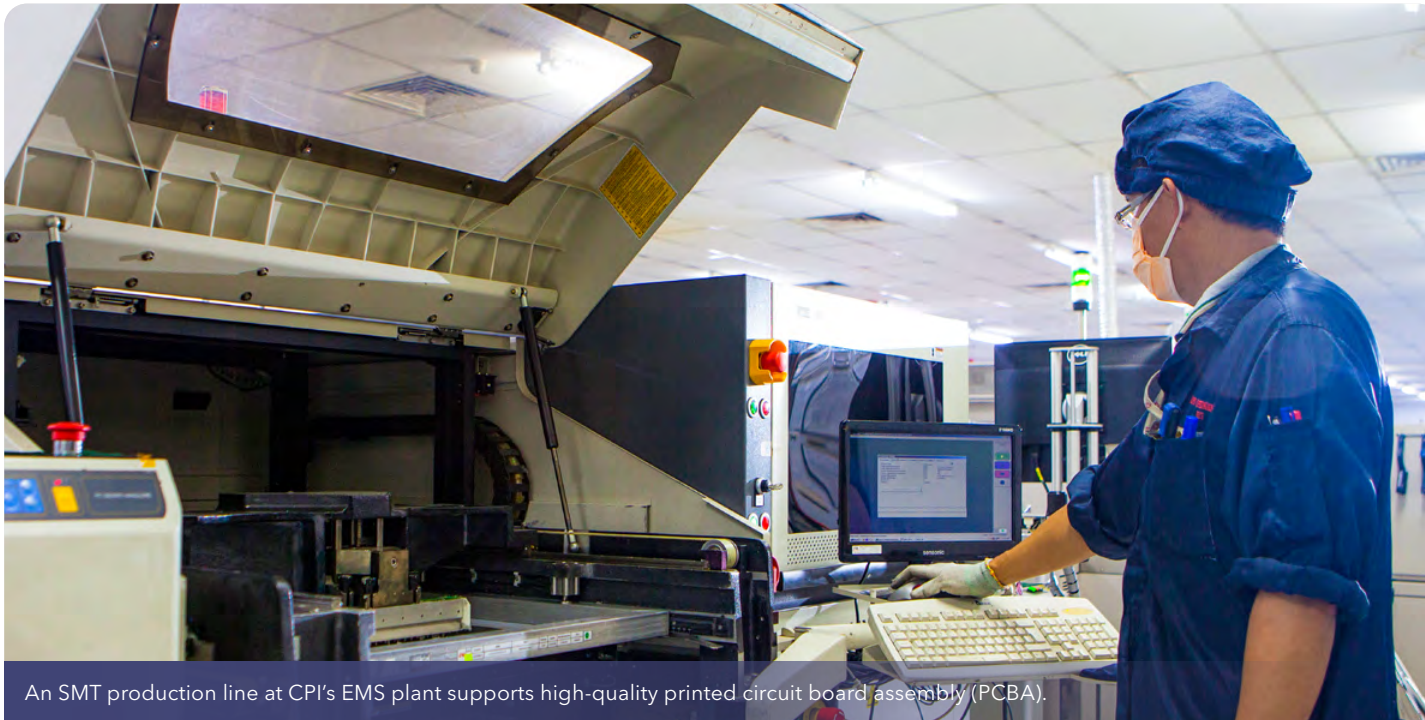
#### Capitals

- 1,841 strong workforce
- 379 injection moulding machines (from 30 to 1,600 tonnage)
- Four fully-owned manufacturing facilities in Malaysia, Vietnam and Indonesia
- Two leased manufacturing facilities in China

#### Competitive Advantages

- Value-added end-to-end solutions provider
- Diversified locations to meet customers' demand
- Proven track record
- Long-term relationship with customers

## Information on Subsidiary Companies



An SMT production line at CPI's EMS plant supports high-quality printed circuit board assembly (PCBA).

# CPI

**CPI (PENANG) SDN BHD**

CPI is a leading provider of plastic injection moulding, offering a wide range of EMS solutions from mould fabrication, secondary processes, and sub-assembly to electronics box-build processes, serving multi-sectors across 90 corporations globally, including those in the automotive, communications and information technology, healthcare, and electronics sectors.

### Business Activities

A contract manufacturer with high-precision plastic injection moulding and EMS capabilities that produces products tailored to customers' specific requirements.

### Industries Served and Revenue Structure

- Communications and Information Technology ("CIT")
- Automotive
- Healthcare
- Electronics
- Revenue: Product sales

### Capitals

- 775 strong workforce
- 90 injection moulding machines (from 50 to 650 tonnage)
- Three surface mount technology ("SMT") lines
- Two fully-owned manufacturing facilities on over 10-acre plots of land in Malaysia

### Competitive Advantages

- Value-added end-to-end solutions provider
- Strong market reputation and track record
- Long-established relationship with customers

Information on Subsidiary Companies



MDS Advance delivers cutting-edge CNC solutions.



**MDS ADVANCE SDN BHD**

MDS Advance offers precision manufacturing solutions with CNC machining services, specialising in delivering high-quality components for diverse industries. MDS Advance manufactures and distributes intermediate products to manufacturers and end-user producers in the machinery and equipment business in the United States of America ("the United States" or "the US"), Europe and Asia.

**Business Activities**

High-precision CNC metal machining business, which involves metal cutting and milling.

**Industries Served and Revenue Structure**

- Medical
- Electronics
- Semiconductors
- Aerospace
- Telecommunications
- Revenue: Product sales

**Capitals**

- 68 strong workforce
- 33 CNC machines (with 3-20 micron)
- Seven finishing process machines
- Two fully-owned manufacturing facilities in Malaysia

**Competitive Advantages**

- Serves mature and non-cyclical industries
- Long-established relationships with customers
- Operational synergies within KPS Berhad's core business sector

## Information on Subsidiary Companies



Final inspection process at CBB's cement bag production line.

**CENTURY BOND BHD**

CBB is a trusted partner and provider of integrated packaging solutions for local and international top brands in Asia, Europe, and the US. Our offerings comprise Offset Printing, Carton, Paper, and Original Equipment Manufacturer ("OEM") (consumer products). With plants in Malaysia and Indonesia, CBB offers end-to-end packaging services encompassing design, manufacturing and logistics to various industries, including cement and non-cement, power brands and retail.

**Business Activities**

Integrated packaging solutions used in the provision of offset printing, cartons, paper, plastics and OEM.

**Industries Served and Revenue Structure**

- Packaging produced is used by a wide range of industries, including the electrical and electronics ("E&E"), food and beverages ("F&B"), healthcare and retail sectors
- Revenue: Product sales

**Capitals**

- 604 strong workforce
- A wide range of machinery, including printers, and die-cut tools used in the production of paper and the packaging industry
- Two fully-owned manufacturing facilities and three leased manufacturing facilities in Malaysia
- One leased manufacturing facility in Indonesia

**Competitive Advantages**

- One-stop packaging solutions provider with diversified products (paper bag, corrugated carton, offset, pulp moulded and OEM manufacturing services)
- Long-established relationships with customers and suppliers
- Top 3 players in the paper sack bag industry

Information on Subsidiary Companies



Specialised water-treatment testing at Aqua-Flo.



**AQUA-FLO SDN BHD**

Aqua-Flo supplies water chemicals, water meters and provides technical services to water, waste and sewage treatment plants, primarily in Malaysia. Aqua-Flo works closely with local and international water and wastewater treatment specialists.

**Business Activities**

Provision of water meters, chemicals and technical services to the water and wastewater industries (including sewage treatment plants).

**Industries Served and Revenue Structure**

- Water treatment plants
- State water companies
- Revenue: Product sales

**Capitals**

- Operated by a lean team of 18 personnel
- Five vehicles, two warehouses and two water meter test benches

**Competitive Advantages**

- Ability to provide technical services as value added services to customers
- Captive market for water chemicals supply to water treatment plants
- Growing market demand for products and solutions in Malaysia

# Year In Review

## Financial Highlights



**Total Revenue**  
**RM1,043.3**  
million



**Manufacturing**  
**RM866.8** million



**Trading**  
**RM176.5** million



**Profit After Tax**  
**RM43.8**  
million



**Dividend**  
**3.0**  
sen

## Business Highlights



- **Revenue:** RM435.1 million
- **Customer Base:** Secured four new customers and projects
- **Market Expansion:** Penetrated new industries - Science, Technology, Engineering, and Mathematics ("STEM") toys, musical instrument, home automation and laboratory equipment
- **Energy Efficiency:** Achieved cost savings of RM0.8 million from solar installation
- **Accreditation:** Responsible Business Alliance ("RBA") Validated Assessment Programme ("VAP") status for Senai plant



- **Revenue:** RM222.9 million
- **Customer Base:** Secured two new customers and three projects
- **Energy Efficiency:** Achieved cost savings of RM1.2 million from solar installation



- **Revenue:** RM21.1 million
- **New Customer Base:** Onboarded three new customers and secured five new projects
- **Renewed** ISO 13485, ISO 9001 & ISO 14001 surveillance audit



- **Revenue:** RM187.7 million
- **Capital Redeployed for Growth:** RM10.3 million gain from disposal of its Polyplus Nilai Sdn Bhd's plant ("Nilai Plant")
- **Customer Base:** Secured 14 new customers from the E&E, F&B and healthcare industry
- **Accreditation:** RBA certified packaging supplier and Food Safety System Certification 22000



- **Revenue:** RM176.5 million
- **Customer Base:** Secured seven new contracts and introduced two new products to existing customers
- **Market expansion:** Entered the Terengganu market for the first time through the supply of Polyaluminium Chloride to Syarikat Air Terengganu

## Sustainability Highlights



Allocated **RM16.5 million** towards sustainability initiatives, reinforcing the Group's commitment to sustainability.

Invested over **RM700,000** in the KPS Berhad Celik Initiative and KPS Berhad School Aid, benefiting more than **100,000** underprivileged and *Asnaf* students.



Expanded solar power capacity by **30%** to **4,025 kWp** in 2025, generating **RM2.5 million** in cost savings.



Offset approximately **4,000 tonnes of carbon emissions**, a **166%** rise from 2024 (1,499 tCO<sub>2</sub>e).



Enhanced alignment of the **NSRF** with **IFRS S1 and S2** requirements to strengthen transparency and accountability in sustainability and climate-related risk disclosures.



CHAPTER

03

# Value Creation at KPS Berhad

# Value Creation Model

KPS Berhad’s value creation model is the strategic engine that creates and preserves long-term organisational outcomes. We harness multiple forms of capital, be it financial, manufactured, intellectual, human, social and relationship, and natural to generate measurable value and ensure that each initiative is balanced and well integrated in our daily operations and activities.

## Our Input Capitals

- 
**Financial**
  - Share Capital: RM537.9 million
  - Retained Earnings: RM545.6 million
  - Cash and Bank Balances: RM385.6 million
  - Total Assets: RM1.6 billion
  - Total Borrowings: RM175.1 million
  - Capital Expenditure (“CAPEX”) in 2025: RM45.1 million
  - Total Equity: RM1.1 billion
- 
**Manufactured**
  - A wide range of manufacturing facilities, warehouses, machinery and equipment were employed by all subsidiary companies
- 
**Intellectual**
  - Collective experience, knowledge and expertise of the Board and Management team
  - The Group continues to implement its corporate, business and value creation strategies
  - Long-standing relationship with stakeholder
- 
**Human**
  - 3,516 dedicated workforce
  - Employee training and development programmes
  - High-performance culture
  - Multiple employee engagement activities
- 
**Social and Relationship**
  - Proactive engagement with regulators, investors, the media, customers and local communities
- 
**Natural**
  - Liquefied natural gas (“LNG”) consumption: 22,206.8 Million British Thermal Unit (“MMBtu”)
  - Diesel consumption: 167,398.7 litres
  - Petrol consumption: 79,147.3 litres
  - Purchased electricity consumption: 49,145,574 kilowatt-hour (“kWh”)
  - Renewable energy (solar power): 5,154,181 kWh
  - Water consumption: 250,407,476 litres
  - Material consumption: 302,777 tonnes



**Vision**  
Leading Investments for Shared Prosperity

**Mission**  
Cultivating Value, Creating Positive Impact

**Brand Promise**  
We Invest in Better

**Our Businesses**  
Manufacturing    Trading

**Our Subsidiary Companies**  
7040 TOYOPLAS    CPI    MDS    Aqua-flo

## Our Value Creation Activities

The Group transforms these capitals through its core business activities:

### Strategic Investments

Deploying capital into scalable manufacturing and industrial businesses aligned with the Group’s investment criteria.

### Operational Optimisation

Enhancing productivity, cost efficiency and operational resilience across subsidiary companies.

### Digitalisation and Automation

Strengthening manufacturing capabilities through digital systems, automation technologies and data-driven operations.

### Portfolio Optimisation

Recycling capital through divestments, restructuring and consolidation initiatives to enhance overall returns.

### Stakeholder Engagement

Maintaining constructive relationships with regulators, investors, customers, employees and communities to support long-term business sustainability.

## Managing Risk & Seizing Opportunities

### Key Investment Criteria

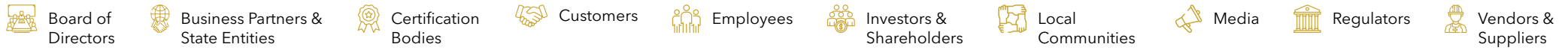
- Clear value creation potential supported by operational fundamentals
- Scalable business with regional growth opportunities
- Matured companies within respective industries with stable financial performance

### ESG Objectives

- Being a responsible corporate citizen
- Create long-term value for all its stakeholders via sustainable development practices
- Promoting sustainable business and practices
- Limiting the negative impact of our business on the environment
- Address the sustainability-related risks and opportunities in achieving business and operational excellence

## Value Creation Model

### Stakeholder



#### Our Output Capitals

- Revenue: RM1.0 billion
  - Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA"): RM117.1 million
  - Profit Before Tax ("PBT"): RM55.3 million
  - Profit After Tax ("PAT"): RM43.8 million
  - Cash and Bank Balances: RM365.6 million
  - Total Assets: RM1.5 billion
  - Total Borrowings: RM120.9 million
- Manufacturing output in terms of products and services offered to both local and international markets
- Achieved corporate and project accreditations and awards at both the company and subsidiary levels
  - Obtained certifications from key customers
  - Improved visibility among stakeholder
- 3,363 dedicated workforce
  - 78.1% permanent employees
  - 21.9% contract employees
  - 42.2% new hires
- Continued positive, mutually beneficial relationship with stakeholders
  - Contributed RM3.8 million to various social investment initiatives, including the RM3.5 million zakat re-distribution
- Solar power accounted for 8.2% of the Group's electricity consumption
  - Scope 1 emissions: 2,154.5 tCO<sub>2</sub>e
  - Scope 2 emissions: 35,987.5 tCO<sub>2</sub>e
  - Scope 3 emissions: 2,570.3 tCO<sub>2</sub>e
  - Total emissions: 40,712.4 tCO<sub>2</sub>e
  - Total waste managed: 2,884.7 tonnes

#### Our Outcomes and Stakeholders Impacted

- RM208.2 million paid to employees in wages, benefits, and statutory contributions
  - RM30.3 million paid to capital providers and shareholders
  - RM8.6 million paid in taxes
  - RM43.8 million repaid to financiers
- Introduction of new technologies
  - Increased adoption of automation and circular economy
- Increased brand equity leading to growing brand appeal, market share and customer confidence
  - Built stronger relationships with stakeholder
- Continued development of professional local talents
  - Continued replenishment of leadership bench
- Supported poverty eradication and provided access to education and domestic care
  - Uplifted local livelihood
- Amount of tCO<sub>2</sub>e offset through solar energy: 3,989.3 tCO<sub>2</sub>e
  - Solar panel utilisation delivered estimated Group-wide savings of approximately RM2.5 million in 2025

#### Capital Trade-offs

- Financial** > **Manufactured** **Intellectual**

Financial capital is deployed to strengthen manufacturing capabilities through investments in digitalisation initiatives, including manufacturing execution systems, automation technologies and Internet of Things ("IoT")-enabled monitoring across subsidiary companies' operations.

These investments enhance manufactured capital by improving production efficiency and operational reliability, while strengthening intellectual capital through the development of technical expertise, process innovation and data-driven operational capabilities.
- Manufactured** > **Financial**

Manufactured capital is optimised through operational restructuring initiatives across the Group's manufacturing businesses, including the consolidation of production facilities and the rationalisation of selected operations.

These initiatives improve asset utilisation, operational efficiency and cost competitiveness, thereby strengthening financial capital through improved profitability and sustainable returns.
- Financial** > **Natural**

Financial capital is allocated to initiatives supporting the Group's transition towards more energy-efficient and lower-carbon operations. To this effect, we expanded renewable energy capacity through solar photovoltaic installations across selected subsidiary companies.

These initiatives enhance natural capital by improving energy efficiency and reducing greenhouse gas emissions and resource intensity, while strengthening financial resilience through improved cost efficiency and reduced exposure to energy price volatility and evolving climate-related regulations.
- Financial** > **Human** **Social and Relationship**

Financial capital is invested in workforce capability development, leadership programmes and employee engagement initiatives across the Group.

Strengthening human capital enhances organisational capability and operational performance, while reinforcing social and relationship capital through stronger customer engagement, improved service delivery and deeper long-term business relationships.

# Stakeholder Engagement

KPS Berhad engages with various stakeholders whose perspectives influence the Group’s business direction, sustainability commitments and governance practices. Recognising that each stakeholder group has distinct interests and expectations, the Group prioritises proactive, transparent and two-way engagement to address concerns, foster collaboration and build long-term trust.

Our stakeholder engagement approach is structured and tailored to each stakeholder group, using appropriate channels and methods to enable regular and meaningful dialogue. Through these interactions, we:

- Identify key stakeholder groups that influence or are influenced by the Group’s operations.
- Understand and prioritise stakeholder concerns to align corporate actions with their expectations.
- Leverage insights from engagement activities to refine business strategies, enhance sustainability initiatives and drive continuous improvement.

## Board of Directors

### Why We Engage

- Obtain strategic guidance, drive long-term business sustainability, provide corporate oversight, and manage risk
- Ensure an independent and accountable governance structure that represents shareholder interests

**Related Capitals:**    

### How We Engage

- Annual General Meeting (“AGM”)
- Board Committee Meetings
- Board training sessions

### Key Concerns

- Progress on growth initiatives
- Sustainability practices and disclosures
- Consistency of shareholder returns

### Our Response

- Aligned business strategies with global economic trends to remain competitive in evolving markets
- Strengthened risk management strategies to safeguard operations and financial performance
- Integrated sustainable practices to meet regulatory requirements and reduce legal and reputational risks

## Business Partners and State Entities

### Why We Engage

- Align business strategies, investment decisions and social contributions to state policies, strategic priorities and sustainability agendas

**Related Capitals:**   

### How We Engage

- Social investment initiatives
- Site visits
- Meetings

### Key Concerns

- Compliance with ESG regulations and requirements set by potential partners
- Fair and seamless business transactions

### Our Response

- Established social investment service provider selection criteria to ensure strategic fit
- Strengthened stakeholder engagement to maintain responsible business practices

## Stakeholder Engagement

### Legends:

- Periodically
  - Quarterly
  - Bi-annually
  - Annually
- 
-  Financial Capital
  -  Manufactured Capital
  -  Intellectual Capital
  -  Human Capital
  -  Social and Relationship Capital
  -  Natural Capital

### Certification Bodies

#### Why We Engage

- Ensure compliance with international and national standards, reinforce operational excellence and mitigate risks
- Enhance credibility and trust with customers and regulators

**Related Capitals:**     

#### How We Engage

- Regular on-site inspections and audits
- Site visits for compliance verification
- Certification renewals and accreditation processes

#### Key Concerns

- Evolving regulatory requirements and standards

#### Our Response

- Enforced anti-bribery and anti-corruption policies, conducted regular internal audits, and maintained transparent reporting mechanisms
- Aligned operations with global ESG standards, implemented climate risk assessments, and ensured responsible business practices across the supply chain
- Maintained ISO certifications (e.g., ISO 9001, ISO 14001) through documented processes, continuous improvement, and employee training on safety and health
- Obtained industry-recognised certifications, including Responsible Business Alliance (“RBA”) VAP status for Toyoplas’ Senai plant, and RBA certified packaging supplier and Food Safety System Certification 22000 for CBB

### Customers

#### Why We Engage

- Offer reliable, high-quality products
- Foster customer satisfaction, strengthen brand reputation and drive long-term business success
- Secure new contracts

**Related Capitals:**     

#### How We Engage

- Marketing and promotional content
- Site visits
- Customer feedback/satisfaction surveys

#### Key Concerns

- Timely delivery of high-quality products and services
- Provision of competitive and value-driven pricing

#### Our Response

- Expanded customer-centric solutions and pricing strategies across the Group’s product portfolios
- Strengthened customer engagement through increased interactions and site visits
- Elevated marketing and outreach initiatives to broaden market presence

## Stakeholder Engagement

### Legends:

● Periodically  
 ● Quarterly  
 ● Bi-annually  
 ● Annually

● Financial Capital  
 ● Manufactured Capital  
 ● Intellectual Capital  
 ● Human Capital  
 ● Social and Relationship Capital  
 ● Natural Capital

### Employees

#### Why We Engage

- Foster an empowered, forward-thinking and innovative workforce to drive business success
- Drive operational efficiency, incremental innovation and sustainable growth

**Related Capitals:** ● ● ● ● ● ●

#### How We Engage

- Townhall sessions
- Performance reviews
- Regular performance check-ins training and development, well-being programmes, and engagement activities

#### Key Concerns

- Labour rights and human rights
- Diversity, equity and inclusion
- Corporate culture, values and leadership
- Employee well-being and wellness
- Performance evaluation
- Compensation and benefits
- Talent attraction, career development

#### Our Response

- Conducted programmes to promote safety and health, as well as mental and financial well-being
- Fostered a resilient culture through integrated communications, policy enhancements, and risk management capability development
- Organised employee engagement programmes to promote diversity and inclusion
- Structured development programmes to build capacity and strengthen leadership skills

### Investors and Shareholders

#### Why We Engage

- Provide financial capital for business expansion and long-term growth
- Meet expectations for transparency, accountability and strong governance
- Communicate the Group's strategy, performance and long-term value creation prospects
- Strengthen investor confidence and build long-term relationships

**Related Capitals:** ● ● ● ● ●

#### How We Engage

- AGM
- Extraordinary General Meeting
- Engagement sessions
- Social media updates and investor relations portal
- Bursa Malaysia announcements and press releases

#### Key Concerns

- Progress on growth initiatives
- Sustainability practices and disclosures
- Consistency of shareholder returns
- Governance, ethics and risk management
- Resilience to physical and transition climate risks

#### Our Response

- Provided disclosures on strategies and growth initiatives
- Issued quarterly results announcements
- Engaged with financial analysts
- Responded promptly to shareholder queries
- Set short-term carbon emissions intensity reduction targets

## Stakeholder Engagement

### Media

#### Why We Engage

- Communicate corporate direction, achievements and sustainability initiatives to the public and investors
- Enhance corporate reputation and stakeholder confidence through transparent and timely information

#### Related Capitals:



#### How We Engage

- Social investment initiatives
- Media briefings and press releases

#### Key Concerns

- Business performance
- Sustainability initiatives and efforts

#### Our Response

- Fostered open communication with the media
- Ensured timely responses to media inquiries
- Organised engagement activities to provide updates and maintain positive rapport

### Local Communities

#### Why We Engage

- Elevate the socio-economic status of beneficiaries through targeted initiatives

#### Related Capitals:



#### How We Engage

- Social investment initiatives
- Media briefings and press releases

#### Key Concerns

- Addressing human rights risks
- Promotion of economic inclusion and financial literacy

#### Our Response

- Promoted awareness of human rights risks among stakeholders
- Engaged with non-governmental organisations to drive social investment initiatives

## Stakeholder Engagement

### Legends:

● Periodically  
 ● Quarterly  
 ● Bi-annually  
 ● Annually

● Financial Capital  
 ● Manufactured Capital  
 ● Intellectual Capital  
 ● Human Capital  
 ● Social and Relationship Capital  
 ● Natural Capital

### Regulators

#### Why We Engage

- Explore regulatory directions and requirements, and align the Group’s governance and business practices with evolving legal and sustainability expectations

#### Related Capitals:



#### How We Engage

- Report submissions
- Regulatory discussions and meetings with authorities
- Public consultations
- On-site inspections and audit exercises
- Seminars, briefings and training sessions

#### Key Concerns

- Readiness of subsidiary companies for enhanced sustainability disclosures, including NSRF
- Adequacy of cybersecurity, data privacy, and anti-corruption measures
- Upholding fair conduct and strong governance practices

#### Our Response

- Ensured transparent sustainability disclosures and NSRF readiness
- Enhanced Board oversight of ESG compliance across subsidiary companies
- Reinforced digital infrastructure and cybersecurity measures in line with Malaysia’s Cybersecurity Act and Personal Data Protection Act (“PDPA”) requirements
- Embedded ethical business practices and accountability through a robust governance framework

### Vendors and Suppliers

#### Why We Engage

- Ensure smooth supply chain operations
- Maintain product quality, service delivery and regulatory compliance

#### Related Capitals:



#### How We Engage

- Site visits and on-ground inspections
- Enforcement of Supplier Code of Conduct
- Supplier and vendor audits and assessments

#### Key Concerns

- Strategic partnerships to drive sustainable growth

#### Our Response

- Enforced strict quality assurance protocols across operations
- Increased local sourcing to enhance supply chain resilience and sustainability

## Distribution of Value Created

In 2025, KPS Berhad generated RM272.9 million in value added through its integrated business model, disciplined execution and operational excellence. Of this amount, RM251.6 million was distributed to key stakeholders, including employees, capital providers and shareholders, governments and the community through operating expenditures, while RM21.3 million was retained within the business to strengthen our capital base and support future growth. The table below outlines how the value created during the year was distributed across stakeholder groups, reflecting our commitment to shared prosperity and sustainable value creation.



Employees	Capital Providers and Shareholders	Government	Communities	KPS Berhad
<ul style="list-style-type: none"> <li>Salaries and Wages <b>RM189.2 million</b> 2024: RM219.1 million</li> <li>Employer Contribution <b>RM19.0 million</b> 2024: RM16.1 million</li> </ul>	<ul style="list-style-type: none"> <li>Dividends Paid to Shareholders of the Group <b>RM16.1 million</b> 2024: RM34.9 million</li> <li>Dividends Paid to a Preference Shareholder of a Subsidiary <b>RM2.3 million</b> 2024: RM2.5 million</li> <li>Non Controlling Interest <b>RM4.1 million</b> 2024: RM2.3 million</li> <li>Finance Costs <b>RM7.8 million</b> 2024: RM18.6 million</li> </ul>	<ul style="list-style-type: none"> <li>Taxation <b>RM8.6 million</b> 2024: RM25.3 million</li> <li>Zakat <b>RM2.9 million</b> 2024: RM8.2 million</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Investments <b>RM1.6 million</b> 2024: RM1.8 million</li> </ul>	<ul style="list-style-type: none"> <li>Retained for Future Value Creation <b>RM21.3 million</b> 2024: RM51.4 million</li> </ul>

Related Stakeholders				
Related Material Matters				
4 10 13 14	1 2 3 6 7 9	2 3 5 6 7 8 9 11 12	5 7 11 14	2 3 6 9 11 13
Related Capitals				

\*Note: The value distributed in 2024 was higher, primarily due to the disposal of KaiserCorp.

## Our Material Matters

In 2024, KPS Berhad progressed its sustainability approach by transitioning from the initial materiality matrix introduced in 2018 to a new, refined matrix developed through a comprehensive double materiality assessment. This reassessment provided a clearer, updated perspective on sustainability priorities and enabled the Group to identify its most significant material topics.

### Materiality Assessment Journey of KPS Berhad

# 2024

Adopted a refined materiality matrix prioritising 14 material matters.

# 2023

Conducted a double materiality assessment, considering two key perspectives:

- Financial materiality
- Impact materiality

# 2018

Conducted the first materiality assessment for KPS Berhad.

### Stakeholder-Driven Prioritisation

The prioritisation process was based on stakeholder surveys and management feedback, ensuring alignment with KPS Berhad's strategic direction and operational realities. The refined materiality matrix organises 14 material issues that serve as the foundation for the Group's sustainability strategy and performance measurement across economic and ESG dimensions.

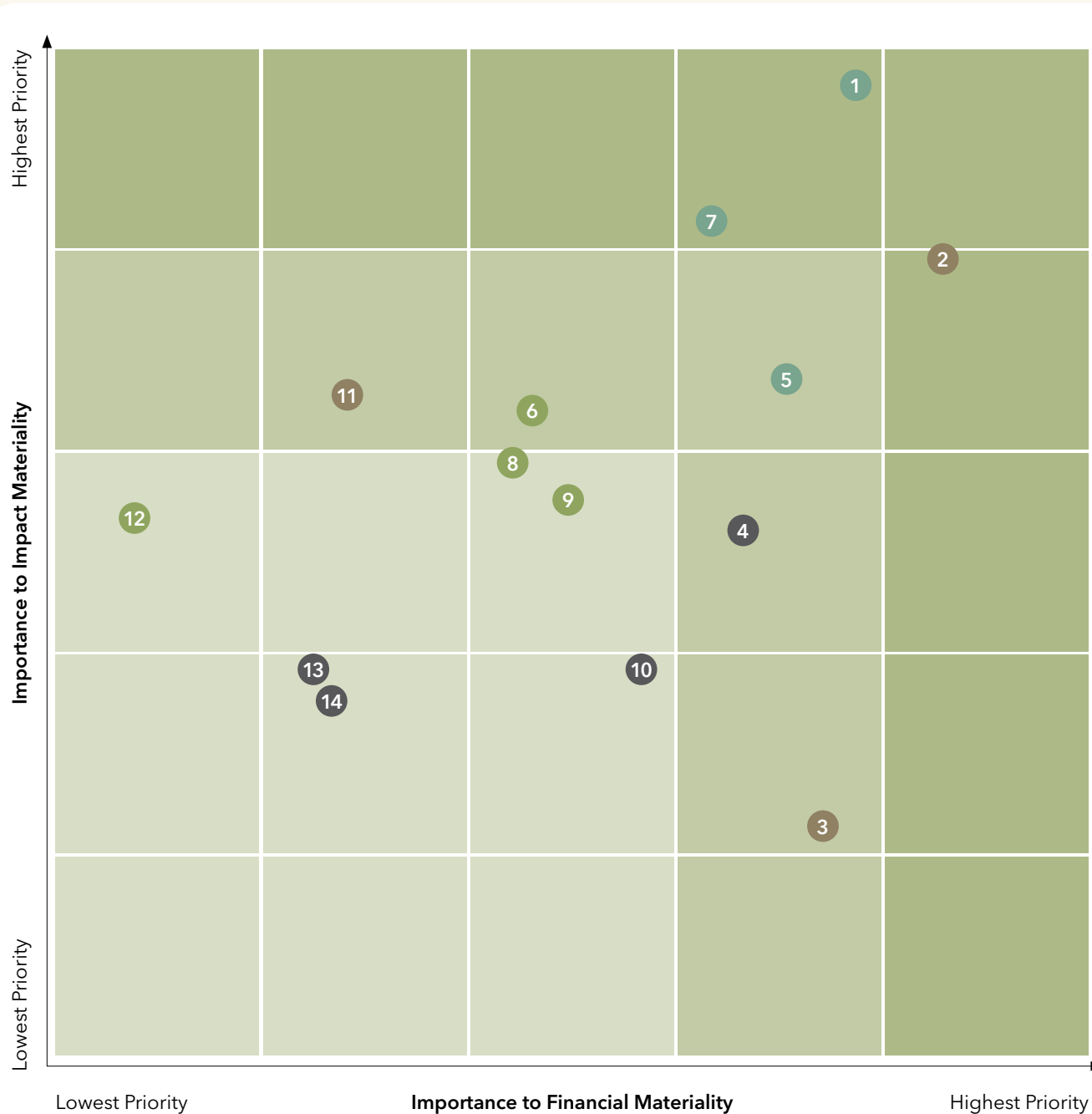
### Integration into Business Strategy

Each material issue is evaluated for key sustainability-related risks and opportunities, including climate risks, to strengthen business resilience. These priorities contribute to the Group's six sustainability commitments, supporting economic inclusion while aligning with environmental and social objectives. This approach enables KPS Berhad to integrate material matters into decision-making, driving long-term resilience and systemic impact.

### Process Involved in Materiality Assessment



## Our Material Matters



### Economic

- 2 Quality Control and Customer Satisfaction
- 3 Economic and Business Performance
- 11 Sustainable Procurement and Local Sourcing



### Environmental

- 6 Energy Efficiency
- 8 Waste Reduction, Recycling and the Circular Economy
- 9 Climate Change and Emissions
- 12 Water Security



### Social

- 4 Employee Training and Career Development
- 10 Occupational Safety and Health
- 13 Labour Standards
- 14 Human Rights



### Governance

- 1 Digitalisation and Technology
- 5 Environmental and Social Compliance
- 7 Good Governance and Anti-Corruption

### Summary of Priorities

High: 1 2 7

Medium: 3 4 5 6 11

Lower relative significance: 8 9 10 12 13 14

## Our Material Matters

### Risks and Opportunities Related to Our Material Matters

As part of the Group’s materiality management approach, risks and opportunities associated with each material topic are continuously monitored to enable targeted strategies and measurable progress. Following the 2025 sustainability and climate-related risk assessment, the Group mapped all 14 material matters directly to the relevant Key Risk Areas (“KRAs”) within the Group’s ERM framework. This represents a more focused and refined outcome compared with the 2023 assessment, reflecting enhancements arising from the sustainability and climate risk assessment workshop conducted in 2025.

Nevertheless, KPS Berhad and its subsidiary companies remain committed to maintaining appropriate mechanisms to proactively manage uncertainties, emerging risks, and unforeseen events. Collectively, these material matters underpin the Group’s strategic actions, which are aligned with KPS Berhad’s six sustainability commitments and contribute towards the achievement of three prioritised UNSDGs, namely SDG 8, SDG 12, and SDG 13.

**Legends:**












Board of Directors  
 Business Partners & State Entities  
 Certification Bodies  
 Customers  
 Employees  
 Investors & Shareholders  
 Local Communities  
 Media  
 Regulators  
 Vendors & Suppliers

---

Financial Capital  
 Manufactured Capital  
 Intellectual Capital  
 Human Capital  
 Social and Relationship Capital  
 Natural Capital

Material Matters	Risks	Mitigation Opportunities	Impacted	UNSDGs
<b>Driving Optimal Business and Operational Performance to Maximise Financial and Non-Financial Value Creation</b>				
<b>Economic and Business Performance</b>	<b>Slower Customer Demand Risk</b> <ul style="list-style-type: none"> <li>Slower market uptake, impacting revenue growth and operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Secure new customers and generate new orders</li> <li>Diversify product models across industries</li> <li>Expand expertise in full assembly services, including for industrial tools customers</li> <li>Establish a crisis management and communication response plan</li> <li>Review policies and procedures regularly to monitor investments</li> <li>Hedge foreign exchange exposures in line with Foreign Exchange Management Policy</li> <li>Drive cost-saving initiatives</li> <li>Negotiate better financing rates with financial institutions</li> <li>Review and compare monthly forecasts against actual budgets</li> </ul>	<b>Stakeholders</b>  <b>Capitals</b> 	
	<b>Customer Concentration Risk</b> <ul style="list-style-type: none"> <li>Intensifying competitive pressure from Chinese manufacturers</li> <li>Over-reliance on a limited customer base, creating vulnerability to demand shifts</li> </ul>			
	<b>Foreign Exchange Risk</b> <ul style="list-style-type: none"> <li>Elevated exposure to currency fluctuations, increasing financial risk</li> <li>Vulnerability to counterparty defaults impacting cash flow and profitability</li> </ul>			
	<b>Crisis Responses Risk</b> <ul style="list-style-type: none"> <li>Potential gaps in preparedness and response capabilities during unforeseen disruptions</li> <li>Insufficient liquidity planning and monitoring that may hinder operational continuity and strategic initiatives</li> </ul>			

Our Material Matters

Material Matters	Risks	Mitigation Opportunities	Impacted	UNSDGs
<b>Driving Optimal Business and Operational Performance to Maximise Financial and Non-Financial Value Creation</b>				
<b>Sustainable Procurement and Local Sourcing</b>	<p><b>Foreign Exchange Risk</b></p> <ul style="list-style-type: none"> <li>Increase in material, production, or project costs due to internal or external factors, leading to budget overruns and margin erosion</li> </ul>	<ul style="list-style-type: none"> <li>Negotiate competitive pricing with overseas suppliers and establish forward pricing for agreed quantities</li> <li>Review and renegotiate supplier terms to secure cost advantages</li> <li>Standardise material requirements to reduce design variety and enable easier sourcing</li> <li>Maintain at least two qualified sources for all critical materials to ensure supply stability</li> <li>Lock in annual contracts with local suppliers and fix prices for the contractual period to curb price fluctuations</li> </ul>	<p><b>Stakeholders</b></p>  <p><b>Capitals</b></p> 	 
<b>Quality Control and Customer Satisfaction</b>	<p><b>Slower Customer Demand Risk</b></p> <ul style="list-style-type: none"> <li>Decline in customer satisfaction may affect customer confidence and, over time, adversely impact customer demand for products and services provided by the subsidiary companies</li> </ul>	<ul style="list-style-type: none"> <li>Ensure product quality and safety to build customer trust and brand loyalty</li> <li>Drive incremental innovation in product development standards to enhance operational efficiency and environmental and social compliance</li> </ul>	<p><b>Stakeholders</b></p>  <p><b>Capitals</b></p> 	 
<b>Reducing Carbon Emissions Intensity by 45% by 2030 and Ultimately Pursuing Carbon Neutrality by 2050</b>				
<b>Climate Change and Emissions</b>	<p><b>Climate Risk</b></p> <ul style="list-style-type: none"> <li>Severe flash floods disrupting manufacturing activities and potentially leading to safety hazards</li> <li>Intense storms or prolonged adverse weather may cause flooding and road closures, limiting accessibility for logistics, distribution and transportation activities</li> <li>Interruptions in water supply resulting in production downtime and affecting output and operational schedules</li> <li>Regulatory updates to climate-related ISO standards (such as ISO 14001) increase costs</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of a carbon emissions intensity reduction plan</li> <li>Set short-term carbon emissions intensity targets</li> <li>Enhance operational energy efficiency</li> <li>Invest in carbon abatement technologies</li> <li>Purchase renewable energy certificates to offset emissions</li> </ul>	<p><b>Stakeholders</b></p>  <p><b>Capitals</b></p> 	

## Our Material Matters

### Legends:













Board of Directors  
 Business Partners & State Entities  
 Certification Bodies  
 Customers  
 Employees  
 Investors & Shareholders  
 Local Communities  
 Media  
 Regulators  
 Vendors & Suppliers

---

Financial Capital  
 Manufactured Capital  
 Intellectual Capital  
 Human Capital  
 Social and Relationship Capital  
 Natural Capital

Material Matters	Risks	Mitigation Opportunities	Impacted	UNSDGs
<b>Reducing Carbon Emissions Intensity by 45% by 2030 and Ultimately Pursuing Carbon Neutrality by 2050</b>				
<b>Energy Efficiency</b>	<b>Climate Risk</b> <ul style="list-style-type: none"> <li>Rising energy audit requirements and electricity tariffs, including renewable energy certificates, increase operational costs</li> <li>Significant capital investment for low-carbon technologies, with potential process inefficiencies during transition</li> <li>Higher training costs for staff to operate new equipment and maintain compliance</li> <li>Increased costs to uphold certifications such as the RBA</li> <li>Higher procurement costs for sustainable materials</li> </ul>	<ul style="list-style-type: none"> <li>Invest in renewable energy sources, such as solar</li> <li>Acquire Renewable Energy Certificates (RECs) to support clean energy sourcing</li> </ul>	<b>Stakeholders</b>   <b>Capitals</b> 	
<b>Continuously Implementing Environmentally Responsible Manufacturing Practices</b>				
<b>Waste Reduction, Recycling and Circular Economy</b>	<b>Non-Compliance Risk</b> <ul style="list-style-type: none"> <li>Environmental risks arising from regulatory non-compliance, breaches of licensing conditions, and changes in government policies, laws, rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Adopt circular economy practices to minimise waste and pollution and reduce operational costs</li> </ul>	<b>Stakeholders</b>   <b>Capitals</b> 	 
<b>Water Security</b>	<b>Non-Compliance Risk</b> <ul style="list-style-type: none"> <li>Water-related risks arising from regulatory non-compliance and changes in government policies, laws, rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Improve water-use efficiency to reduce operational costs and reliance on municipal water</li> <li>Implement proactive water management practices to ensure regulatory compliance</li> </ul>	<b>Stakeholders</b>   <b>Capitals</b> 	

Our Material Matters

Material Matters	Risks	Mitigation Opportunities	Impacted	UNSDGs
<b>Upholding Labour Rights, Safety, Equality and Diversity throughout Business Operations</b>				
<b>Occupational Safety and Health</b>	<p><b>Crisis Response Risk</b></p> <ul style="list-style-type: none"> <li>Occupational illnesses, exposure to hazardous substances, ergonomic issues, and mental health concerns</li> <li>Workplace accidents, equipment hazards, fire incidents and inadequate emergency preparedness</li> <li>Pollution, waste mismanagement, emissions and non-compliance with environmental regulations</li> </ul>	<ul style="list-style-type: none"> <li>Implement proactive safety and health risk management measures</li> <li>Strengthen adherence to safety and health standards</li> </ul>	<p><b>Stakeholders</b></p>  <p><b>Capitals</b></p> 	
<b>Employee Training and Career Development</b>	<p><b>Succession Planning Risk</b></p> <ul style="list-style-type: none"> <li>Challenges in identifying, developing and retaining successors for key positions, leading to leadership gaps and operational instability</li> </ul>	<ul style="list-style-type: none"> <li>Implement a succession plan with an identified talent pool for all subsidiary companies</li> <li>Provide continuous training for the identified talent pool</li> <li>Encourage active participation of KPS Berhad employees in business operations</li> <li>Implement targeted skills training and facilitate professional certification programmes</li> </ul>	<p><b>Stakeholders</b></p>  <p><b>Capitals</b></p> 	
<b>Labour Standards</b>	<p><b>Non-Compliance Risk</b></p> <ul style="list-style-type: none"> <li>All employee-related risks arising from regulatory non-compliance, breaches of licensing conditions, and changes in government policies, laws, rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Adhere to internal policies to ensure fair and non-discriminatory treatment</li> <li>Maintain a commitment to fair wages and ethical treatment</li> <li>Provide competitive benefits and employee support</li> <li>Provide continuous awareness of labour rights and compliance</li> <li>Develop local talents</li> </ul>	<p><b>Stakeholders</b></p>  <p><b>Capitals</b></p> 	
<b>Being the Champion in Addressing Socio-Economic Gaps within the Society</b>				
<b>Human Rights</b>	<p><b>Non-Compliance Risk</b></p> <ul style="list-style-type: none"> <li>Employee-related regulatory non-compliance may lead to violations, affecting employees' human rights such as fair working conditions, workplace safety and non-discrimination, as well as the community's right to safety and overall well-being</li> </ul>	<ul style="list-style-type: none"> <li>Adhere to human rights commitments and policy stances under the Code of Business Conduct and Ethics</li> <li>Enhance human and labour rights risk assessments</li> <li>Foster communication on human rights among employees</li> </ul>	<p><b>Stakeholders</b></p>  <p><b>Capitals</b></p> 	

## Our Material Matters

**Legends:**

Board of Directors  
 Business Partners & State Entities  
 Certification Bodies  
 Customers  
 Employees  
 Investors & Shareholders  
 Local Communities  
 Media  
 Regulators  
 Vendors & Suppliers

---

Financial Capital  
 Manufactured Capital  
 Intellectual Capital  
 Human Capital  
 Social and Relationship Capital  
 Natural Capital

Material Matters	Risks	Mitigation Opportunities	Impacted	UNSDGs
<b>Upholding Good Corporate Governance</b>				
<b>Good Governance and Anti-Corruption</b>	<p><b>Non-Compliance Risk</b></p> <ul style="list-style-type: none"> <li>Potential legal, financial, operational and reputational exposures arising from relationships with external entities, including contractors, suppliers, vendors, consultants, joint venture partners and government intermediaries</li> </ul>	<ul style="list-style-type: none"> <li>Implement robust anti-corruption measures to prevent fraud and financial misconduct</li> <li>Conduct awareness sessions on integrity and governance frameworks and related policies</li> </ul>	<p><b>Stakeholders</b></p> <p><b>Capitals</b></p>	
<b>Environmental and Social Compliance</b>	<p><b>Non-Compliance Risk</b></p> <ul style="list-style-type: none"> <li>Failure to comply with applicable laws, regulations, industry standards, or internal policies, resulting in significant adverse consequences</li> <li>Potential adverse impacts on the Group’s reputation, credibility and stakeholder trust arising from negative publicity or perception issues</li> </ul>	<ul style="list-style-type: none"> <li>Review legal dispute documents to protect company interests and support counterarguments</li> <li>Act as mediator through the Legal and Compliance department to achieve amicable settlements and avoid costly disputes</li> <li>Establish an Investor Relations and Strategic Communications department to oversee strategic communication and reputational matters</li> <li>Enhance economic and ESG KPIs</li> <li>Provide regular training and awareness for Compliance Officers</li> <li>Conduct on-site compliance reviews at all subsidiary companies</li> </ul>	<p><b>Stakeholders</b></p> <p><b>Capitals</b></p>	  
<b>Digitalisation and Technology</b>	<p><b>Cybersecurity Risk</b></p> <ul style="list-style-type: none"> <li>Potential threats to the confidentiality, integrity and availability of the Group’s digital assets, information technology systems and data</li> </ul>	<ul style="list-style-type: none"> <li>Deploy enterprise-grade network security controls to block risky sites, prevent malware downloads and monitor real-time network alerts</li> <li>Install Microsoft Defender for malware protection</li> <li>Subscribe Vulnerability Assessment and Penetration Testing (VAPT) services with Condition Zebra</li> <li>Conduct annual information technology general controls audits through external auditors</li> <li>Conduct cybersecurity training sessions</li> </ul>	<p><b>Stakeholders</b></p> <p><b>Capitals</b></p>	 

## Operating Environment, Risks and Opportunities

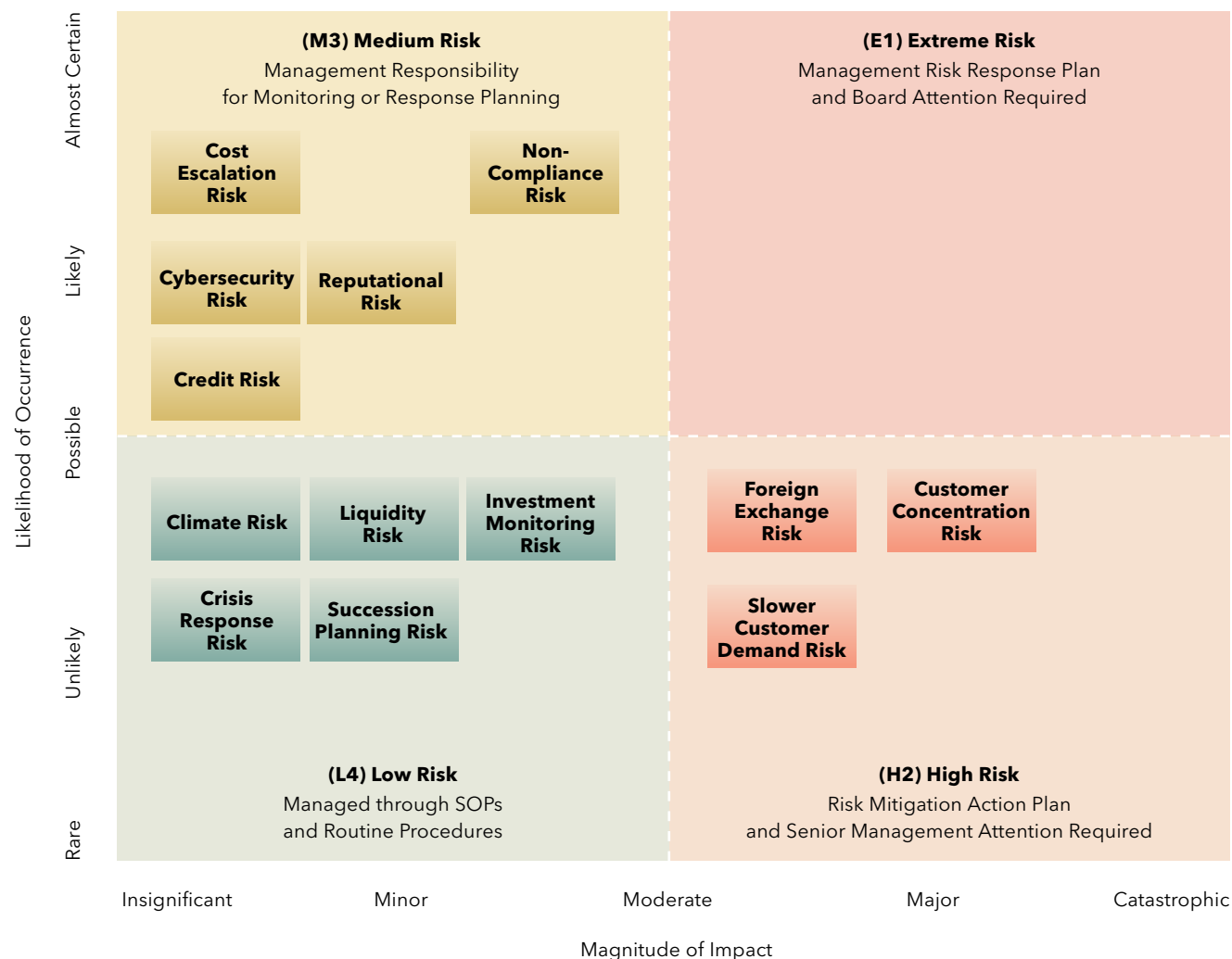
### Mapping Our Top Key Risk Areas to the Risk Matrix

The Group’s risk management remains stable and consistent during the year under review. Following the targeted recalibrations of the risk landscape in the previous year, which included the introduction of the Slower Customer Demand risk, the current risk profiles have been maintained as status quo. This reflects the adequacy of the mitigation strategies implemented and the continued relevance of the established risk appetite in the current operating environment.

Throughout 2025, the Group focused on the continuous monitoring and periodic validation of these 13 key risk areas. While no new principal risks were identified during the period, the Board Governance and Risk Committee (“BGRC”) remains vigilant, ensuring that the action plans are rigorously applied to manage the high-risk categories.

Furthermore, to enhance our forward-looking governance, the Group has formally integrated an emerging risk discussion into its quarterly reporting cycle. This enables the Board to systematically scan for potential future disruptions, such as technological shifts and evolving sustainability regulations, ensuring that the Group remains agile and prepared for long-term strategic risks while maintaining a stable near-term risk profile.

The Group has also achieved a significant milestone in its transition towards IFRS S1 and S2 compliance by completing an initial quantitative assessment on our climate-related risks. Based on preliminary financial calculations, the Group has identified the anticipated financial effects of key transition and physical risks, specifically regarding potential revenue impact from shifting customer demand and climate-related cost implications. By grounding our 2025 risk narrative in these initial figures, the Board is able to provide enhanced oversight on capital allocation and strategic resilience, ensuring the Group is well-positioned for mandatory disclosure requirements by 2027.



## Operating Environment, Risks and Opportunities

### Key Risks, Trends and Responses

Strategic Risks						Legends: Low Risk ● Medium Risk ■ High Risk ▲ Extreme Risk ◆			
Risk Name	Risk Rating	Related Operating Environment	Material Matters Linked	Potential Impact	Our Responses and Opportunities				
<b>Slower Customer Demand Risk</b>	▲	<ul style="list-style-type: none"> <li>Inflation and currency volatility</li> <li>Softening demand trends influenced order volume</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Business Performance</li> </ul>	<ul style="list-style-type: none"> <li>Lower demand due to global tariff implementation and economic uncertainty</li> <li>Potential lower profitability during periods of fluctuating demand</li> <li>Challenges in maintaining a lean cost structure and production efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Secured operational resiliency by maintaining strategic buffer orders and monitoring international policy shifts</li> <li>Diversified the customer base to reduce dependency on major clients and expanded market reach through specialised product solutions</li> </ul>				
<b>Customer Concentration Risk</b>	▲	<ul style="list-style-type: none"> <li>Softening demand trends influenced order volume</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Business Performance</li> </ul>	<ul style="list-style-type: none"> <li>Potential loss of a major client could lead to a severe drop in total revenue</li> </ul>	<ul style="list-style-type: none"> <li>Leveraged RBA accreditation to access larger Contract Manufacturers and strengthen market positioning</li> </ul>				
<b>Succession Planning Risk</b>	●	<ul style="list-style-type: none"> <li>Nil</li> </ul>	<ul style="list-style-type: none"> <li>Employee Training and Career Development</li> </ul>	<ul style="list-style-type: none"> <li>Leadership gaps and inadequate talent development may hinder the execution of strategic goals and long-term growth</li> </ul>	<ul style="list-style-type: none"> <li>Established a structured succession plan with a designated talent pool for key subsidiary companies, supported by comprehensive training programmes to ensure leadership readiness</li> </ul>				
<b>Crisis Response Risk</b>	●	<ul style="list-style-type: none"> <li>Nil</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Safety and Health</li> <li>Economic and Business Performance</li> </ul>	<ul style="list-style-type: none"> <li>Operational disruptions may result in financial losses, inefficiencies and delays in critical decision-making, potentially affecting service delivery and business performance</li> </ul>	<ul style="list-style-type: none"> <li>Established comprehensive Business Continuity and Crisis Management Plans, supported by regular assessments and scenario exercises across key subsidiary companies to enhance operational resilience</li> </ul>				

Related Capitals:  Financial Capital  Intellectual Capital  Human Capital






## Operating Environment, Risks and Opportunities

### Key Risks, Trends and Responses

Financial Risks		Legends: Low Risk ● Medium Risk ■ High Risk ▲ Extreme Risk ◆			
Risk Name	Risk Rating	Related Operating Environment	Material Matters Linked	Potential Impact	Our Responses and Opportunities
<b>Foreign Exchange Risk</b>	▲	<ul style="list-style-type: none"> <li>Inflation and currency volatility</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Business Performance</li> <li>Sustainable Procurement and Local Sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Exchange rate movement can affect the timing of cash inflows and outflows. Higher exposure may lead to forex loss especially MYR has strengthened against United States Dollar ("USD") since August 2025</li> </ul>	<ul style="list-style-type: none"> <li>Implemented real-time foreign exchange monitoring and strategic hedging measures, including forward contracts to mitigate exposures and protect profit margins</li> </ul>
<b>Cost Escalation Risk</b>	■	<ul style="list-style-type: none"> <li>Inflation and currency volatility</li> <li>Progress through sustainability for long-term success</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Business Performance</li> </ul>	<ul style="list-style-type: none"> <li>Increased reliance on grid electricity without alternative energy sources could raise operational costs, while inefficiencies in procurement and production may affect supply chain stability</li> </ul>	<ul style="list-style-type: none"> <li>Optimised energy use through solar panels and biomass burners, enhanced procurement strategies, and implemented cost pass-through mechanisms to streamline production and improve labour efficiency</li> </ul>
<b>Credit Risk</b>	■	<ul style="list-style-type: none"> <li>Inflation and currency volatility</li> <li>Softening demand trends influenced order volume</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Business Performance</li> </ul>	<ul style="list-style-type: none"> <li>Higher credit exposure to specific customers increases the risk of bad debts and delayed or non-payment from customers may disrupt cash flow and liquidity</li> </ul>	<ul style="list-style-type: none"> <li>Monitored customer repayment patterns and credit ratings through assessment tools, alongside proactive cash flow tracking and early warning systems to detect potential defaults</li> </ul>
<b>Investment Monitoring Risk</b>	●	<ul style="list-style-type: none"> <li>Inflation and currency volatility</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Business Performance</li> </ul>	<ul style="list-style-type: none"> <li>Ineffective investment oversight may lead to suboptimal capital allocations, impacting financial returns and long-term growth</li> </ul>	<ul style="list-style-type: none"> <li>The Board Investment Review Committee ("BIRC") oversees investment activities, with the Board and BIRC receiving quarterly reports to ensure regular and comprehensive monitoring of investment strategies and performance outcomes</li> </ul>
<b>Liquidity Risk</b>	●	<ul style="list-style-type: none"> <li>Inflation and currency volatility</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Business Performance</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient cash reserves and weak liquidity management may limit the ability to respond to financial shocks, affecting operational stability during economic uncertainty</li> </ul>	<ul style="list-style-type: none"> <li>Maintained robust cash reserves and access to credit facilities to mitigate financial shocks and ensure operational stability during economic uncertainty</li> <li>Upheld a high current ratio through effective working capital management</li> </ul>
<b>Cybersecurity Risk</b>	■	<ul style="list-style-type: none"> <li>Progress through sustainability for long-term success</li> </ul>	<ul style="list-style-type: none"> <li>Digitalisation and Technology</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient security measures increase the risk of data breaches, unauthorised access, and system downtime</li> <li>Potential breaches may compromise sensitive data, leading to financial losses, regulatory penalties, and reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Implementing advanced security measures, continuous monitoring, real-time threat detection, automated incident response, and regular cybersecurity training to safeguard confidential information and IT security</li> </ul>

## Operating Environment, Risks and Opportunities

### Key Risks, Trends and Responses

Non-Compliance Risk		Legends: Low Risk  Medium Risk  High Risk  Extreme Risk 			
Risk Name	Risk Rating	Related Operating Environment	Material Matters Linked	Potential Impact	Our Responses and Opportunities
Non-Compliance Risk		<ul style="list-style-type: none"> <li>Progress through sustainability for long-term success</li> </ul>	<ul style="list-style-type: none"> <li>Environmental and Social Compliance</li> <li>Good Governance and Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>Non-compliance or weak monitoring may lead to legal penalties, financial liabilities, and increased regulatory and potential legal disputes</li> </ul>	<ul style="list-style-type: none"> <li>The Group continuously monitors regulatory developments, ensuring adherence to legal requirements, while regular on-site compliance review across all subsidiary companies reinforce governance and risk management</li> </ul>

Related Capitals:  Intellectual Capital  Social and Relationship Capital  Natural Capital

## Operating Environment, Risks and Opportunities

### Key Risks, Trends and Responses

Sustainability Risks		Legends: Low Risk ● Medium Risk ■ High Risk ▲ Extreme Risk ◆			
Risk Name	Risk Rating	Related Operating Environment	Material Matters Linked	Potential Impact	Our Responses and Opportunities
<b>Climate Risk</b>	●	<ul style="list-style-type: none"> <li>Progress through sustainability for long-term success</li> </ul>	<ul style="list-style-type: none"> <li>Energy Efficiency</li> <li>Climate Change and Emissions</li> </ul>	<ul style="list-style-type: none"> <li>Inadequate climate risk management may lead to regulatory penalties, reputational risks, higher operational costs, and reduced access to green financing, and may impact long-term business resilience</li> </ul>	<ul style="list-style-type: none"> <li>Complied with IFRS S1 and S2 by identifying climate-related risks and opportunities, conducting energy audits, and installing solar panels</li> <li>Initiated early assessments to determine the financial effects and quantitative disclosures required to meet evolving reporting standards</li> </ul>
<b>Reputational Risk</b>	■	<ul style="list-style-type: none"> <li>Progress through sustainability for long-term success</li> </ul>	<ul style="list-style-type: none"> <li>Environmental and Social Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Weak investor relations and poor publicity management may damage brand perception, affecting share value and market trust</li> <li>Failure to maintain standards may result in product recalls, legal liability, and the loss of customer contracts</li> </ul>	<ul style="list-style-type: none"> <li>Implemented sustainability initiatives and structured reporting across subsidiary companies to ensure regulatory compliance and oversee operational safety procedures</li> </ul>

**Related Capitals:**  Financial Capital  Manufactured Capital  Intellectual Capital  Social and Relationship Capital  Natural Capital

## Operating Environment, Risks and Opportunities

### Emerging Risk

As part of our Statement on Risk Management and Internal Controls ("SORMIC") framework, we evaluate emerging risks quarterly to ensure business resilience. While our core risk areas remain stable, we have identified two significant shifts in the macroeconomic environment that may impact our manufacturing and investment holding performance.

Following the 2025 trade policy shifts in the US, Malaysia has been identified under the "reciprocal tariff" list. For our subsidiary companies in the manufacturing sector, specifically those involved in electronic and plastic injection moulding, this represents a direct cost-push risk for US-bound export.

The Group is actively pursuing trade diversion strategies and strengthening its "China Plus One" value proposition to global clients. Management is also conducting a review of the supply chain to optimise eligibility under the US-Malaysia Agreement on Reciprocal Trade, aiming to mitigate the effective impact of tariff fluctuation.

Another emerging risk is on the phenomenon of involution within China's industrial landscape has resulted in significant excess capacity. Despite regulatory efforts in China to curb aggressive internal price war, the spillover effect remains evident in regional markets through the "dumping" of industrial packaging and chemical products at sub-market rates.

Another emerging risk relates to the escalation of geopolitical tensions in the Middle East into a broader regional conflict involving the US and Iran, subsequent to the financial year end. The situation may contribute to volatility in energy prices, foreign exchange and global logistics conditions, with potential indirect implications on cost structures and demand dynamics across the Group's operations. The Group continues to monitor developments closely and maintains operational flexibility, including pricing adjustments, supply chain review and risk management measures, to respond to evolving conditions.



CHAPTER

04

# Responding Strategically



Ahmad Fariz bin Hassan | *Managing Director/Group Chief Executive Officer*

## Message from the Managing Director/ Group Chief Executive Officer

Many of the assumptions that once underpinned the strategy and operations can no longer be treated as a given, nor serve as the sole baseline for our decision-making. In such an environment, adaptability and resilience are no longer advantages; they are prerequisites for sustained performance.

We navigated shifting customer demands, cost volatility, supply chain disruptions, and intensifying competition across the manufacturing landscape. These forces continued to reconfigure how and where value is created across industries and required us to respond decisively to evolving exigencies while safeguarding operational stability.

Dear Stakeholders,

The past year unfolded against a backdrop of far-reaching structural shifts across the global economic landscape. Geopolitical instability and realignments in global trade frameworks reshaped the macroeconomic environment, adding new layers of complexity to the markets in which our businesses operate.

The Group's performance priorities remained anchored on four value creation pillars. Strengthening fundamentals through topline growth continues to be a key focus, alongside efforts to safeguard earnings resilience. We maintained our strategic positioning by expanding our customer base, broadening product offerings, and deepening market relevance in response to evolving demand dynamics.

Equally important was our continued focus on corporate governance and effective internal controls, safeguarding accountability and operational integrity across the Group. This pillar also encompasses our broader sustainability agenda, including ESG stewardship and climate action, as we embed ESG considerations more deeply into risk management and long-term decision-making. We continued to invest in learning and growth, developing future leaders and building organisational strength.

## Message from the Managing Director/Group Chief Executive Officer

As we reflect on the year’s progress, our focus remains on supporting our subsidiary companies through uncertainty, investing in operational long-term resilience, and ensuring that KPS Berhad continues to create value for its stakeholders and the wider ecosystem.

Overall, challenges are now systemic, not episodic. Adaptability is therefore integral to the reality of doing business today. Uncertainty drives us to plan earlier, execute more decisively and strengthen our readiness for what comes next.



Automated handling systems at Toyoplas’ plastic injection moulding machines.

### Macroeconomic and Industry Dynamics

Uncertainty.

It defined much of the global operating landscape during the year. Volatile currency movements reconfigured cost structures, dislocated established value chains and influenced customer purchasing patterns across our markets.

With shifting trade policies, operating challenges increased, altering sourcing and production economics for businesses in the US markets or tariff-exposed locations. Competition in ASEAN, especially Malaysia, intensified as subsidised manufacturers boosted exports, notably in commoditised packaging segments.

These challenges contributed to moderated demand in certain end-markets as our customers adjusted inventory levels and adopted more cautious purchasing behaviour. Margin pressure intensified in price-sensitive areas, and input cost volatility required focused supplier choice and operational planning.

In response to these external pressures, our focus throughout the year was on managing near-term pressures and volatility by strengthening topline drivers in subsidiary companies. This required revenue diversification, margin discipline and financial flexibility to ensure growth initiatives remained accretive to long-term value creation. Diversification across customers, sectors, and geographies was key to managing demand fluctuations and stabilising earnings.

### Our Strategic Value Framework

In navigating operational uncertainty, the Group responded with disciplined execution and structured prioritisation. Our focus in 2025, therefore, extended beyond short-term adjustments towards strengthening operational fundamentals and fortifying the Group’s financial position. While each subsidiary faced unique operating realities, all aligned to support revenue generation, protect margins, and build long-term growth capabilities.

To this end, our value creation agenda is centred on four interrelated priorities:

Business restructuring to realign operations and optimise performance

Cost optimisation to safeguard margins and earnings resilience

Sales and customer base development to diversify revenue streams and expand market reach

Enhancement of manufacturing capabilities and capacity uplift to support future growth

Together, these initiatives strengthen operational readiness and support the effective execution of our subsidiary companies’ strategies, ensuring consistency with our approach to ongoing industry challenges and shifting market expectations.

## Message from the Managing Director/Group Chief Executive Officer

### Strategic Reset at CBB

A key element of the Group's portfolio realignment during the year was a strategic reset taken by CBB, in response to structural shifts within the packaging industry.

In recent years, the industry faced sustained margin compression caused by excess capacity, intensified regional competition and increasingly price-driven market dynamics. Recognising that these pressures reflect structural shifts rather than cyclical fluctuations, the CBB undertook a decisive strategic reset to strengthen competitiveness and restore returns.

The reset focused on realigning operating capabilities, rationalising underperforming assets and redeploying capital towards segments with stronger margins and growth prospects.

Last year, CBB repositioned parts of the Carton division's operating model from corrugating to converting to address rising production costs. Further restructuring initiatives followed to streamline operations and sharpen focus. This included the disposal of Nilai plant, which let the Group cut excess capacity, optimise assets, and redeploy capital more efficiently.

Operational consolidation was also undertaken by the Offset division, where Ulu Tiram's manufacturing activities, previously spread across three locations were integrated into a single location to improve utilisation rates and unlock operating efficiencies. In parallel, one of the division's operations in Indonesia was discontinued following the nearshoring of key customers, which altered demand patterns for the facility. The decision reflects CBB's commitment to align operational capacity with evolving supply chain realities despite strengthening cost control through a leaner manufacturing footprint.

These measures reflect principled capital discipline rather than reactive cost-cutting. The objective is clear: to stabilise performance, enhance operating efficiency and restore sustainable returns on invested capital. Through this strategic reset, CBB is repositioned to compete more effectively within a structurally evolving packaging industry while supporting the Group's long-term value creation agenda.

Together with broader cost optimisation and commercial initiatives across the Group, these measures form part of a wider effort to strengthen the resilience of KPS Berhad's operating model.



From raw materials to essential packaging solutions.

### Disciplined Cost Management

Cost optimisation remained a central priority across the Group as foreign exchange volatility, rising input costs and competitive pricing pressures persisted amidst exogenous cost pressures during the year. Our subsidiary companies strengthened production planning and reinforced overhead controls to preserve margins in increasingly price-sensitive segments.

These are not short-term fixes, but structural enhancements designed to reinforce margins and strengthen balance sheets.

For instance, at Toyoplas, energy cost reduction initiatives were driven through the completion of a solar pilot installation at the Senai facility, with potential expansion to other sites based on priority. Toyoplas also completed the second phase of a group restructuring exercise aimed at improving capital and tax efficiencies involving its subsidiary companies outside of Malaysia.

At CPI, energy savings were realised through its solar project, while administrative and sales expenses were tightly managed as budgeted. Steady cash generation supported a reduction in borrowings. Foreign exchange exposure was hedged through forward contracts, mitigating USD/RM volatility and safeguarding receivables against exchange rate fluctuations between invoice and settlement.

At MDS Advance, disciplined operating expenditure management was complemented by financing clean-up. All term loans were fully repaid during the year, enabling the business to deleverage materially while strengthening liquidity and improving the current ratio.

## Message from the Managing Director/Group Chief Executive Officer

As outlined earlier, restructuring initiatives were undertaken within CBB to streamline its operating footprint and align capacity with evolving market conditions. These measures, together with tighter working capital management, contributed to improved inventory and receivable cycles while lowering short-term borrowing requirements. Collectively, these measures reflect a disciplined approach to optimising assets, enhancing operational efficiency and aligning capacity with evolving market conditions.

Meanwhile, Aqua-Flo maintained strict expense discipline, with operating costs trending lower while sustaining a short cash conversion cycle, supported by action to expedite collections and prudent creditor management.

Strengthened cost governance and disciplined execution at the operating level enhanced the Group’s ability to absorb external shock, protected earnings quality and sustained competitiveness in key markets. Importantly, these measures were implemented without compromising strategic capabilities required for future growth. Instead, they improved utilisation, strengthened liquidity, and reduced borrowing needs, placing the Group on a firmer financial footing.

### Key highlights

- KPS Berhad reinforced topline resilience through **diversification, margin discipline and financial flexibility**.
- These measures enabled us to navigate global volatility that **reshaped costs and demand**.

### Strengthening Market Position

The Group moved decisively to strengthen its market position across core and growth segments. Execution during the year was anchored in commercial discernment, prioritising revenue quality over volume expansion.

At Toyoplas, growth was driven by higher orders from established consumer electronics customers in Malaysia, alongside the ramp-up of newly secured projects from multimedia customers. In Indonesia, two new customers onboarded during the year represented the subsidiary’s successful diversification into new industries (STEM toys and musical instruments), as well as expansion into box-build assembly capabilities. Meanwhile, Vietnam operations recorded higher volumes from a key multimedia customer following the operational transfer of production from Shanghai, reinforcing the Group’s ability to catalyse supply chain realignment opportunities.

At CPI, stronger demand from EMS customers supported revenue expansion, while the engineering thermoplastic (“ETP”) division registered improved sales momentum from CIT electronics segments, enhancing sector diversification and more granular order visibility.

At MDS Advance, growth was led by expanded mandates from key medical customers, complemented by improved traction within semiconductors and telecommunications segments reinforcing its presence in exacting, technically demanding markets.

Within CBB, the Paper division secured new food and beverage customers, contributing incremental sales support. In addition, leveraging its credentialed RBA certification, the Group secured new orders from offset customers, strengthening its positioning with compliance-sensitive clients.



Assembly and quality inspection processes at Toyoplas’ consumer electronics segment.

Meanwhile, Aqua-Flo recorded contract wins across the chemicals and water meter segments, while continuing efforts to broaden its customer base and manage customer concentration.

These collective efforts did more than support revenue; they sharpened competitive positioning, broadened sector participation and strengthened the quality of the Group’s order book. By building deeper customer partnerships and expanding across geographies and industries, the Group further ensured the cohesion of a commercial platform that is more resilient, more diversified and better positioned for sustainable growth and earnings visibility.

## Message from the Managing Director/Group Chief Executive Officer



### Scaling Manufacturing Capabilities

KPS Berhad continued to scale its manufacturing capabilities through targeted capital expenditure, capacity expansion and engineering-led process enhancements. During the year, RM45.1 million was spent towards equipment modernisation, tooling upgrades and technical capability development, where demand visibility justified expansion.

These investments were anchored in disciplined capital allocation, ensuring that capacity expansion closely aligned with market opportunities, and is supported by demand visibility and governed by defined return hurdles. Capacity was phased carefully to maintain utilisation discipline, while process upgrades focused on enhancing precision, improving production efficiency and maintaining quality consistency.

Across selected subsidiary companies, new machinery installations supported programme ramp-ups and higher-specification production requirements, particularly within technically demanding segments such as medical, aerospace and consumer electronics. Meanwhile, incremental progress was made in automation and digital manufacturing initiatives to enhance quality consistency and yield. Over time, these enhancements are expected to support better cost absorption, strengthen margin resilience and reinforce scalability as market conditions evolve.

Beyond supporting topline growth, these initiatives strengthen operational flexibility, support engineering depth and enhance the Group's ability to meet increasingly stringent customer requirements.

In addition to physical and technical investments, selected sites within Toyoplas, CPI and CBB attained RBA certification during the year. While such certification entails incremental compliance and audit costs, it is imperative in meeting evolving ESG expectations within global supply chains. RBA accreditation enhances our qualification standing, supports participation in multinational projects and strengthens the Group's standing as a responsible and trusted manufacturing partner.

Collectively, these investments, which span from capacity expansion, process capability enhancement to governance standards, will position the Group's competitiveness well in structurally evolving markets. Selective and disciplined investments in manufacturing capabilities continue to enhance the Group's operating leverage.

### Resilience through Disciplined Execution

The strategic and operational measures undertaken across the Group during the year, including portfolio realignment, cost optimisation, commercial expansion and targeted capability investments, collectively strengthened the resilience of KPS Berhad's operating model.

The Group delivered steady financial performance, reflecting disciplined execution and proactive portfolio management. Revenue from continuing operations moderated to RM1,043.3 million amidst softer demand in selected end-markets and more cautious customer purchasing patterns. Notwithstanding this, profit more than doubled to RM43.8 million, supported by lower finance costs and taxation. Gross margins remained resilient.

## Message from the Managing Director/Group Chief Executive Officer

Manufacturing remained the Group’s primary value driver, contributing 83.1% of total revenue. During the year, 40 new projects were secured, reflecting continued progress in broadening customer exposure across industries and geographies.

MDS Advance and Toyoplas recorded meaningful growth, supported by new project acquisitions across both new and existing customers. Growth was also supported by expansion into new industry adjacencies. MDS Advance expanded further into healthcare, semiconductor and automation segments, while Toyoplas entered new industries, including STEM toys, musical instruments, home automation and laboratory equipment.

CPI sustained revenue despite weaker market sentiment through diversification into new applications and consistent execution discipline, onboarding customers in electric vehicle charging and mobile devices, and securing projects in aerospace, home automation and smoke detection solutions.

CBB recorded early inflection following a comprehensive portfolio review and targeted restructuring, including the disposal of its Nilai plant and operational streamlining. While impairment charges affected reported profitability, the underlying performance trajectory improved as complexity was reduced and capital redeployed more efficiently.

Our trading business, Aqua-Flo, delivered steady results despite slight revenue moderation due to project timing and material cost pressures. The award of four long-term framework agreements with Air Selangor further strengthened its position within the water treatment sector.

In parallel, the Group advanced digitalisation initiatives to enhance operational visibility and execution discipline. Investments in systems and data capabilities improved operational instrumentation and process consistency and supported more informed decision-making across the organisation.

Collectively, these outcomes reflect a more resilient operating model, characterised by revenue diversification, margin stability, disciplined capital allocation and balance sheet flexibility. Through deliberate execution across cost, commercial and capacity initiatives, the Group has embedded greater shock absorption and adaptability into its core operations, positioning the business to navigate volatility while sustaining long-term value creation.

### Sustainability: A Strategic Imperative

Sustainability remains integral to how the Group operates and creates long-term value. We have implemented a Sustainability Strategy Roadmap to embed sustainability considerations more deeply within our strategy, governance and operational decision-making across the subsidiary companies.

Climate-related matters continue to be a key focus area, reflecting evolving regulatory requirements, rising customer expectations and the Group’s commitment to reduce carbon emissions intensity by 45% by 2030. During the year, efforts were directed towards strengthening emissions measurement, enhancing data integrity and refining climate-related risk assessments to improve visibility over both transition and physical risks.

Sustainability-related risks were formally integrated into the Group’s ERM framework, strengthening Board and management oversight. Climate, environmental and social risks are now assessed alongside financial and operational risks, providing a more holistic view of potential impacts on performance, durability and long-term value creation.

We also advanced our climate risk reporting practices by progressively aligning disclosures with emerging global sustainability standards, including IFRS S1 and IFRS S2. As part of our preparation for adoption in 2026, key elements of these standards are being voluntarily incorporated into our 2025IAR and 2025SR, enhancing transparency and reinforcing the linkage between sustainability-related risks and financial performance.

Across our manufacturing subsidiary companies, governance and compliance standards were further reinforced, including the attainment of RBA certification within selected sites. While such initiatives entail incremental operating commitments, they are essential in meeting global supply chain expectations and safeguarding continued access to multinational customers.

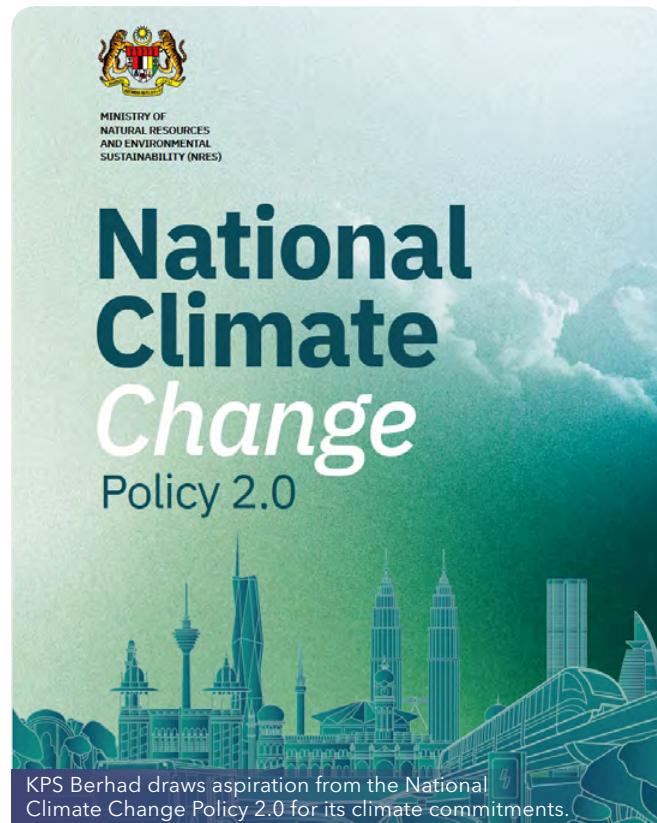


Solar installation at CPI’s manufacturing facilities resulted RM1.2 million energy saving in 2025.

## Message from the Managing Director/Group Chief Executive Officer

Sustainability considerations are being integrated within our risk management and reporting frameworks, with continued emphasis on strengthening fiduciary controls, data integrity and transparency. Our sustainability priorities remain aligned with broader strategic and financial objectives, ensuring coherence between responsible business practices and long-term value creation.

Through this structured and disciplined approach, sustainability is embedded within the Group's operating model, which empowers the Group to strengthen resilience, safeguard competitiveness, and reinforce the foundations for sustainable, long-term performance in an increasingly demanding regulatory and market landscape.



### Operationalising Climate Commitments

Our environmental priorities during the year focused on translating climate commitments into quantifiable operational outcomes. Efforts were directed towards carbon emissions intensity reduction through practical initiatives, including energy efficiency improvements, expanded renewable energy adoption and selected low-carbon technology applications, many of which also enhance operational efficiency and cost management.

The Board approved short-term carbon emissions intensity reduction targets at the Group level, with each subsidiary company committed to reducing emissions intensity by at least 2% annually. In 2025, the Group achieved an approximate 0.4% reduction in emissions intensity. While modest, this reflects the initial phase of our transition pathway, during which measurement systems, baseline recalibration and operational controls were strengthened to support more meaningful reductions in subsequent years. A 2% reduction target has been established for 2026 as implementation gathers pace.

#### Key highlights

##### 2025 Climate Progress

- **0.4%**  
emissions intensity reduction achieved.
- **2%**  
emissions intensity reduction targeted for 2026.
- **4,025 kWp:**  
Installed solar capacity across manufacturing facilities, reducing reliance on grid electricity, cutting emissions, and supporting cost savings.
- Energy initiatives focused on **efficiency, renewables and low-carbon technologies.**

Emissions measurement and analytical capabilities were further enhanced across the subsidiary companies. A product carbon footprint assessment was conducted for CBB's paper packaging business to evaluate product-level emissions intensity, with insights informing targeted reduction strategies. Emissions tracking boundaries were also expanded to include selected Scope 3 categories, covering upstream transportation and distribution at Aqua-Flo and MDS Advance, improving visibility over indirect emissions exposures.

In parallel, the rollout of solar energy installations continued, with total installed capacity increasing to 4,025 kWp. This supports reduced reliance on grid electricity and lays the groundwork for progressively lower emissions intensity across manufacturing operations.

Collectively, these initiatives represent a structured and incremental approach to decarbonisation. The progress achieved in 2025 establishes a stronger measurement baseline and operational discipline to support acceleration toward our 45% emissions intensity reduction target by 2030. Through consistent execution and calibrated scaling of reduction initiatives, the Group is operationalising its climate commitments in a manner aligned with both environmental responsibility and financial resilience.

#### Investing in Community Impact

The Group remains committed to investing in the communities in which we operate, recognising that long-term corporate sustainability is inextricably linked with broader societal progress. Our social investment initiatives are focused on underserved segments, with programmes designed to strengthen educational access, economic participation and community resilience.

## Message from the Managing Director/Group Chief Executive Officer

Our efforts cover a broad spectrum, including educational development, entrepreneurial development, community development, as well as the environmental, safety and health pillar. These initiatives enable individuals to build sustainable livelihoods while contributing to social stability.

During the year, the Group invested approximately RM3.8 million in community programmes, reaching more than 200,000 beneficiaries. Among the key initiatives was the flagship KPS Berhad Celik Initiative, which aims to inspire lower secondary students and cultivate early interest in STEM and IoT disciplines, supporting long-term talent development.

KPS Berhad's participation in the *Rumah Ibadat Hijau* initiative reflects its commitment to environmental stewardship through community engagement, supporting the transformation of a local mosque in Selangor into a model of sustainable living and environmental responsibility. Alongside this, the KPS Berhad A Call to Integrity ("ACT-I") Initiative continued to expand, promoting integrity and ethical awareness among youth to nurture responsible future leaders. Meanwhile, the KPS Berhad Caregiver initiative provides accredited elderly care training to participants from lower-income communities, creating viable employment pathways in the healthcare sector while responding to demographic shifts associated with an ageing population.

The impact of these initiatives is reflected in an estimated Social Return on Investment of 6.2 times, providing validation of the effectiveness and measurable outcomes of our community-focused interventions.

Through structured and outcome-driven social investments, the Group continues its stewardship of community development while strengthening the social foundations that support the spirit of shared prosperity, which is our corporate vision.

### Building Organisational Agility

The Group's ability to navigate volatility and execute strategic priorities depends fundamentally on the bedrock of its leadership and talent base. Throughout the year, employees across the portfolio demonstrated professionalism and commitment, enabling sustained execution discipline and organisational stability amid changing market conditions.

Leadership capability and accountability remained key priorities. Emphasis was placed on reinforcing performance ownership, cross-functional collaboration and clear communication to ensure that strategic objectives translated with stronger alignment to operational outcomes across our diverse business units.

Investments in learning and development were structured and targeted. Programmes included technical training, leadership coaching and cross-business challenge initiatives designed to broaden exposure and deepen managerial experience. These efforts enhance succession depth, reduce key-person risk and support the development of future leaders capable of managing increasingly complex operating environments.

Employee well-being continues to be an important pillar of organisational sustainability. Initiatives addressing both mental and physical health were sustained during the year, reinforcing a safe, inclusive and supportive workplace culture. Workplace safety remains a critical focus area. While two lost-time injuries were recorded in this year at CBB, these outcomes reinforce the need for continued vigilance, strengthened safety protocols and ongoing behavioural reinforcement across all sites.

Through deliberate investment in leadership, capability development and workplace standards, the Group continues to build the human capital depth that drives long-term performance and resilience.



Participants demonstrating their prototypes at the KPS Berhad Celik Initiatives 2025.

## Message from the Managing Director/Group Chief Executive Officer

### Measured Path Forward

Looking ahead to 2026, the operating environment is expected to remain challenging and fluid, shaped by the confluence of global trade realignments, geopolitical conflicts, foreign exchange volatility and uneven end-market demand. Visibility is likely to remain constrained, as customers continue to adopt cautious purchasing behaviour and phased programme launches, while cost dynamics, supply chain conditions and competitive intensity evolve unevenly across markets. In this context, execution discipline, financial prudence and operational agility will remain critical in navigating uncertainty and sustaining performance momentum.

Shifts in US trade policy may sustain tariff uncertainty and tighter export regulations, influencing customer sourcing strategies, production footprints and margin expectations. Foreign exchange movements, particularly involving the US dollar, will continue to affect earnings visibility, requiring active risk management and financial discipline.

Demand conditions are expected to remain gradual and uneven. Customers are likely to maintain lean inventory positions and adopt phased approaches to new programme launches. Competitive pressure in commoditised segments, including packaging, is expected to persist, while rising input costs, including labour, energy and climate-related compliance, will require sustained operational focus and prudent capital allocation.

Against this backdrop, the Group will remain anchored on disciplined execution, margin resilience and selective capital deployment. Our sequencing of priorities includes strengthening revenue quality, preserving balance sheet flexibility, operationalising climate commitments and scaling manufacturing capabilities in alignment with verified demand visibility.

While the year ahead may continue to test operating agility, the structural measures undertaken across cost optimisation, portfolio recalibration and capability development shall position the Group to navigate sustained volatility with resilience, discipline and strategic clarity.

### 2026 Strategic Priorities

The Group's strategic priorities remain firmly focused on strengthening competitiveness, enhancing productivity and scaling capabilities across our portfolio companies. In an operating environment that is likely to remain fluid, these priorities are designed not merely to safeguard performance, but to position the Group to benefit from structural shifts in customer demand, technology adoption and regional supply chain realignment.

Progress in a volatile environment is rarely linear. Sustained advancement requires adaptability, discipline, equanimity, and clarity of purpose.

Commercial expansion remains a central priority. The Group will continue broadening its customer base and diversifying into new markets to strengthen revenue durability and reduce concentration risk. Efforts will focus on deepening exposure to growth-oriented sectors such as electronics, healthcare, semiconductors and electric vehicles, while selectively extending our geographic footprint across ASEAN.

The Group will also advance its ESG journey by moving beyond disclosure-driven reporting towards deeper integration of sustainability within core business and risk management processes. This progression marks the final stage of Phase 2 of our Sustainability Strategy Roadmap, with emphasis on embedding sustainability considerations more directly into strategic decision-making and long-term value creation.

#### Phase 2 (2024 - 2026)

#### Enhancing Sustainable Value Creation

##### Sustainability Strategy and Governance

- Introduced a new sustainability framework with six key commitments
- Introduced the second revision of the Sustainability Policy

##### Risk Management and Climate Integration

- Initiated the integration of sustainability risks into the Group's enterprise risk management framework
- Conducted climate risk and opportunities assessment across the Group

##### Climate and Carbon Foundations

- Established the foundation for a carbon intensity reduction framework
- Enhanced the GHG emissions inventory to include all overseas manufacturing facilities
- Developed the Group's carbon emission baseline

 The Sustainability Strategy Roadmap is presented in the Sustainability Progress Report by the Chief Sustainability Office on page 13 of the 2025SR

Across our operating companies, targeted initiatives are being undertaken to strengthen environmental stewardship and social responsibility. Toyoplas will continue to monitor its pilot solar installation project in Malaysia and evaluate opportunities to roll out the initiative to other sites, alongside developing centralised labour quarters ("CLQ") to enhance workforce welfare and living conditions. Meanwhile, CPI is advancing water security initiatives to support operational resilience, while also implementing CLQ as part of broader efforts to strengthen employee well-being and workplace standards. Collectively, these initiatives reflect the Group's commitment to integrating sustainability considerations into operational planning while supporting responsible and resilient growth.

## Message from the Managing Director/Group Chief Executive Officer

### Acknowledgment and Thanks

Digitalisation and automation remain critical enablers of productivity and scalability. Continued investments in manufacturing execution systems, automation technologies and IoT-enabled monitoring are expected to enhance process discipline, optimise resource utilisation and support faster, data-informed decision-making across the Group.

Our subsidiary companies are implementing targeted capability upgrades. For example, Toyoplas is advancing semi-automation initiatives, alongside a structured machine replacement programme. CPI continues to expand automation and machinery upgrades to enhance production efficiency, while MDS Advance is digitising and optimising its production processes through the deployment of a Manufacturing Execution System (MES). Meanwhile, CBB is progressing with selected machinery upgrades to strengthen operational competitiveness within the packaging segment.

Advancing up the value chain is another strategic focus. By expanding into higher-value product categories and value-added services, including forging capabilities, design-for-manufacturability and more solution-oriented offerings, we aim to deepen customer integration, enhance competitive defensibility and improve pricing sustainability.

Underlying these priorities is continued investment in leadership depth and talent retention. As supply chains evolve and operational complexity increases, execution capability remains a defining competitive advantage. Structured capability development, competitive reward frameworks and strengthened succession planning will ensure organisational readiness across the Group.

The past year has affirmed a fundamental reality: sustained performance in a complex and uncertain environment requires clarity of purpose, disciplined execution and responsible stewardship.

As we reflect on 2025, the Group contended with several operational and strategic challenges. Yet the adaptability, fortitude, and resilience demonstrated throughout the organisation enabled us to remain focused and deliver steady performance. These collective efforts reaffirmed our resolve to deliver on our brand promise: We Invest in Better.

I extend my sincere appreciation to our customers and shareholders for your continued trust in KPS Berhad. In a year marked by uncertainty and shifting market dynamics, your confidence has been both valued and vital. Our customers' enduring partnerships sustain our relevance and competitiveness, while our shareholders' support provides the stability required for disciplined investment and long-term value creation. We remain committed to earning that trust through consistent execution and responsible stewardship.

My gratitude also goes to the dedicated women and men at KPS Berhad, both at our headquarters and across all subsidiary companies. From corporate teams providing strategic oversight and governance, to operating leaders and frontline employees driving execution at the plant level, their professionalism, commitment and operational rigour have underpinned the Group's achievements through their collective effort.

I also wish to acknowledge the Board for its strategic guidance. In a complex operating environment, the Board's oversight and probity have reinforced accountability and ensured that decisions remain anchored in enduring value. I would further like to express appreciation to Dato' Setia Haris Kasim for his leadership as Chairman prior to his retirement last year, and to welcome Yang Berhormat Dato' Dr. Ahmad Fadzli Ahmad Tajuddin, who joined us in May 2025. We look forward to his stewardship as we continue the next phase of the Group's journey.

As we enter 2026, we do so with confidence in the robustness of our operating model, the strength of our portfolio and the clarity of our strategic direction. Indeed, navigating today's operating landscape is to traditional business planning as sailing open waters is to navigating a sheltered harbour; the principles remain, but the conditions demand far greater vigilance, judgement and agility. The operating environment will continue to test adaptability and discipline, but the structural measures undertaken across the Group have strengthened our capacity to navigate uncertainty with resilience and purpose.

With the continued trust of our stakeholders and, *in shaa Allah*, through steadfast execution, we remain committed to advancing sustainable growth and delivering enduring value in the years ahead.

**Ahmad Fariz bin Hassan**  
Managing Director/Group Chief Executive Officer

## 5-year Financial Highlights

		2021 RM'000	2022 RM'000	2023 RM'000	2024 Total RM'000	2024 Continuing Operations RM'000	2025 Continuing Operations RM'000
<b>Financial Indicators</b>							
Revenue		1,328,148	1,360,618	1,228,509	1,093,025	1,064,724	1,043,281
EBITDA*	N1, N2	163,673	195,315	128,660	178,287	119,836	117,128
Profit Before Tax and Zakat ("PBT")*	N2	87,923	118,364	41,305	109,863	52,627	55,331
Profit After Tax and Zakat ("PAT")*	N2	63,884	85,861	19,402	75,400	19,084	43,791
Profit Attributable to Owners of the Parent ("PATAMI")	N2	57,200	73,213	8,867	73,123	17,879	39,708
<b>Financial Ratios</b>							
EBITDA Margin (%)		12.3%	14.4%	10.5%	16.3%	11.3%	11.2%
PBT Margin (%)		6.6%	8.7%	3.4%	10.1%	4.9%	5.3%
PAT Margin (%)		4.8%	6.3%	1.6%	6.9%	1.8%	4.2%
Basic Earnings Per Share Attributable to Owners of the Parent (sen)		10.64	13.62	1.65	13.61	3.33	7.39
Dividend Per Share (sen)*		4.50	9.00 <sup>^</sup>	3.50	6.50 <sup>^</sup>	6.50 <sup>^</sup>	3.00
<b>Financial Indicators</b>							
Shareholders' Equity		1,040,389	1,063,643	1,062,510	1,088,679	1,088,679	1,087,255
Total Assets		2,283,752	2,163,535	2,114,046	1,603,756	1,603,756	1,525,746
Total Loans and Borrowings		591,729	537,800	467,739	175,140	175,140	120,935
<b>Financial Ratios</b>							
Return on Capital Employed (%)		6.5%	8.2%	4.2%	10.2%	5.7%	5.0%
Return on Equity (%)		5.5%	6.9%	0.8%	6.7%	1.6%	3.7%
Return on Assets (%)		2.5%	3.4%	0.4%	4.6%	1.1%	2.6%
Gearing Ratio		0.6	0.5	0.4	0.2	0.2	0.1
Net Assets Per Share Attributable to Owners of the Parent (RM)		1.94	1.98	1.98	2.03	2.03	2.02

\*Note:

<sup>^</sup> Including special dividend

N1 Defined as Earnings Before Interest, Taxes, Depreciation and Amortisation.

N2 Including the items below for the respective years:


2021 - RM14.8 million gain from disposal of Toyoplas properties, RM4.2 million Paycheck Protection Programme (PPP) loan (from US government for Kaisercorp group of companies).

2022 - RM131.6 million gain proceed from disposal of SPRINT highway.

2024 - The discontinued operations consists of contribution from Kaisercorp.

### 5-year Financial Highlights

Revenue  
**RM1,043.3** million




#### Revenue (RM'000)

<b>2025</b>	<b>1,043,281</b>
2024	1,093,025
2023	1,228,509
2022	1,360,618
2021	1,328,148

#### Earnings Per Share (sen)

<b>2025</b>	<b>7.39</b>
2024	13.61
2023	1.65
2022	13.62
2021	10.64

Operating Profit  
**RM61.1** million



#### Profit Before Tax & Zakat (RM'000)

<b>2025</b>	<b>55,331</b>
2024	109,863
2023	41,305
2022	118,364
2021	87,923

#### Net Assets Per Share (RM)

<b>2025</b>	<b>2.02</b>
2024	2.03
2023	1.98
2022	1.98
2021	1.94

PATAMI  
**RM39.7** million



Total Asset  
**RM1.5** billion




#### Profit Attributable to Owners of the Parent (RM'000)

<b>2025</b>	<b>39,708</b>
2024	73,123
2023	8,867
2022	73,213
2021	57,200

#### Dividend Per Share (sen)

<b>2025</b>	<b>3.00</b>
2024	6.50
2023	3.50
2022	9.00
2021	4.50

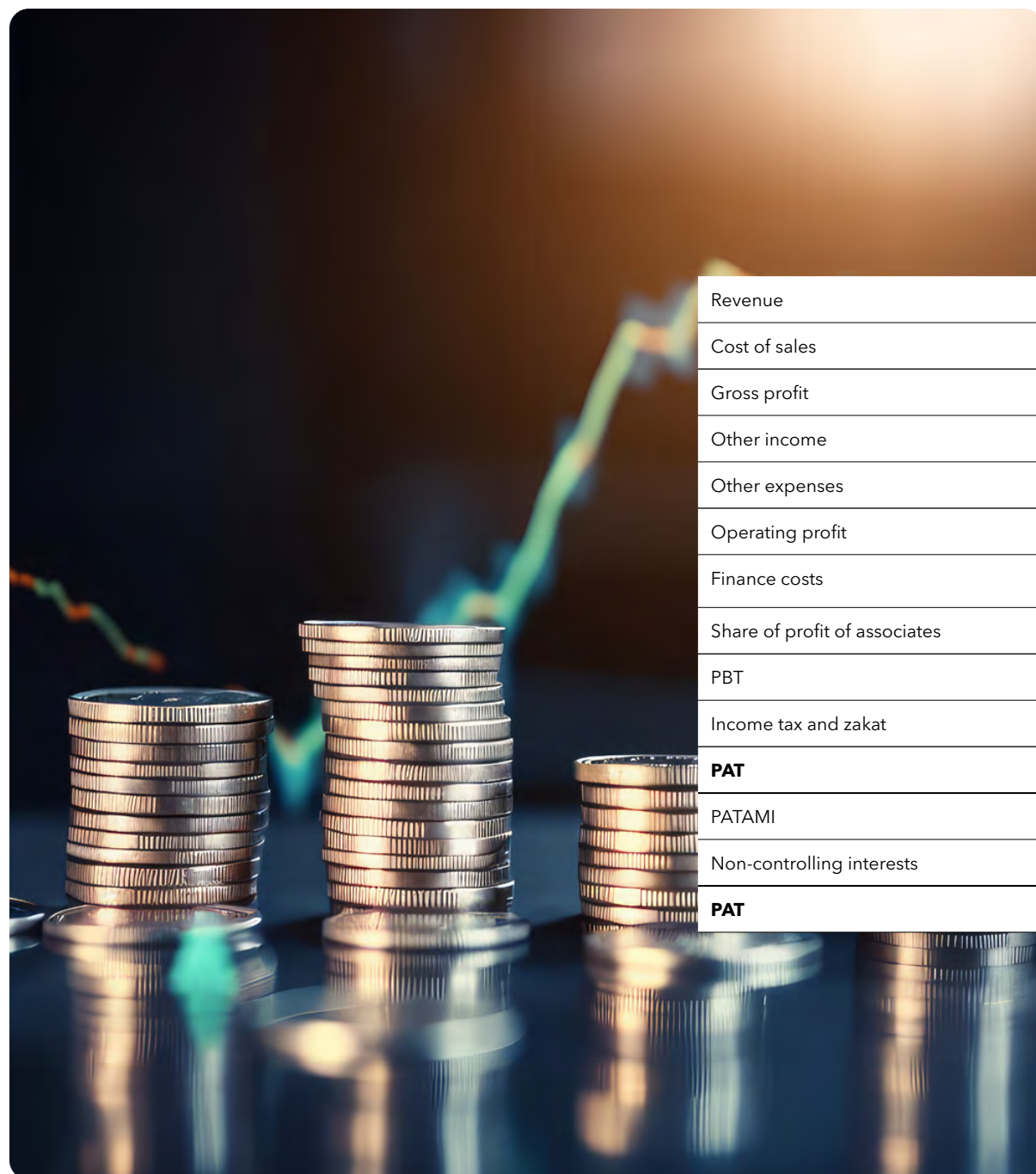
Cash and Bank Balances  
**RM365.6** million



Dividend Per Share  
**3.0** sen



## Financial Review



	2025 Continuing Operations RM'000	2024 Continuing Operations RM'000	Variance Continuing Operations %
Revenue	1,043,281	1,064,724	(2.0)
Cost of sales	(861,356)	(873,454)	1.4
Gross profit	181,925	191,270	(4.9)
Other income	42,618	59,240	(28.1)
Other expenses	(163,418)	(184,018)	11.2
Operating profit	61,125	66,492	(8.1)
Finance costs	(7,760)	(18,626)	58.3
Share of profit of associates	1,966	4,761	(58.7)
PBT	55,331	52,627	5.1
Income tax and zakat	(11,540)	(33,543)	65.6
<b>PAT</b>	<b>43,791</b>	<b>19,084</b>	<b>129.5</b>
PATAMI	39,708	17,879	122.1
Non-controlling interests	4,083	1,205	238.8
<b>PAT</b>	<b>43,791</b>	<b>19,084</b>	<b>129.5</b>

## Financial Review



### Revenue

KPS Berhad concluded 2025 with a steady financial performance, underpinned by the Group’s commitment to financial discipline, operational resilience and long-term value creation. Market sentiment was dampened by the introduction of US trade tariffs, resulting in heightened volatility across industries. This volatility affected the Group’s manufacturing subsidiary companies to varying degrees, as customers recalibrated their portfolios in response to changing market conditions. At the same time, the packaging segment continued to face challenges arising from intensified competition from low-cost exports, which led to oversupply, increased pricing pressures and market displacement among local players. Against this backdrop, the Group remained focused on its long-term objectives and executed its strategic initiatives with discipline, resulting in revenue of RM1,043.3 million for the financial year, representing a slight decline of 2.0% from RM1,064.7 million in the preceding year.

### Manufacturing

The manufacturing segment remained the Group’s primary value driver, contributing 83.1% of total revenue. Segment revenue declined by 1.8% to RM866.8 million in 2025 from RM882.4 million in the previous year, largely due to market oversupply and intensified price competition within the packaging segment. These pressures were partially mitigated by improved momentum in the electronics, multimedia and communications segments, supported by new project wins from existing customers and expansion of the customer base, underscoring the Group’s execution capabilities and sustained customer engagement.

*The figures presented above include only the continuing operations.*

### Trading

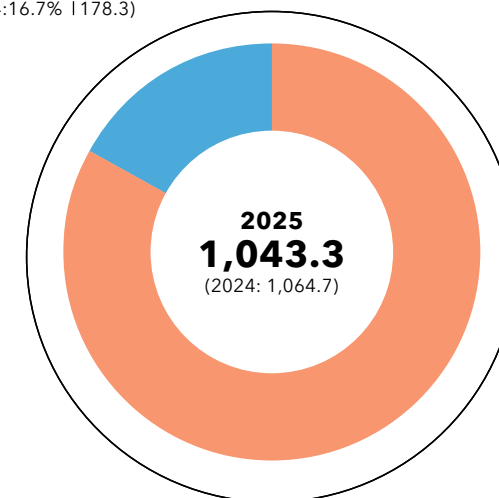
Revenue from the trading segment declined marginally by 1.0% to RM176.5 million in 2025, compared with RM178.3 million in the prior year. The decrease was mainly due to timing differences in water meter sales, as the new contract commenced later than expected following the completion of the previous contract in late 2024, resulting in lower revenue recognition compared to the full-year contribution recorded in 2024.

### Other Segments

No income from other segments in 2025 following the sale of Plaza Perangsang in 2024.

#### Group Revenue by Segment (RM million)

Trading  
**16.9% | 176.5**  
 (2024: 16.7% | 178.3)



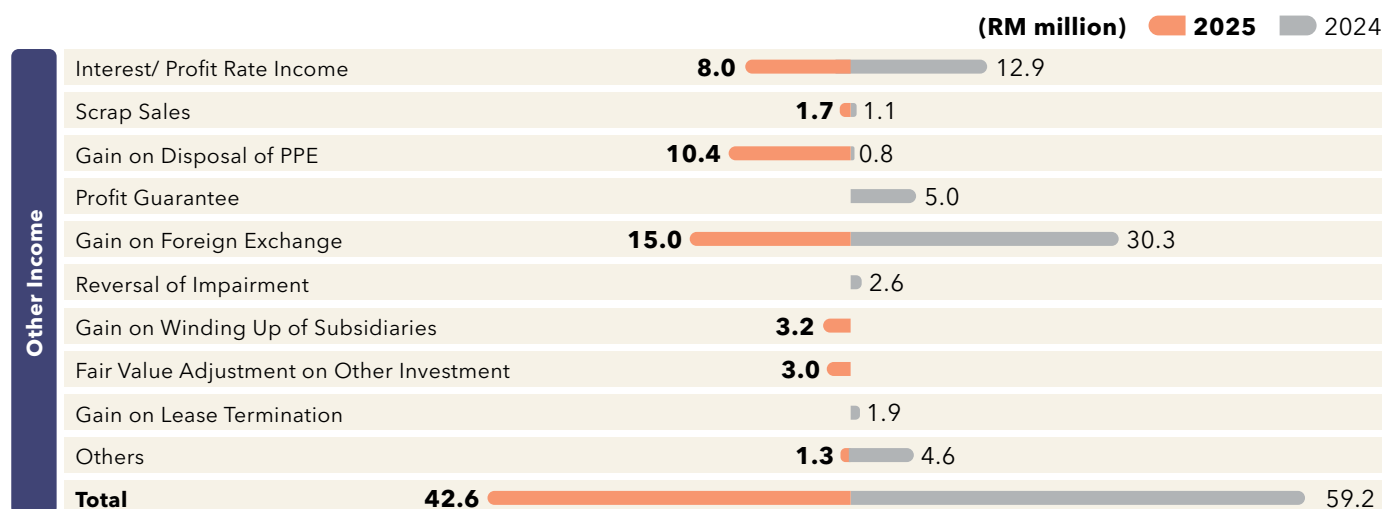
Manufacturing  
**83.1% | 866.8**  
 (2024: 82.9% | 882.4)

Note: No contribution from other segments was recorded in 2025, compared with RM4.0 million in 2024.

## Financial Review

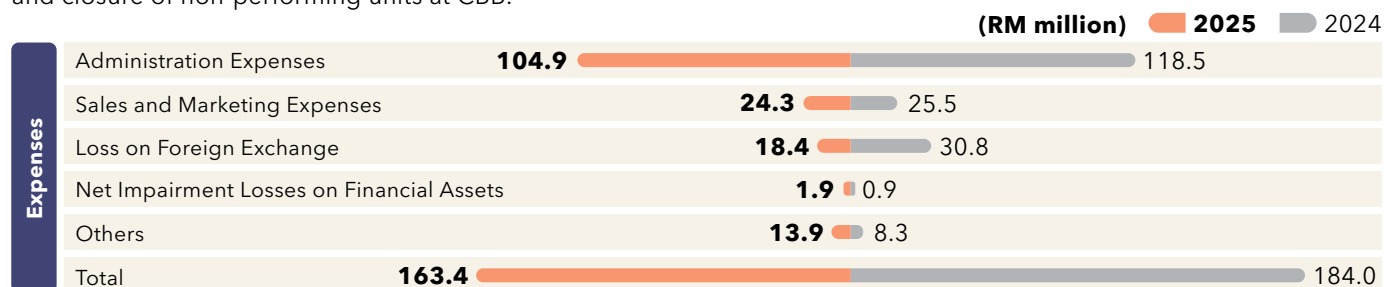
### Other Income

Other income decreased by 28.1% to RM42.6 million, mainly attributable to lower foreign exchange gains by RM15.3 million, reflecting the Group's effective hedging strategies in mitigating the impact of currency volatility. The decline was further compounded by a RM4.9 million reduction in fair value of short-term funds following the repayment of borrowings in July 2024 using proceeds from the disposal of Kaisercorp, as well as the absence of the RM5.0 million profit guarantee from MDS Advance recognised in the previous year. This was partially offset by a RM10.3 million gain recognised on the disposal of CBB's Nilai plant.



### Expenses

During the year, KPS Berhad reduced its annual expenses to RM163.4 million, representing a reduction of 11.2%. The reduction was primarily attributable to lower foreign exchange losses by RM12.4 million, supported by strengthened hedging discipline, as well as RM13.6 million saving in administration costs following the disposal of Plaza Perangsang and closure of non-performing units at CBB.



The figures presented above include only the continuing operations.

### Operating Profit

Year-on-year operating profit declined by 8.1% to RM61.1 million as lower revenue outweighed the net improvement from reduced other expenses relative to other income.

(RM million)



### Finance Costs

Finance costs declined by 58.1% to RM7.8 million from RM18.6 million in the previous year, following the settlement of the Sukuk in July 2024.

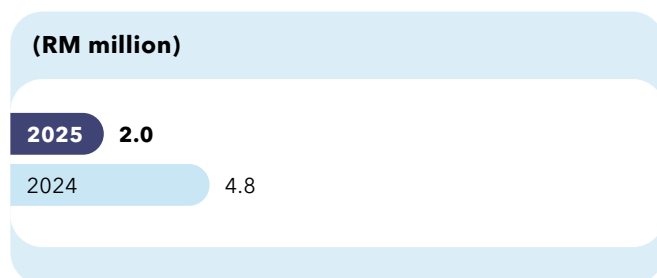
(RM million)



## Financial Review

### Share of Profit from Associates

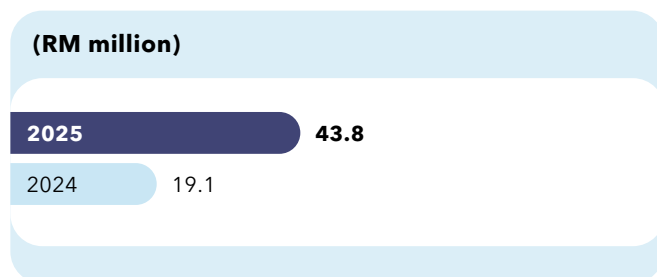
Share of profit from associates was lower at RM2.8 million for the financial year, due to lower contribution from NGC Energy and SPRINT.



### Profits

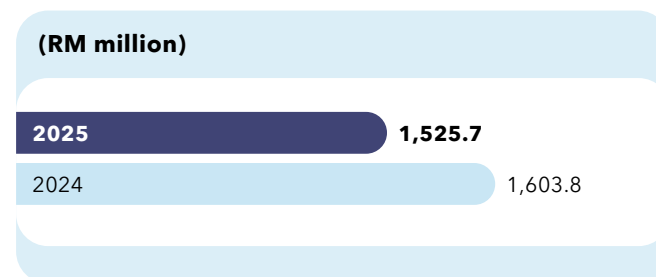
Despite a decline in revenue, PAT improved significantly by 129.5% to RM43.8 million from RM19.1 million in the previous year. The improvement was driven by lower finance costs alongside reduced income tax and zakat expenses, primarily reflecting the absence of the one-off withholding tax following the closure of Toyoplas Shanghai and a higher contribution from tax-exempt Toyoplas Vietnam. These were further supported by green tax savings stemming from solar installation initiatives, as well as the change in zakat accrual implemented in 2024.

Similarly, PATAMI rose to RM39.7 million, compared with RM17.9 million in the previous year.



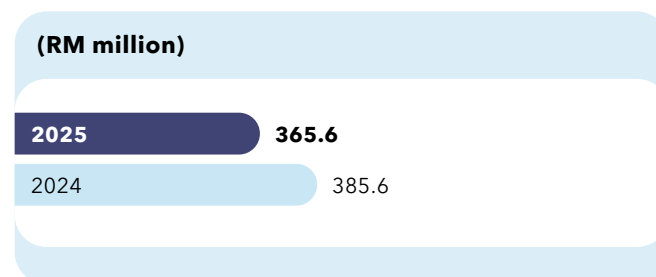
### Total Assets

Total assets declined by 5.0% to RM1,525.7 million, primarily as a result of reduced trade receivables consistent with lower revenue. Nevertheless, the Group maintained its net asset position, with assets exceeding liabilities by RM1,118.6 million.



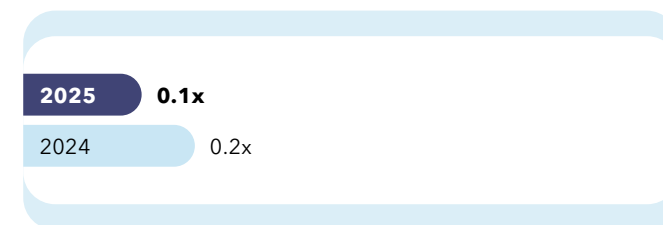
### Liquidity

The Group's cash and cash equivalents, including bank balances, amounted to RM365.6 million as at year-end, representing a 5.2% decrease from RM385.6 million in the prior year, despite stronger operating cash generation supported by improved earnings quality and disciplined working capital management. The decline was mainly attributable to net cash outflows from investing activities, compared with substantial inflows in the previous year, which had benefited from higher proceeds from asset disposals and investment property transactions. This was partially mitigated by lower net cash used in financing activities, following reduced finance costs and lower debt-servicing requirements, which supported the Group's overall liquidity position. Through prudent financial management and disciplined working capital control, the Group preserved a healthy liquidity position despite reduced cash balances during the year.



### Gearing

The gearing ratio decreased to 0.1x during the year from 0.2x previously, primarily as a result of reduced borrowings, which declined to RM120.9 million from RM175.1 million. This reduction was achieved through ongoing repayments of loans and borrowings throughout the period. The lower gearing ratio demonstrates prudent capital management and provides the Group with greater financial flexibility to support future investments.



### Net Assets per Share

Net assets per share declined marginally to RM2.02 from RM2.03 despite higher PATAMI and an increase in retained earnings, as adverse movements in other equity reserves, including foreign currency translation and fair value adjustments, more than offset the increase in retained earnings.

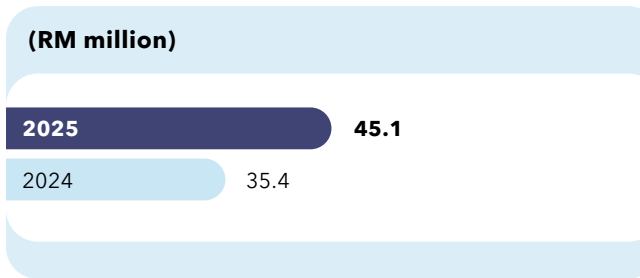


The figures presented above include only the continuing operations.

## Financial Review

### Capital Expenditure

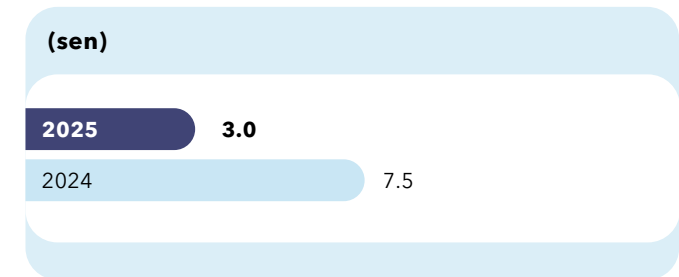
In 2025, the Group invested RM45.1 million in CAPEX, primarily to drive growth in its manufacturing operations.



### Dividends Declared

The Group declared and paid a dividend of 1.0 sen per share, amounting to RM5.4 million, on 23 December 2025. On 31 March 2026, the Board announced a proposed final dividend of 2.0 sen per share, with an expected payout of RM10.7 million scheduled for 16 June 2026. The entitlement date has been set for 4 June 2026, subject to shareholder approval at the forthcoming AGM.

In total, the aggregate dividend distribution of RM16.1 million exceeds 30% of normalised core PATAMI, consistent with the Group's established dividend policy. This payout is broadly aligned with the prior year's dividend distribution, excluding the special dividend of 4.5 sen declared in 2024 following the disposal of Kaisercorp.



**TOYOPLAS** RM28.8 million

- New land
- Machinery and equipment

**CPI** RM3.0 million

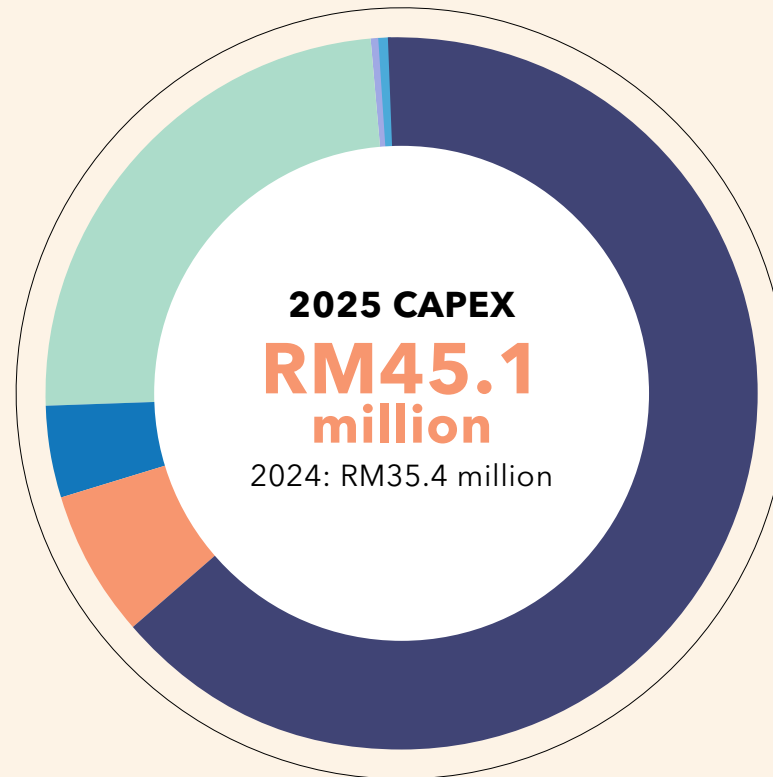
- Machinery and equipment
- IT hardware and software

**MDS** RM1.9 million

- Machinery and equipment

**GS** RM10.8 million

- Machinery and equipment
- Land, building and machinery under leasing



● Toyoplas ● CPI ● MDS Advance ● CBB ● Aqua-Flo ● KPS Berhad

**Aqua-flo** RM0.2 million

- Motor vehicle
- Office equipment, IT and others

**kps** RM0.4 million

- Infrastructure technology software
- IT hardware

## Business Review



Final inspection of the product ensures product quality before packing.



### Developments

Our strategic focus was on growing our customer base and expanding market presence, while strengthening manufacturing capabilities and capacity amid changing market sentiments arising from trade and tariff dynamics, as well as a challenging cost environment.

During the year, we secured four new customers and projects as well as penetrated new industries. We also leveraged our multiple manufacturing footprints to support existing customers by offering manufacturing options in lower tariff locations, while pursuing opportunities to onboard new customers from non-US markets. These initiatives supported revenue resilience and reduced exposure to market concentration and trade-related risks.

Cost management remained a strategic priority, given the inherently high operating leverage of manufacturing operations and increased sensitivity to cost movements across the value chain. During the year, we operated in a challenging cost environment characterised by heightened customer price sensitivity, which led to requests for downward price revisions, alongside rising compliance-related costs and higher input costs.

To manage margin pressure while supporting growth, we implemented cost optimisation and energy efficiency initiatives focused on improving operational efficiency and reducing exposure to cost volatility. Solar panel installation at our Senai plant commenced operations in early 2025. Toyoplas will evaluate the feasibility of similar installations in other sites to mitigate energy price volatility, enhance cost efficiency and strengthen our sustainability efforts.

### 2025 Key Highlights

#### Revenue

**RM435.1** million

#### Customer Base

Secured **4** new customers and projects

#### Energy Efficiency

Achieved cost savings of

**RM0.8** million  
from solar installation

#### Market Expansion

Penetrated new industries, including **STEM toys, music instruments, home automation** and **laboratory equipment**

## Business Review

Toyoplas continues to pursue initiatives aimed at improving cost efficiency and workforce welfare. This includes exploring the development of CLQ to enhance employee living conditions while supporting operational efficiency through reduced reliance on third-party hostel management and transportation arrangements.

Alongside these efforts, we continue to advance sustainability initiatives as part of our strategy to strengthen our position as a responsible partner, in line with customer expectations. As part of this commitment, our Senai plant obtained RBA membership in the fourth quarter of 2025. We continue to implement improvements to meet compliance standards and support long-term customer relationships.



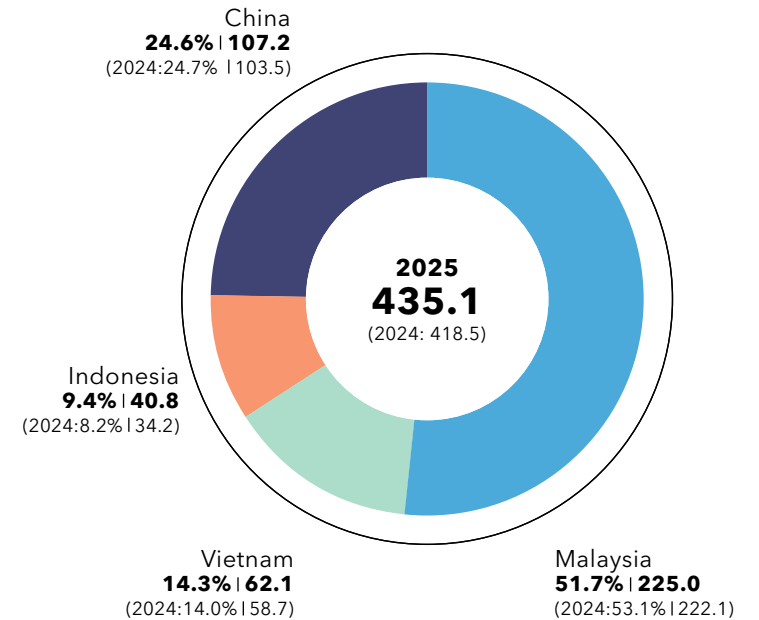
Mould polishing during tooling process.

## Financial Performance

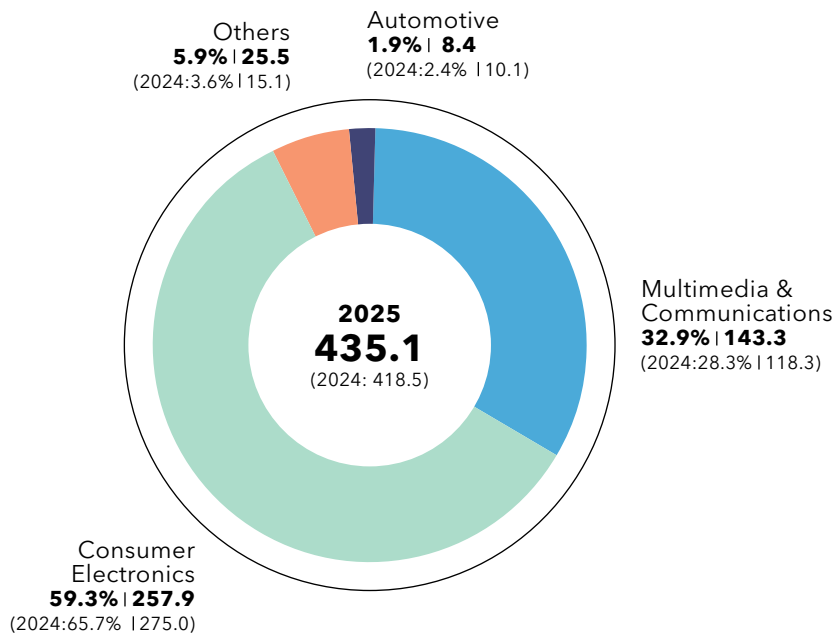
### Revenue (RM million)

2025	435.1
2024	418.5

### Revenue by Country (RM million)



Revenue by Segment (RM million)



Revenue increased to RM435.1 million in the current year from RM418.5 million in the previous year, primarily due to contributions from both new and ongoing projects for existing and new customers. The gross profit margin remains stable despite increased operating costs, demonstrating the effectiveness of cost management initiatives, including savings generated through expanded solar energy usage.



A worker performing tamper printing to apply markings on the product casing.

Malaysia operations contributed the largest share of revenue, accounting for 51.7% or RM225.0 million of total revenue, supported by strong order volumes from both new and existing customers. This was followed by China, which contributed 24.6% or RM107.2 million, with revenue increasing by 3.6% year on year due to the continuation of existing products and new orders from existing customers. Indonesia recorded the highest revenue growth rate of 19.3%, contributing RM40.8 million, driven by successful business development with new customers. Revenue from Vietnam operations increased to RM62.1 million from RM58.7 million, mainly driven by higher volumes from productions transferred from China.

Business development efforts to diversify markets and expand the customer base also helped cushion the impact of weak market sentiment and cautious inventory planning by customers, supporting overall earnings resilience. Consumer electronics remained the largest contributor to revenue, although revenue declined to RM257.9 million from RM275.0 million in the previous year, mainly due to lower demand from a key customer. Multimedia and communications recorded revenue growth of 21.1% to RM143.3 million, supported by new products for existing customers. Automotive revenue declined to RM8.4 million due to muted demand from customers in Indonesia. Whereas revenue from other segments, including new customers in the STEM toys and music instrument industries, contributed RM25.5 million, representing a 68.9% increase.

## Business Review

## Strategic Initiatives and Outcomes

## Sales Development by Growing Customer Base

## Key Initiatives

- Expand into new markets and diversify revenue streams

## Outcome

- Secured four new customers and project wins, contributing to sales growth
- Expanded market presence by entering new industry segments, including STEM toys, music instruments, home automation and laboratory equipment



*Note: All pictures shown are for illustration purposes only and do not represent the actual products/parts manufactured for our customers.*

## Cost Optimisation

## Key Initiatives

- Optimise operational efficiency and resource consumption

## Outcome

- Saved RM0.8 million by adopting solar energy, reducing reliance on conventional electricity, lowering costs and promoting sustainability
- Maintained reject rates at 0.8% in Toyoplas Malaysia by improving quality, reducing waste and maintaining cost-effective standards
- Saved RM31,000 by reusing packaging materials, conserving resources, reducing procurement costs and supporting environmental goals

## Risks and Mitigations

### Impact of US Tariffs on Operations Risk

#### Type of Risk

- Exposure to tariff volatility as a net exporter arising from sizeable operations in China, which is subject to reciprocal tariffs of up to 30%, could potentially impact operations and profitability

#### Mitigation Efforts

- Offer production alternatives through facilities in Malaysia, Vietnam and Indonesia, which are subject to lower tariffs for the US-based market, while focusing China operations on non-US markets
- Expand business development efforts to onboard more non-US-based customers
- Maintain close communication with customers to monitor changes in supply chain strategies as tariff impacts continue to evolve

### Consumer Demand and Business Development Risk

#### Type of Risk

- Broader global macroeconomic conditions, including potential tariff-related developments, may increase end-consumer price sensitivity

#### Mitigation Efforts

- Expand box-build offerings to support margin resilience
- Pursue opportunities in the healthcare sector selectively and with discipline, with clean room investments subject to clear sales visibility

### Cost Environment and Foreign Exchange Fluctuations Risk

#### Type of Risk

- Exposure to a challenging cost environment, where rising input costs, including labour, statutory contributions and energy costs in Malaysia, may exert pressure on margins
- Pricing pressure arising from customer cost-down requests, which may impact profit margins

#### Mitigation Efforts

- Actively engage customers to implement price adjustments to address rising input costs
- Implement energy efficiency measures through phased solar panel installations
- Progress group restructuring to optimise capital and tax efficiencies through phased implementation

## Business Review

## ESG Expectations and Compliance Requirements Risk

## Type of Risk

- Growing expectations from customers and stakeholders on ESG standards, particularly labour rights, may increase compliance requirements and influence customer sourcing decisions

## Mitigation Efforts

- Strengthen positioning by aligning with RBA requirements through audits, remediation actions and engagement
- Evaluating the feasibility of CLQ development with planned green building certification and facilities to support labour compliance requirements

## Foreign Exchange Volatility

## Type of Risk

- Fluctuations in foreign exchange rates may lead to transactional and translational losses, impacting revenue, cost structures, margins, and overall profitability

## Mitigation Efforts

- Manage currency exposure through dynamic hedging strategies by adjusting the hedging coverage ratio as conditions evolve and progressively reducing USD exposure to lessen volatility risk



## Outlook

Building on our steady performance in 2025, we remain focused on sustainable growth through market and customer diversification, while strengthening profitability and operational resilience amid uneven near-term market conditions. Our priorities include deepening engagement with existing customers, onboarding projects from new industries, and expanding into growth segments such as electric vehicle (“EV”) charging, automotive and medical applications.

In 2026, we will further strengthen our sustainability, quality, and compliance credentials, including securing our RBA membership for Toyoplas Manufacturing (Vietnam), to meet evolving customer needs and ESG requirements. Additionally, our planned clean room investment (subject to sales visibility) for the healthcare segment is expected to enhance our capability to support higher-value applications.

Operationally, we will enhance efficiency and scalability through the selective replacement of injection machines, the implementation of energy-saving measures across Malaysia operations based on findings from the energy audit, and process improvement initiatives in other sites. These initiatives are intended to improve productivity, manage costs and support future growth. We will also strengthen organisational capability through the establishment of a centralised HR and talent function, structured talent pool identification, and implementation of a job evaluation framework to support longterm capability development.

Collectively, these initiatives are expected to reinforce our operational foundation and position Toyoplas to deliver sustainable growth over the medium to long-term.



An SMT line at CPI plant in Bayan Lepas, Pulau Pinang.



**Developments**

CPI recorded marginal growth during the year, tempered by cautious market sentiment and weaker demand across most segments except electronics. Additionally, evolving US trade policies continued to dampen business confidence and consumer sentiment, softening product demand and prompting customers to slow or reassess their expansion plans.

Foreign exchange volatility also affected our revenue, as most transactions with customers were denominated in USD. To mitigate this exposure, we implemented natural hedging strategies and utilised foreign exchange contract facilities with a local bank to further mitigate downside risk.

To offset demand gaps and potential losses from existing projects or customers, we intensified our business development initiatives to secure sustainable and diversified new projects and clients. Leveraging our client network and industry contacts, we secured two new customers and three new projects, including our first foray into the manufacturing of EV charger parts.

As part of our long-term cost optimisation and labour cost management efforts, we expect the construction of CLQ to be completed and ready for occupancy upon obtaining the Certificate of Completion and Compliance CCC and CLQ permits by the fourth quarter of 2026. These full-year savings are expected to contribute positively to our profit and loss from 2027 onwards. We also continued to explore automation initiatives to reduce operating costs.

Additionally, the solar installation at our manufacturing facilities, which commenced in 2024, improved energy efficiency and resulted in savings of approximately RM1.2 million in 2025.

**2025 Key Highlights**

**Revenue**

**RM222.9** million

**Energy Efficiency**

Achieved cost savings of

**RM1.2** million from **solar installation**

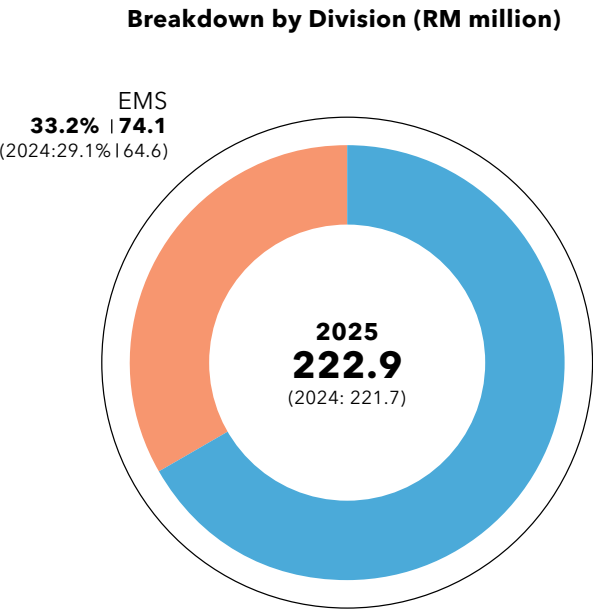
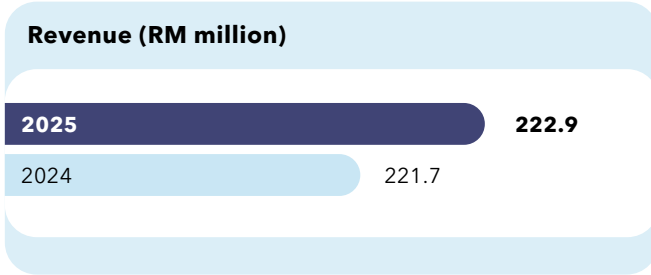
**Customer Base**

Secured **2** new customers

and **3** projects

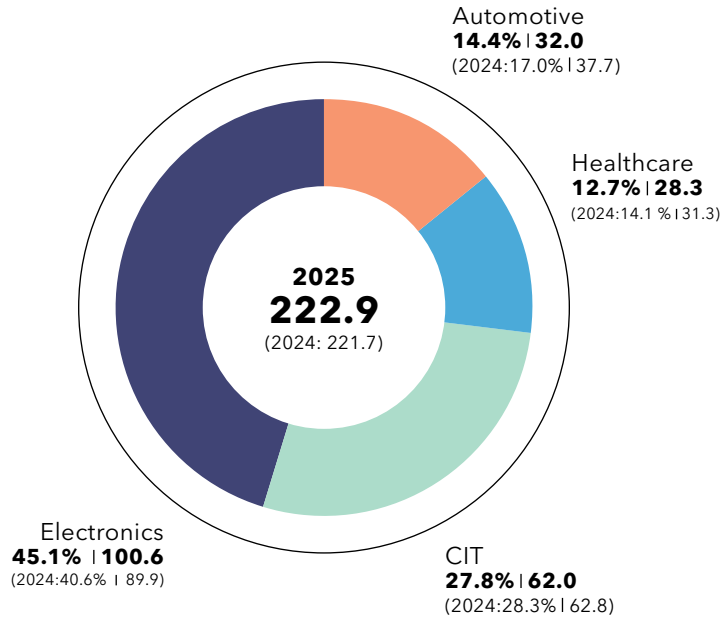
Business Review

Financial Performance



ETP  
**66.8% | 148.8**  
(2024:70.9% | 157.1)

**Revenue by Segment (RM million)**



Revenue increased marginally to RM222.9 million from RM221.7 million in the previous year, reflecting the impact of market sentiment and lower demand across most segments except electronics.

Gross profit margin remains at the same level as the previous year, as the impact from higher operating costs and minimum wage adjustments was offset by savings from solar energy utilisation.



In-house produced PCBA for use in sub-assembly for CIT products.

Revenue from the Electronics segment rose 11.9% to RM100.6 million from RM89.9 million, supported by orders from new customers and increased demand from those secured in 2024 as production ramped up. In contrast, revenue from the CIT segment eased slightly to RM62.0 million from RM62.8 million, reflecting softer demand from key customers. The Healthcare segment also recorded a decline to RM28.3 million from RM31.1 million due to reduced demand for existing products and long regulatory approval process for new products or supply chain changes. The Automotive segment registered the sharpest drop, with revenue falling to RM32.0 million from RM37.7 million, in line with lower order volumes and broader market conditions.

## Strategic Initiatives and Outcomes

### Sales Development by Growing Customer Base

#### Key Initiatives

Strengthen customer partnerships and expand markets

- Grow existing customers
- Acquire new customers
- Diversify into new industries
- Expand footprint

#### Outcome

- Secured two new customers (DC meter for EV chargers and mobile devices) and three new projects (home automation, aerospace and smoke detector)



*Note: All pictures shown are for illustration purposes only and do not represent the actual products/parts manufactured for our customers.*

### Cost Optimisation

#### Key Initiatives

Drive efficiency and sustainability

- Manage material cost and inventory effectively
- Optimise headcount and labour-related costs
- Improve energy efficiency

#### Outcome

- Maintained material costs and inventory levels through careful planning and strategic execution
- Maintained stable headcount through employee upskilling and inter-division transfers, while minimising overtime costs
- Progressed construction of the CLQ, with completion expected by the end of 2026 enabling savings in worker accommodation and transportation costs from 2027
- Enhanced energy efficiency and achieved cost savings of RM1.2 million in 2025 through the installation of solar panels

### Enhancement of Manufacturing Capacity & Capabilities

#### Key Initiatives

- Expand capacity to support five-year sales growth
- Enhance capabilities through automation and the adoption of high-precision, high-efficiency machinery
- Implement water security initiatives to ensure business continuity during supply disruptions

#### Outcome

- Progressed renovation of the EMS plant to support an additional production level and installed underground and elevated water tanks to provide reserves in case of water supply disruptions, with completion expected by the third quarter of 2026

## Business Review

## Risks and Mitigations

## US Economic Policy and Trade Impact

## Type of Risk

- US economic and trade policy volatility, affecting business confidence and consumer demand, leading to softer market conditions, delays in customer expansion and product launches, and heightened cost-down pressure from key customers

## Mitigation Efforts

- Diversify customer base to reduce reliance on the US market
- Strengthen operational flexibility and enhance value-added services to maintain a competitive edge and support customer retention
- Monitor potential impacts in collaboration with customers to enable timely response and proactive mitigation

## Demand Volatility and Geopolitical Disruption Risk

## Type of Risk

- Escalating geopolitical conflict in the Middle East could result in demand volatility, slower customers' inventory turnover and delays in materialising new business, as well as shipping disruptions with extended lead times, adversely impacting revenue and operations

## Mitigation Efforts

- Accelerate business development initiatives to secure sustainable new projects and customers
- Leverage established client relationships and industry networks to identify and secure new customer opportunities and projects
- Explore new business segments and sub-segments to broaden the revenue base and reduce reliance on traditional markets
- Maintain close coordination with customers on shipment orders to minimise delays

## Foreign Exchange Volatility

## Type of Risk

- Volatility in foreign exchange rates could result in transactional and translational losses, adversely affecting revenue, costs, and overall profitability

## Mitigation Efforts

- Mitigate foreign exchange exposure through natural hedging with a substantial portion of purchases is in USD
- Increase the use of forward exchange contracts to manage and minimise exposure to foreign currency fluctuations

**Labour Cost Inflation**

**Type of Risk**

- Increased wages and EPF contribution requirements for foreign workers raised labour costs, adversely affecting operating expenses and profitability

**Mitigation Efforts**

- Implement workforce realignment measures, including minimising reliance on subcontract workers and facilitating inter-division manpower redeployment, to improve productivity and mitigate rising labour costs

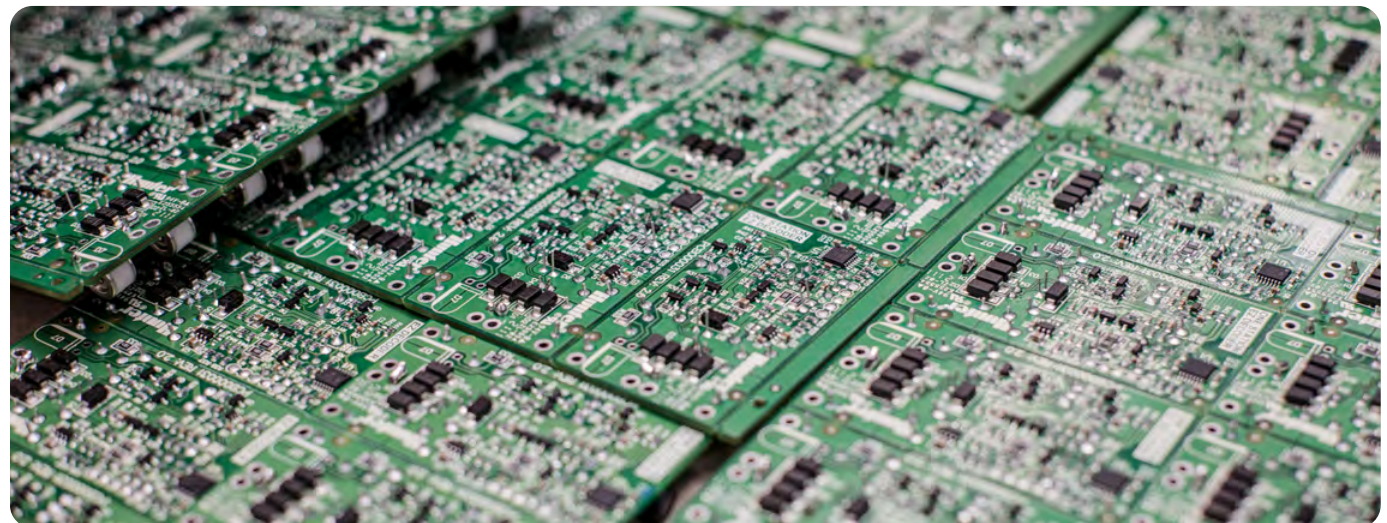


**Outlook**

We remain cautiously optimistic about our prospects. Our sales development efforts will focus on maintaining market share while diversifying revenue streams through entry into new industries and expanding our footprint. Key initiatives include leveraging strong relationships with existing customers, capitalising on potential supply chain shifts to Malaysia that may create opportunities in box build projects and related plastic parts supply, exploring new business segments beyond traditional markets, and widening our geographic presence, such as continuing to expand into Thailand.

Cost and process optimisation will remain a priority as we strengthen profit margins through effective material cost management and prudent inventory management. Completion of the CLQ project is expected to support our long-term labour cost management.

We will also continue to enhance our capacity, capabilities and competitiveness through investments in new machinery and process automation, including upgrades to higher-precision, more efficient equipment. Additional production space will support future sales growth, while our water security initiatives will ensure business continuity.



## Business Review



CNC machining for a healthcare product component.

### 2025 Key Highlights

#### Revenue

**RM21.1** million

#### New Customers Base

Onboarded **3** new customers

Secured **5** new projects

#### Successfully Renewed

**ISO 13485, ISO 9001 & ISO 14001**  
surveillance audit



MDS ADVANCE SDN BHD

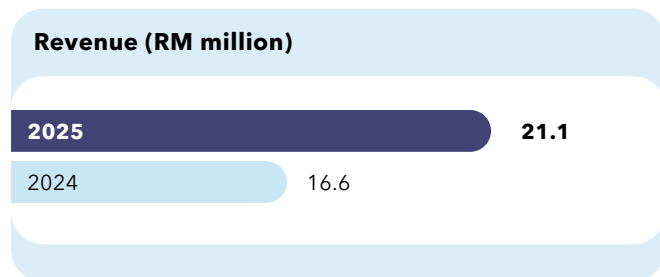
### Developments

In 2025, our improved performance was supported by stronger demand in the medical segment, alongside the resumption of previously delayed customer projects.

Our semiconductor segment experienced delays in new project introductions, while customers maintained cautious ordering amid tariff uncertainties, temporarily slowing the revenue ramp-up. Although Malaysia later secured a temporary exemption from semiconductor tariffs, the impact in the final quarter was limited, as orders had already been deferred and new projects were still progressing through their final qualification and mass-production preparation stages.

Throughout the year, we proactively addressed these challenges and positioned ourselves for future growth through vigorous business development, close customer engagement, and focused application of our technical expertise. These actions enhanced production execution, product design, and solution development, enabling us to onboard three new semiconductor customers and secure five new projects across medical and semiconductor.

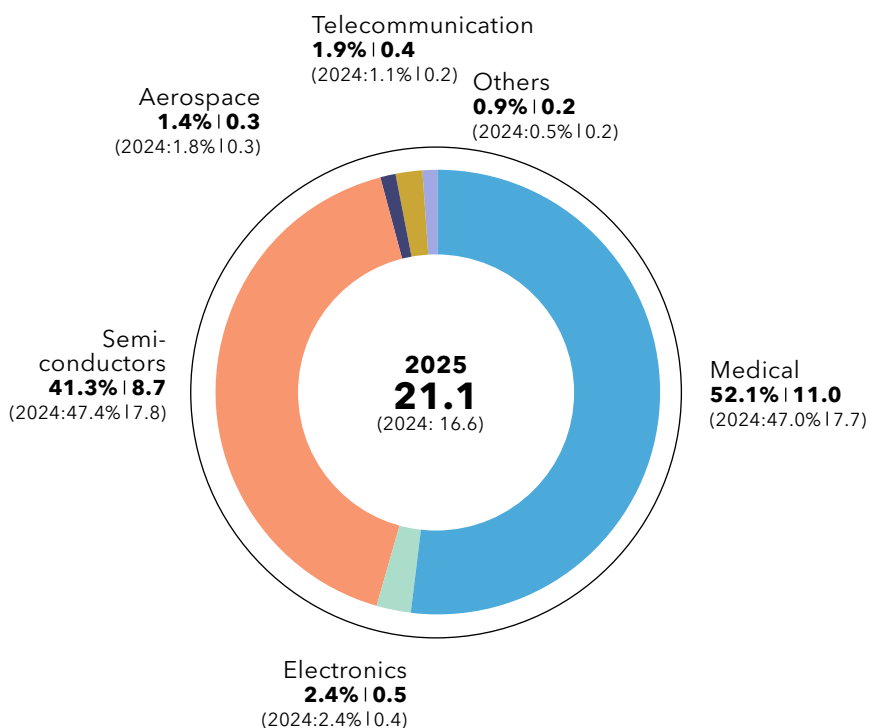
Financial Performance



Revenue increased to RM21.1 million in 2025 from RM16.6 million in 2024, mainly driven by higher demand in the medical segment alongside the resumption of previously delayed customer projects. Gross profit margin improved as higher revenue allowed fixed overhead costs to be spread over a larger revenue base.

The medical segment delivered 52.1% of total revenue, amounting to RM11.0 million, compared with RM7.7 million in 2024, reflecting higher demand and the ramp-up of new projects. Semiconductor revenue rose to RM8.7 million from RM7.8 million, driven by gradual project resumptions following earlier delays due to uncertainty in US trade policy. Electronics, telecommunications, and other segments also recorded growth, with combined revenues of RM1.1 million, while aerospace maintained steady performance at RM0.3 million.

Revenue by Segment (RM million)



A modular, high-efficiency system designed to automate pallet handling and workpiece management for CNC machining.

## Business Review

## Strategic Initiatives and Outcomes

## Sales Development by Growing Customer Base

## Key Initiatives

- Provide technical advice and value-engineering services to engage current and new customers

## Outcome

- Secured five new projects from existing customers and onboarded three new customers



## Business Restructuring

## Key Initiatives

- Streamline business development activities to deepen customer engagement and strengthen competitive positioning

## Outcome

- Formed three teams with distinct and complementary roles: (1) a sales and project team to expand the customer base and secure new projects; (2) a New Product Introduction ("NPI") sample team to ensure a seamless transition from prototype to production; and (3) an engineering team to drive product design and deliver innovative solutions that showcase technical expertise

## Enhance Manufacturing Capacity and Capability

## Key Initiatives

- Diversify business and capabilities

## Outcome

- Introduced new fabrication capabilities to provide a wider range of services and access new markets
- Improved process efficiency by restructuring processes and shortening product cycle time

## Risks and Mitigations

### Order Volatility Risk

#### Type of Risk

- Weakened demand for advanced chip equipment and ongoing US-China trade policy shifts could affect orders and the delivery schedule

#### Mitigation Efforts

- Enhance early engagement with customers' design and engineering teams to shorten validation cycles

### Tariffs/ Exemption Uncertainties Risk

#### Type of Risk

- Uncertainties arising from the implementation of tariffs, especially on cost, may impact the ability to scale prototypes into mass production, and result in redesign, resource changes and production delays at the customers' end

#### Mitigation Efforts

- Work closely with customers to identify potential project transfers to Malaysia
- Align production schedules and resource allocation dynamically with customer forecasts to minimise idle capacity and maintain utilisation

### Price Pressure, Increasing Input Cost and Competitive Discount Risk

#### Type of Risk

- Rising costs of raw materials, components and energy may create price pressure that customers might resist, limiting our ability to pass on the full increase
- Intense price competition in an already softening environment may further erode margins

#### Mitigation Efforts

- Strengthen supplier partnerships with Malaysian and regional vendors for raw materials
- Negotiate cost pass-through mechanisms and flexible pricing structures in new contracts, particularly for high-cost or long-cycle projects

## Business Review

## Skilled Talent Risk

## Type of Risk

- The competition for skilled talent could result in delays for NPI development, extended machine downtime and impact the ability to ramp-up mass production

## Mitigation Efforts

- Realign teams to support production execution and engineering or NPI focus
- Link rewards to retention and productivity
- Recruit strategically through partnerships with Technical and Vocational Education and Training (TVET) and Penang Skills Development Centre (PSDC)



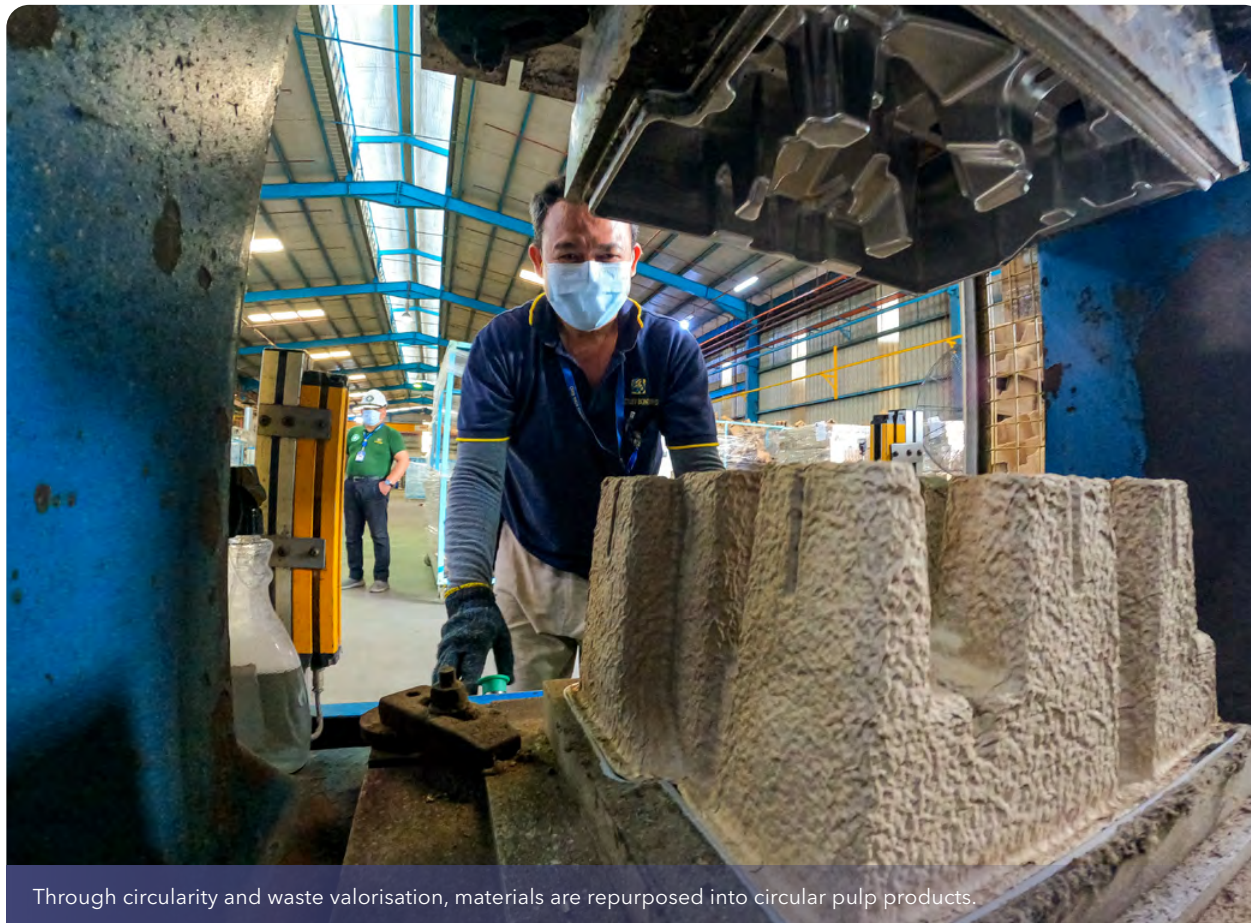
## Outlook

We expect operating conditions in 2026 to remain dynamic, as evolving trade policies and tariff developments continue to influence customer demand, cost structures and investment decisions. While Malaysia maintains a relatively favourable tariff position within ASEAN, and key export sectors such as semiconductors remain largely exempt, ongoing policy developments may continue to shape supply chain decisions and industry demand.

We are committed to strengthening our competitiveness by deepening customer relationships to secure new projects, providing engineering and NPI support, and expanding into new medical and semiconductor markets. Our operational priorities include driving greater efficiency, quality and execution through digitalisation, factory optimisation, structured subcontracting, and the continual development of our in-house technical and workforce capabilities.



Energy-efficient robotic arm at MDS Advance's production floor.



Through circularity and waste valorisation, materials are repurposed into circular pulp products.



CENTURY BOND BHD

Developments

In 2025, we executed a focused turnaround strategy centred on strengthening our customer base, optimising operations, and enhancing manufacturing capabilities. As part of this approach, we undertook a comprehensive business reorganisation to improve cost efficiency, streamline processes and strengthen capital management. Notably, Offset division's operations were consolidated into a single, centralised facility to enhance operational control and cost discipline, while the disposal of the Nilai plant enabled capital redeployment towards higher-growth areas.

Following these changes, operational streamlining allowed us to reallocate machinery and upgrade ageing equipment. We installed a digital printer to meet demand for advanced offset printing technology and upgraded the tuber machine to improve production efficiency and reduce wastage. Collectively, these initiatives strengthened our manufacturing capabilities and improved cost competitiveness.

Alongside these operational improvements, we intensified efforts to grow and diversify our customer base. In the first quarter of 2025, we obtained RBA certification, enabling access to multinational RBA-compliant customers. We are also investing in research & development focused on innovative paper-based packaging products from corrugated carton, which will focus on enhancing material strength, cost efficiency and biodegradability while maintaining high performance and design flexibility. Over the course of the year, we secured seven new Offset customers, primarily in the E&E segment, as well as seven new customers across the food and beverage, and healthcare sectors. These combined efforts supported our return to profitability.

2025 Key Highlights

Revenue

**RM187.7** million

Capital Redeployed for Growth

**RM10.3** million gain from disposal of Nilai plant

New Customers Base

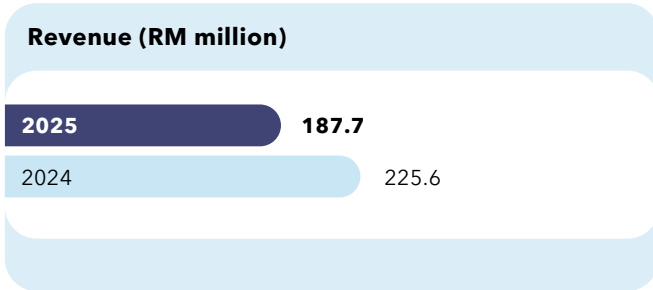
**7** new offset customers (mostly E&E), **7** new customers (F&B and healthcare)

Accreditation

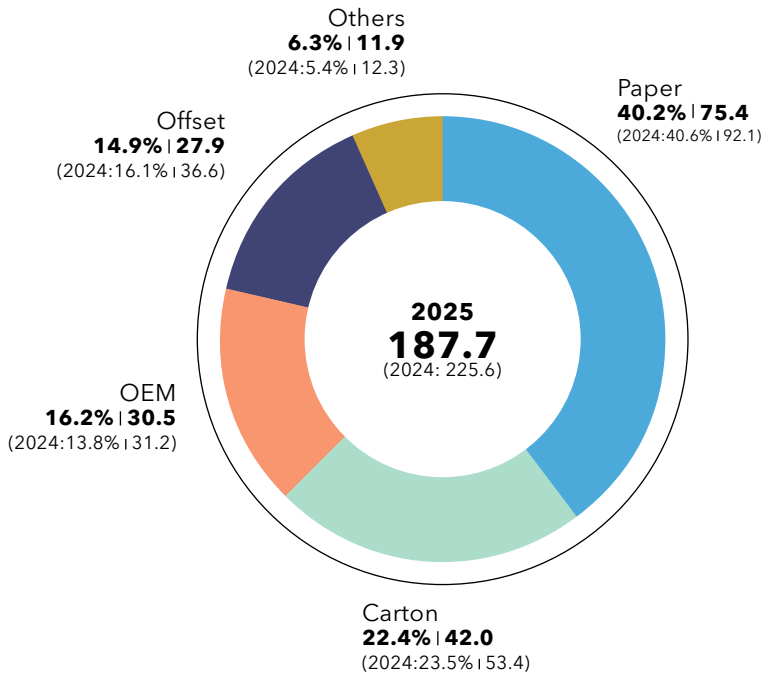
**RBA certified packaging** supplier and Food Safety System Certification 22000

Business Review

Financial Performance



Revenue by Segment (RM million)



For the financial year ended 2025, revenue decreased to RM187.7 million from RM225.6 million in 2024 amid market oversupply and intensified competition. Despite the softer top-line performance, ongoing operational improvements and cost optimisation measures supported the maintenance of gross margin.

We managed to turn around in 2025 from the loss position in the previous two years. This improvement was driven by margin enhancement initiatives, disciplined cost management, manufacturing efficiency improvements, and a RM10.3 million gain from the disposal of the Nilai plant. Additionally, contributions from newly secured customers and improved operational performance further supported the recovery.

The Paper division contributed 40.2% of total revenue at RM75.4 million, a decrease compared to the previous year due to slower order volumes, elevated customer inventory levels, project delays, and reduced cement usage during the extended rainy season. The Carton division recorded RM42.0 million, affected by ageing machinery, aggressive price competition from foreign players, and volume effects arising from the Nilai plant disposal and business model adjustments. Meanwhile, the OEM division remained stable at RM30.5 million. Offset revenue declined to RM27.9 million due to customer nearshoring and lower demand from E&E customers. Other segments recorded RM11.9 million, reflecting lower revenue for paper core and edge protector products, in line with reduced corrugated carton box volumes.



Monitoring and checks ensure precise carton cutting.

### Strategic Initiatives and Outcomes

Sales Development by Growing Customer Base	
<p><b>Key Initiatives</b></p> <ul style="list-style-type: none"> <li>Restructure operations to improve cost control and operational efficiency</li> </ul>	<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>Improved cost control and operational efficiency through consolidation of the Offset division's three operating facilities into a single centralised location</li> </ul>
Business Restructuring	
<p><b>Key Initiatives</b></p> <ul style="list-style-type: none"> <li>Optimise production processes and operations</li> </ul>	<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>Reduced inventory turnover days from 110 to 100 through strategic inventory management at CBB Group</li> <li>Achieved monthly savings of RM40,000 through the upgrading of the tuber machine for paper bag production</li> </ul>
Enhance Manufacturing Capacity and Capability	
<p><b>Key Initiatives</b></p> <ul style="list-style-type: none"> <li>Recycle capital and control capital expenditure</li> </ul>	<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>Support capital redeployment towards higher growth potential through disposal of the Nilai plant for RM10.3 million</li> <li>Disposed and reallocated machinery in line with CBB's restructuring exercise</li> <li>Improved production efficiency and captured demand for advanced offset packaging technologies through the installation of a digital printer</li> </ul>
Sales Development by Growing Customer Base	
<p><b>Key Initiatives</b></p> <ul style="list-style-type: none"> <li>Grow customer base and strengthen market position</li> </ul>	<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>Received RBA certification, which led to the onboarding of RBA customers</li> <li>Diversified revenue into healthcare and F&amp;B, resulting in three new F&amp;B customers and two new healthcare customers</li> </ul>

## Business Review

## Risks and Mitigations

**Demand and Volume Reduction Risk****Type of Risk**

- Risk of reduced sales volumes arising from customer destocking activities, lower overall market demand, and product end-of-life ("EOL") in key segments, which could adversely affect revenue stability and capacity utilisation

**Mitigation Efforts**

- Acquire new customers and strengthen relationships with existing customers to increase order volumes, broaden the customer base and reduce dependency on any single segment or product lifecycle

**Pricing and Margin Compression Risk****Type of Risk**

- Risk of margin erosion arising from customer cost-down initiatives, competitive pricing pressure, and limited ability to pass through cost increases

**Mitigation Efforts**

- Enhance cost competitiveness through disciplined cost management, including sourcing raw materials from multiple suppliers at competitive prices and improving operational efficiency through machine upgrades to reduce waste

**Intensified Competition Risk****Type of Risk**

- Risk of market share erosion and pricing instability due to aggressive competitive behaviour, industry overcapacity, and geopolitical factors contributing to intensified price-based competition

**Mitigation Efforts**

- Pursue strategic collaboration with key industry players, supported by third-party accreditation, to strengthen market positioning, enhance customer confidence, and protect market share in core segments

### Competitive Disadvantage Risk

#### Type of Risk

- Risk of long-term competitive disadvantage arising from foreign competitors' lower production costs, government support, advanced technological capabilities, and enhanced value-added service offerings

#### Mitigation Efforts

- Invest in research and development to introduce innovative and cost-efficient packaging solutions to enhance product differentiation, improve customer value proposition, and strengthen long-term competitive positioning
- Pursue RBA certification across different segments to enable access to RBA-compliant customers and strengthen competitive positioning through enhanced governance and compliance standards



### Outlook

We remain cautious amid subdued packaging market conditions and sustained competitive pressures. Building on our turnaround in 2025, our priority in 2026 is to grow revenue and further strengthen profitability through continued operational discipline and customer growth.

We will continue expanding and diversifying our customer base while deepening relationships with existing customers. Investments in machinery upgrades will enhance manufacturing efficiency and support evolving customer requirements. Growth will be driven by product innovation and targeted marketing initiatives, supported by ongoing research and development. Simultaneously, we will maintain strict cost discipline, advance lean manufacturing practices, and optimise asset utilisation to reinforce sustainable profitability.



Carton boards are processed and stacked to support high-volume production.

## Business Review



Functional checks on the water meters.

## 2025 Key Highlights

## Revenue

**RM176.5** million

## Market Expansion

**First entry** into Terengganu State

## Customer Base

Secured **7** new contracts  
and **2** products

## New Product

**Granular Activated Carbon**  
("GAC")



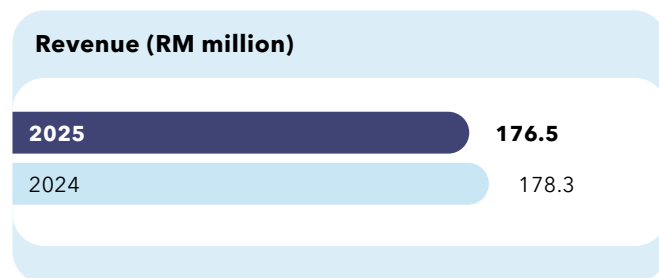
AQUA-FLO SDN BHD

## Developments

In 2025, we secured seven new contracts and achieved a key milestone by supplying Polyaluminium Chloride ("PAC") to Syarikat Air Terengganu, marking our maiden entry into the Terengganu market. Additionally, we entered into four three-year framework agreements with Air Selangor with a total value of RM131.2 million, to supply water treatment chemicals.

Operational challenges affected the timing of our performance throughout the year. For instance, the Air Selangor water meter tender was finalised only in July 2025, with deliveries commencing in August, resulting in deferred revenue recognition within the financial year. Additionally, the postponement of GAC supply to a customer into the following year also contributed to the year-to-date revenue shortfall. Moreover, prolonged hot, dry weather improved raw water quality, reducing consumption of PAC at treatment plants and, in turn, lowering demand for this key product.

### Financial Performance

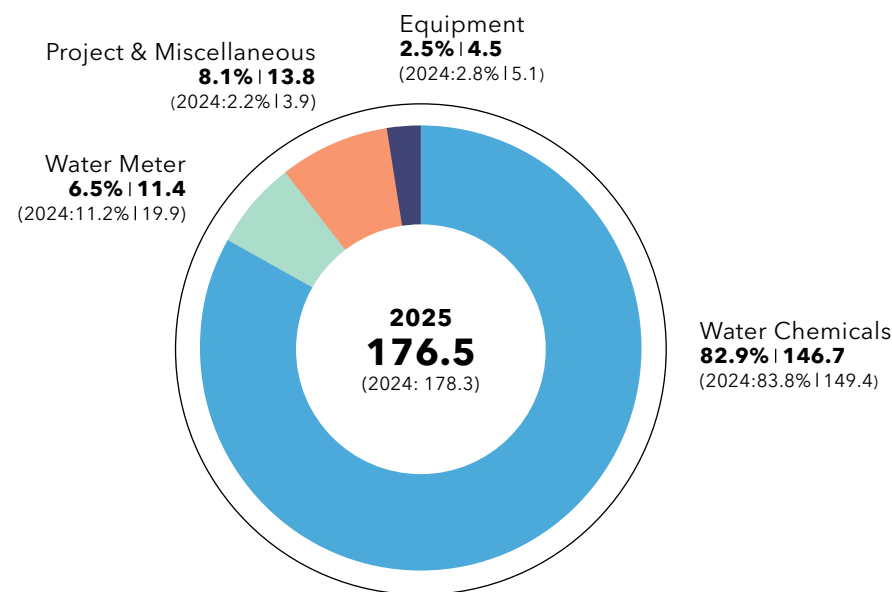


We recorded revenue of RM176.5 million in 2025, compared to RM178.3 million in 2024. This slight variation was primarily attributable to the delayed recognition of revenue from the water meter project contract, which was awarded only in July 2025. Gross profit remained consistent with the previous year.

Revenue from water chemicals was RM146.7 million, compared with RM149.4 million previously, supported by continued demand from state water operators, particularly Air Selangor. For water meters, revenue was RM11.4 million, decline from RM19.9 million previously, reflecting the timing of project award and altered delivery schedules.

Revenue derived from projects and miscellaneous activities increased to RM13.8 million from RM3.9 million, driven mainly by Non-Revenue Water (NRW) initiatives and plant upgrades. In contrast, income from equipment was RM4.5 million, representing a slight decline from RM5.1 million, broadly in line with customers' demand.

**Revenue by Segment (RM million)**



### Strategic Initiatives and Outcomes

#### Sales Development by Growing Customer Base

##### Key Initiatives

- Expand into new markets and diversify revenue streams

##### Outcome

- Secured seven new contracts and two new products, including four three-year framework agreements with Air Selangor
- Expanded into Terengganu through the supply of polyaluminium chloride

## Business Review

## Risks and Mitigations

## Change In Customer Contracting Strategies Risk

## Type of Risk

- Customer introducing new tender arrangements, shifting from previous blanket contracts to category-specific tenders, could impact margins, reduce volume and erode bundle pricing and revenue

## Mitigation Efforts

- Strengthen competitive position in key niche chemicals through product performance trials and enhanced technical support
- Engage customers early to showcase capabilities and reinforce position as a comprehensive chemical partner

## Project Deferments Risk

## Type of Risk

- Deferments in project timelines for major customers may affect targeted revenue for the year

## Mitigation Efforts

- Negotiate early payment or cash-on-delivery terms with key suppliers to secure better raw material pricing and protect margins
- Identify and propose partial or phased GAC deliveries to accelerate revenue recognition and enable timely cost pass-through for price adjustments



## Outlook

Looking ahead, we aim to pursue our next phase of growth, supported by a strong domestic foundation, potential regional expansion opportunities, and ongoing digital transformation in Malaysia's water sector.

Our strategic priorities include safeguarding our local market position while gradually expanding our geographical footprint through strengthened market leadership and enhanced brand presence. We will continue to diversify beyond chemicals by growing our meters, pipes, and equipment segments with complementary products and engineering solutions. Furthermore, we will explore opportunities to broaden our revenue streams by introducing new product categories and value-added service models and expanding into the ASEAN market.



Laboratory testing on water samples to ensure water quality.

CHAPTER

# 05

# Investor Relations

## Investor Relations



We are pleased to present the Investor Relations (“IR”) message for the year ended 31 December 2025. This report provides an overview of KPS Berhad’s performance, strategy, and governance, reflecting our continued commitment to transparent communication and sustainable value creation for our shareholders.

Despite the global economic challenges and market uncertainties, KPS Berhad has demonstrated resilience and achieved steady financial results while continuing to execute our long-term strategy. This message outlines our key financial outcomes, strategic priorities, and the progress we have made toward our growth objectives.

### Investor Outreach and Communications

Throughout the year, the IR team maintained active and consistent engagement with shareholders, analysts and potential investors through one-on-one meetings and timely disclosures. Feedback from these engagements reflected confidence in the Group’s management capability and financial fundamentals, as well as appreciation for the IR function’s transparent, responsive and accessible communication practices.

At the same time, investors provided constructive feedback on areas for further enhancement, including the need for clearer articulation of medium to long-term value drivers and structural factors affecting stock liquidity. The Board and Management view this feedback as an important input into the Group’s continuous improvement efforts. In response, the Group is strengthening the clarity and connectivity of its strategy communication, with greater emphasis on earnings sustainability drivers, capital allocation discipline and execution priorities. In parallel, investor outreach and research engagement initiatives are being enhanced to improve market visibility and accessibility, supporting a broader and more informed investor base over time.

During the year, the IR team worked closely with external analysts and investment firms, providing timely access to key performance information and strategic context. These engagements improved understanding of the Group’s business model and long-term prospects and contributed to strengthened research visibility, as reflected in two additional analyst coverages secured from Tradeview Research and Apex Securities Berhad.

### Overview of KPS Berhad’s Performance

In 2025, we achieved a revenue of RM1.0 billion, supported by sustained demand across core business segments and successful market expansion initiatives. Despite global macroeconomic uncertainties, our results reflect the resilience and adaptability of our operations.

Despite lower revenue, we recorded PAT of RM43.8 million, supported by lower finance costs, reduced tax and zakat expenses, alongside disciplined cost management and improved operational efficiency. Our earnings per share (“EPS”) of 7.39 sen reflect the Group’s sound financial health and its ability to create value for shareholders.

We also continue to maintain a healthy balance sheet, with an intentional gearing level of 0.1x, strong liquidity coverage and sustainable cash flows, positioning us well for future investments and strategic acquisitions. This financial strength allows us to navigate potential economic volatility while remaining focused on our growth objective.

- Our PAT, reaching **RM43.8 million**, was primarily supported by lower finance costs, reduced tax and zakat, alongside disciplined cost management and improved operational efficiency.

## Value Creation

We continue to focus on the long-term creation of value for our shareholders. Our strategic priorities have been shaped by the need to adapt to changing market conditions while also pursuing sustainable growth.



### Customer-centric Growth

Delivering consistent value to customers is one of our key strategic priorities. In 2025, our annual customer satisfaction surveys across our subsidiary companies achieved a score of approximately 85%, reflecting our dedication to quality, cost efficiency, and on-time delivery. To further strengthen customer trust, we uphold strict quality standards and have adopted an agile, customer-centric approach in addressing challenges such as price competition and evolving customer preferences. Through continuous improvement in quality assurance, incremental innovations and enhanced engagement, we aim to retain and grow our customer base.



### Sustainability

Climate actions continue to form an important part of our strategy, underpinned by a continued commitment to managing and reducing our carbon footprint. In 2025, we offset approximately 4,000 tonnes of carbon emissions and achieved a 2% reduction in absolute emissions. These efforts contributed to a 0.12% reduction in carbon emissions intensity, marking an initial step in the Group's longer-term intensity reduction journey from 2026 onwards. While this progress aligns with the Group's Carbon Neutrality 2050 Roadmap, we remain committed to strengthening and accelerating its climate actions to drive further emissions reductions in the years ahead.

We proactively aligned our 2025 Sustainability Report with the NSRF introduced by the Securities Commission of Malaysia in 2024. We adopted these standards ahead of schedule to strengthen our climate risk management by assessing the financial impacts beyond merely identifying risks. As sustainability reporting requirements become more stringent, we view this as an opportunity to provide our stakeholders with more transparent insights into our performance.

Social investment is an integral part of our commitment to empowering communities and fostering sustainable development. Through our flagship Celik Initiative, we promote STEM awareness via interactive workshops, fostering critical thinking and innovation among lower secondary students. In 2025, we benefited over 100,000 students across eight states in Peninsular Malaysia. Our efforts were recognised by the Ministry of Education, which designated the Celik Initiative as a National-Level Co-Curricular programme, cementing its impact on Malaysia's education system.



### Digital Transformation

We have placed a strong emphasis on digital transformation throughout the year. Our investment in operational software upgrades, cloud-based technologies and AI-driven analytics, such as Microsoft 365, has already yielded improvements in operational efficiency and employee experience. By adopting advanced technologies, we are positioning ourselves to stay competitive, ensuring we keep pace with the rapidly evolving digital landscape.

These initiatives, combined with our focus on enhancing corporate governance and maintaining a robust risk management framework, are helping us build a more resilient and future-ready organisation.

## Investor Relations

## Key Financial Results

In 2025, our financial performance reflects the effective execution of our strategy and operational initiatives. Here are the key highlights:



## Revenue

Our revenue of RM1.0 billion was driven by successful project wins, disciplined pricing, and an optimised product mix that helped soften the impact of subdued manufacturing demand.



## Operating Margin

The operating margin held steady at 5.9%, bolstered by a RM10.3 million gain from selling CBB's Nilai plant, which allows capital to be redeployed into higher-growth opportunities. This stability is further supported by enhanced operational efficiency through company-wide cost optimisation, investments in solar projects to mitigate energy expenses at Toyoplas, CPI and CBB, as well as an improved approach to foreign currency hedging.



## Net Profit

Our net profit more than doubled, supported by lower finance costs and reduced income tax and zakat expenses. The reduction in tax expenses primarily reflected the absence of the one-off withholding tax following the closure of Toyoplas Shanghai, as well as higher contributions from tax-exempt Toyoplas Vietnam. This was further supported by green investment tax savings from solar installation initiatives and the change in zakat accounting treatment implemented in 2024. These improvements were complemented by continued cost discipline and operational efficiency enhancements across the Group.



## Dividend

Reflecting our financial performance, the Board of Directors has recommended a 3.0 sen per share dividend, reflecting a 4.9% yield based on the closing share price on 31 December 2025. This dividend demonstrates our commitment to delivering sustainable returns to our shareholders.



## Capital Allocation

We have consistently reinvested in high-growth initiatives, such as acquiring advanced machinery and production lines with enhanced capabilities and capacities, executing software upgrades, and making incremental enhancements to our processes and facilities to maintain competitiveness. Additionally, we are developing central living quarters for workers to promote their well-being and facilitate long-term cost savings. Our disciplined approach to capital allocation ensures prioritisation of investments that generate sustainable long-term value for shareholders.

Our financial resilience, coupled with a strong cash position, positions us well to continue executing on our strategic initiatives and deliver growth in the coming years.

## Discussion on Key Risks and How They are Managed

As an entity operating in a dynamic global environment, we recognise the importance of robust risk management in safeguarding shareholder value and ensuring business continuity. In 2025, we identified, evaluated, mitigated where practicable, and continuously monitored several key risks that could affect our performance:

### Market Volatility

Fluctuations in global economic conditions, compounded by uncertainties surrounding U.S. trade policies and ongoing geopolitical tensions, continue to pose risks to our business. To mitigate the impact of subdued market sentiment, we remain focused on driving revenue growth through diversification into new geographical markets and industries, as well as expanding product offerings to existing customers.

### Currency Fluctuation

As more than half of our trade receivables are denominated in foreign currencies, the Group is exposed to exchange rate volatility. To manage this risk, we utilise a combination of credit facilities, forward foreign exchange contracts and multi-trade facilities to reduce volatility arising from currency movements and to provide greater certainty over cash flows and margins.

### Margin Headwinds

Manufacturing players continue to face cost pressures arising from intensifying regional competition and rising domestic operating costs. Locally, cost inflation has been exacerbated by increases in labour costs, mandatory EPF contributions for foreign hires, and the implementation of higher electricity tariffs, which diluted margins. In response, we implemented cost optimisation initiatives, re-allocated resources to enhance operational efficiency, undertook solar projects to mitigate the impact of higher electricity tariffs, and restructured non-performing business segments.

### Regulatory / Transition Risks

Changes in regulatory frameworks, particularly in the ESG landscape, may impact our operations and compliance requirements. We continuously monitor regulatory developments and engage proactively with relevant stakeholders to ensure timely compliance and to adapt our business practices where necessary.

Overall, our ERM framework provides a structured approach to identifying, assessing and mitigating key risks, thereby enhancing the resilience of our operations and supporting the Group's long-term sustainability.

## Corporate Governance and Ethics

Good corporate governance is fundamental to building trust with our investors and stakeholders. In 2025, we continued to uphold the highest standards of governance, ensuring transparency, accountability, and integrity in all our dealings.

Our Board of Directors comprises individuals with diverse expertise spanning governance, finance, banking, legal and regulatory affairs, communications, international business, executive leadership, manufacturing and sustainability. The Board meets regularly to provide strategic oversight and ensure that management is aligned with our long-term objectives.

We continue to comply with the Malaysian Code on Corporate Governance, maintaining strong internal controls and a robust ethical framework. Additionally, we have strengthened our ESG initiatives, focusing on transparency in reporting and engaging with stakeholders on sustainability issues.

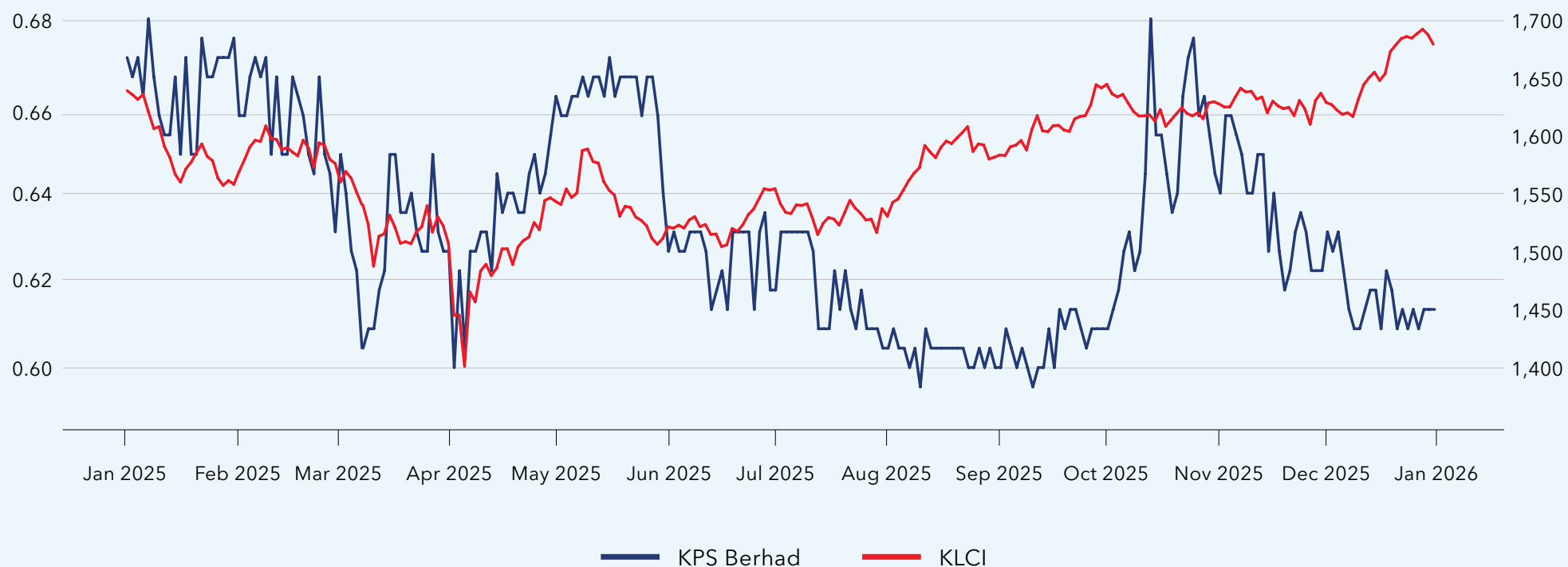
Also in 2025, we implemented several key initiatives to enhance diversity and inclusion within our workforce, and we remain committed to maintaining the highest ethical standards in all aspects of our operations.

## Investor Relations

## Share Price Performance

Amid a year characterised by market volatility, KPS Berhad's share price demonstrated relative stability. During the financial year, the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") increased by 2.4%, while KPS Berhad's share price adjusted by 9.0%, from RM0.67 to RM0.61. The soft equity performance through 2025 was likely driven by market dynamics and sector re-rating, and subdued investor sentiment amid macro pressures.

The Board and Management remain focused on delivering sustainable earnings performance, strengthening strategic clarity and enhancing long-term shareholder value, which are fundamental drivers of share price performance over time.



Financial Calendar

48<sup>th</sup> Annual General Meeting



**Tuesday, 20 May 2025**  
10.00 a.m



**Venue:**  
Shah Alam Convention Centre  
No.4, Jalan Perbadanan 14/9  
Seksyen 14  
40000 Shah Alam  
Selangor Darul Ehsan

Extraordinary General Meeting



**Wednesday, 28 July 2025**  
10.00 a.m



**Venue:**  
Shah Alam Convention Centre  
No.4, Jalan Perbadanan 14/9  
Seksyen 14  
40000 Shah Alam  
Selangor Darul Ehsan

Quarterly Results Announcements (Financial Year Ended 31 December 2025)



Dividend Announcements

Financial Year Ended	31 December 2024	31 December 2025	
<b>Dividend</b>	Final	Interim	Final
<b>Announced</b>	28 March 2025	24 November 2025	31 March 2026
<b>Entitlement</b>	5 June 2025	9 December 2025	4 June 2026
<b>Payment</b>	18 June 2025 (< 30 days)	23 December 2025 (< 30 days)	16 June 2026 (< 30 days)

## Investor Relations



KPS Berhad is committed to continuously enhancing the quality and clarity of investor communications, strengthening analyst and institutional engagement, and proactively addressing investor feedback. The IR function will remain aligned with the Group's long-term strategy and governance priorities, supporting the Board's objective of creating sustainable, long-term value for shareholders while upholding the highest standards of transparency and engagement.

We encourage our shareholders to remain engaged with us as we continue to execute on our strategy, and we look forward to meeting with you at our Annual General Meeting.

Thank you for your trust and support in KPS Berhad.

### Future Outlook and Strategy

Looking ahead to 2026, we remain committed to delivering sustainable growth and long-term value for our shareholders.

Our strategy will centre on driving revenue growth, operational excellence, and innovation while strengthening talent development and ESG leadership. Key priorities include expanding customer acquisition and market diversification to build resilience, accelerating digitalisation and automation to enhance efficiency, and introducing new product categories and value-added services to differentiate our offerings.

We will continue geographic expansion into high-demand regions such as ASEAN and deepen investor engagement through transparent communication and dynamic relationships. These initiatives, supported by innovation, automation, and a strong sustainability focus, position us to achieve continued growth across core segments and emerging areas.

CHAPTER

06

# **Our Leadership**

# Organisation Structure



### Legend

- Administratively
- Functionally

## Board of Directors' Profile

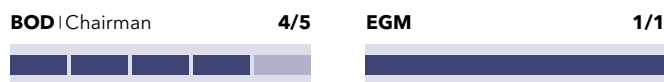


**DATO' DR. AHMAD FADZLI BIN AHMAD TAJUDDIN, AMP,**  
PCM, SMS, DPMS  
Chairman, Non-Independent Non-Executive Director

**Date of Appointment:**  
26 May 2025

**Length of Tenure as Director:**  
10 months

**Board ("BOD") and General Meeting:**



**Membership of Board Committees:**

- None\*

**Qualifications:**

- Doctorate in Business Management, Universiti Sains Malaysia
- Master of Business Management, Universiti Kebangsaan Malaysia
- Diploma in Public Administration, National Institute of Public Administration (INTAN)
- Bachelor of Arts (Honours) Pengajian Ilmu Wahyu dan Warisan Islam, Universiti Islam Antarabangsa

**Membership of Associations:**

- Member of the Institute of Corporate Directors Malaysia ("ICDM")

**Area of Expertise:**

- Public Administration, Economics, Leadership, Capacity Building, Ethics, and Integrity

**Other Directorships (as of 26 March 2026)**

**Listed Entities**

- None

**Public Companies**

- Invest Selangor Berhad
- Air Selangor Holdings Berhad
- Kumpulan Hartanah Selangor Berhad
- Permodalan Negeri Selangor Berhad

**Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)**

- None

**Working Experience and Current Engagements:**

**YB Dato' Dr. Ahmad Fadzli** has over 28 years of distinguished public service experience and demonstrates expertise in public administration, economics, leadership, capacity building, ethics, and integrity. He was appointed as the Selangor State Secretary effective February 2025. Prior to this appointment, he served as the State Financial Officer of Selangor from December 2021.

His previous roles include serving as the President ("Yang Dipertua") of the Klang Municipal Council (now Royal Klang City Council) beginning in April 2020. He also gained valuable experience in district administration through his positions as Assistant District Officer and Chief Assistant District Officer in Perak. Furthermore, he held the position of Head of the Management Development and Innovation Cluster at the INTAN. He currently serves as the Selangor State Secretary.

\* Note: YB Dato' Dr. Ahmad Fadzli does not sit in any of the Board Committees ("BC") in line with Practice 1.4 and Guidance 1.4 of the Malaysian Code on Corporate Governance to ensure check and balance as well as objective review by the Board.

**Declaration**

- YB Dato' Dr. Ahmad Fadzli was nominated as Chairman, Non-Independent Non-Executive Director by MBI. Darul Ehsan Investment Group Berhad ("DEIG") is a major shareholder of the Company direct shareholding of 57.88%. MBI is the holding company of DEIG.
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed any public sanction or penalty by any relevant regulatory bodies in 2025
- He does not have any conflict of interest or any family relationship with any other Director and/or Major Shareholders of the Company

## Board of Directors' Profile



**DATO' Ts. SAIPOLYAZAN BIN MAT YUSOP, DSIS**  
Non-Independent Non-Executive Director

**Date of Appointment:**  
22 March 2024

**Length of Tenure as Director:**  
2 years

**BOD, BC and General Meeting:**

<b>BOD</b>   Member	<b>8/9</b>	<b>BIRC</b>   Member	<b>5/5</b>
<b>BGRC</b>   Member	<b>4/4</b>	<b>SBC</b>   Member	<b>3/3</b>
<b>AGM</b>	<b>1/1</b>	<b>EGM</b>	<b>1/1</b>

**Membership of Board Committees:**

- Member of the Board Governance and Risk Committee ("BGRC")
- Member of the Board Investment Review Committee ("BIRC")
- Member of the Sustainability Board Committee ("SBC")

**Qualifications:**

- Bachelor of Engineering, Universiti Teknologi Malaysia

**Membership of Associations:**

- Member of the ICDM
- Professional Technologist (Electrical & Electronics Technology), Malaysia Board of Technologists

**Area of Expertise:**

- Facilities and Asset Management, Infrastructure Solutions, Project Management, Planning & Development and Administration & Management of Zakat Funds

**Other Directorships** (as of 26 March 2026)

**Listed Entities**

- None

**Public Companies**

- Darul Ehsan Investment Group Berhad
- Permodalan Negeri Selangor Berhad
- Air Selangor Holdings Berhad
- Invest Selangor Berhad
- Kumpulan Hartanah Selangor Berhad

**Interest in Securities of the Company and its Subsidiary Companies** (as of 26 March 2026)

- None

**Declaration**

- Dato' Ts. Saipolyazan was nominated as Non-Independent Non-Executive Director by MBI. DEIG is a major shareholder of the Company with a direct shareholding of 57.88%. MBI is the holding company of DEIG
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed any public sanction or penalty by any relevant regulatory bodies in 2025
- He does not have any conflict of interest or any family relationship with any other Director and/or Major Shareholders of the Company

**Working Experience and Current Engagements:**

**Dato' Ts. Saipolyazan** is currently the Group Chief Executive Officer ("Group CEO") of Menteri Besar Selangor (Incorporated) ("MBI"), he is pivotal in administering the Selangor state's assets and investment, playing a significant role in promoting and supporting state development efforts as well as social and public responsibilities.

Dato' Ts. Saipolyazan possesses over thirty-two (32) years of experience spanning both the public and private sectors, including roles in foreign-based entities in the Kingdom of Saudi Arabia ("KSA"). He has previously served as the Head of Country (KSA) for UEM Edgenta Berhad and as the Chief Executive Officer ("CEO") for Edgenta Arabia Limited, as well as the Head of Facility Management for Alborj Facility Management Ltd. During his time in UEM Edgenta Berhad, Dato' Ts. Saipolyazan also served as a Board member of UEM Mediserve Sdn Bhd.

Additionally, Dato' Ts. Saipolyazan has also acquired expertise across various domains such as facilities and asset management, infrastructure solutions, project management planning and development. Prior to joining MBI, Dato' Ts. Saipolyazan was the CEO of Lembaga Zakat Selangor ("LZS"). As the CEO of LZS, he was responsible for the administration and management of Zakat Funds.

## Board of Directors' Profile

**DATO' IKMAL HIJAZ BIN HASHIM, DIMP**  
Senior Independent Non-Executive Director

**Date of Appointment:**  
1 January 2018

**Length of Tenure as Director:**  
8 years 3 months

**BOD, BC and General Meeting:**

<b>BOD</b>   Member	<b>8/9</b>	<b>NRC</b>   Chairman	<b>5/5</b>
<b>BAC</b>   Member	<b>6/6</b>	<b>BIRC</b>   Member	<b>5/5</b>
<b>SBC</b>   Member	<b>3/3</b>	<b>AGM</b>	<b>1/1</b>
<b>EGM</b>	<b>1/1</b>		

**Membership of Board Committees:**

- Chairman of the Nomination and Remuneration Committee ("NRC")
- Member of the Board Audit Committee ("BAC")
- Member of the BIRC
- Member of the SBC

**Qualifications:**

- MPhil. in Land Management, University of Reading, UK
- Bachelor of Arts with Honours, University Malaya

**Membership of Associations:**

- Member of the ICDM

**Area of Expertise:**

- Project Management, Strategic Planning and Business Strategy, Human Capital

**Other Directorships** (as of 26 March 2026)

**Listed Entities**

- Prolintas Infra Business Trust

**Public Companies**

- None

**Interest in Securities of the Company and its Subsidiary Companies** (as of 26 March 2026)

- None

**Declaration**

- Dato' Ikmal does not have any conflict of interest or any family relationship with any other Director and/or Major Shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed any public sanction or penalty by any relevant regulatory bodies in 2025

**Working Experience and Current Engagements:**

**Dato' Ikmal** began his career in the Administrative and Diplomatic Service of the Government of Malaysia in 1976. In late 1991, he left the government service and joined United Engineers (M) Berhad as General Manager of the Malaysia-Singapore Second Crossing project.

In 1993, he became the Chief Operating Officer of Projek Lebuhraya Utara-Selatan Berhad ("PLUS"), and in 1995, he was promoted to the company's Managing Director.

In 1999, he was appointed as the Managing Director of Prolink Development Sdn Bhd ("PROLINK") and concurrently assumed the position of President for the Property Division of the Group. He was subsequently appointed as Managing Director of Renong Berhad from 2002 until 2003.

In November 2003, Dato' Ikmal was seconded to Pos Malaysia Berhad as the Chief Executive Officer/Managing Director, as well as the Group Managing Director of Pos Malaysia and Services Holdings Berhad. In November 2007, he was appointed as Chief Executive of the Iskandar Regional Development Authority ("IRDA") until February 2009. He then became the Chairman of Faber Group Berhad from 1 March 2009 until June 2014. During that period, he was also appointed as the Independent Non-Executive Director of UEM Land Berhad. He was also the Chairman of MB World Group Berhad from 2016 to 2020, a Director of Nadayu Properties Berhad from 2009 to 2020 and a Director of EP Manufacturing Berhad from 2009 to 2021.

Dato' Ikmal is the Chairman and a Non-Independent Non-Executive Director of Prolintas Managers Sdn Bhd ("PMSB") and was appointed to the board of PMSB on 2 June 2022. PMSB is the trustee-manager of Prolintas Infra Business Trust, an Islamic business trust which was listed on the Main Market of Bursa Malaysia Securities Berhad on 25 March 2024.

Board of Directors' Profile



**NORLIZA BINTI KAMARUDDIN**  
Independent Non-Executive Director

**Date of Appointment:**  
6 April 2018

**Length of Tenure as Director:**  
7 years 11 months

**BOD, BC and General Meeting:**



**Membership of Board Committees:**

- Chairman of the SBC
- Member of the NRC
- Member of the BGRC

**Qualifications:**

- Industry Adjunct Professor Multimedia University
- Senior Certified Professional Coach ("SCPC"), Coach Transformation Academy, Dubai
- Professional Certificate in Corporate Public Affairs ("CPA"), The Center of Corporate Public Affairs, Melbourne Business School, Australia
- Bachelor's in Arts and Design, University Teknologi MARA ("UiTM"), Universiti Teknologi Mara

**Membership of Associations:**

- Member of European Mentoring and Coaching Council Global
- Member of the ICDM
- Member of the International Public Relations Association

**Area of Expertise:**

- Reputation Management, International Business/Relations, Crisis Communications, Branding and Sustainability

**Other Directorships (as of 26 March 2026)**

**Listed Entities**

- Sedania Innovator Berhad
- British American Tobacco (Malaysia) Berhad

**Public Companies**

- None

**Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)**

- None

**Declaration**

- Norliza does not have any conflict of interest or any family relationship with any other Director and/or Major Shareholders of the Company
- She has not been convicted for any offences within the past five (5) years, nor has she been imposed any public sanction or penalty by any relevant regulatory bodies in 2025

**Working Experience and Current Engagements:**

**Norliza** is a senior communications specialist with more than 32 years of experience in Malaysia and international markets. She specialises in multiple sectors, including energy, finance, banking, aviation, telecommunications and hospitality and has experience in various communications practices, particularly reputation management, strategic communications, strategic planning, corporate and government stakeholder management, crisis communications, corporate social responsibility, branding, media relations and internal communications. Norliza has helped organisations within ASEAN, the Middle East and America to develop and execute communication strategies.

She is the only Malaysian to win the world's three most prestigious PR and marketing awards. She was named one of the 'Top 500 Most Influential PR Professionals in PR Week Power Book 2014 and 2015' by the global PR Week magazine and included in the 'Power List 2014 - Top 50 Most Influential People in PR' by PR Week Asia. The Internationalist, New York, also named Norliza as 'The Internationalist of the Year 2014'. Norliza is an Adjunct Professor in the Faculty of Applied Communication at Multimedia University Malaysia. In recognition of her contribution in helping architect and develop the faculty's Bachelor's in Strategic Communications programme, the faculty named its best communications student award after her namely, 'PERMATA Liz Kamaruddin Communication Excellence Award'.

## Board of Directors' Profile



70

**DATO' NOORAZMAN BIN ABD AZIZ, DIMP**  
Independent Non-Executive Director

**Date of Appointment:**  
1 January 2020

**Length of Tenure as Director:**  
6 years 3 months

**BOD, BC and General Meeting:**

<b>BOD</b>   Member	<b>9/9</b>	<b>BAC</b>   Member	<b>6/6</b>
<b>BIRC</b>   Chairman	<b>5/5</b>	<b>BGRC</b>   Member	<b>4/4</b>
<b>AGM</b>	<b>1/1</b>	<b>EGM</b>	<b>1/1</b>

**Membership of Board Committees:**

- Chairman of the BIRC
- Member of the BAC
- Member of the BGRC

**Qualifications:**

- Citicorp Associate Programme Training Institute, New York, USA
- BSc (Finance) Louisiana State University, USA

**Membership of Associations:**

- Member of the Australian Institute of Company Directors, Australia
- Member of the Chartered Institute of Islamic Finance Professionals, Malaysia
- Member of the ICDM

**Area of Expertise:**

- Business Strategy and Investments

**Other Directorships (as of 26 March 2026)**

**Listed Entities**

- CTOS Digital Berhad

**Public Companies**

- Sun Life Malaysia Assurance Berhad
- Sun Life Malaysia Takaful Berhad
- MUFG Bank (Malaysia) Berhad
- Century Bond Bhd

**Working Experience and Current Engagements:**

**Dato' Noorazman** has over 40 years of experience in banking and finance, investments and capital markets, having served as Executive Director of Investments in Khazanah Nasional Berhad, Managing Director of Fajr Capital Ltd and held key positions in Citigroup, Bank Islam Malaysia Berhad, Kuala Lumpur Stock Exchange and Labuan Offshore Financial Services Authority (LOFSA), to name a few.

He was appointed to the Board of Kumpulan Perangsang Selangor Berhad on 1 January 2020. He is currently the Chairman of CTOS Digital Berhad, Sun Life Malaysia Assurance Berhad, Sun Life Malaysia Takaful Berhad and MUFG Bank (Malaysia) Berhad.

He is also Chairman of the Board of Trustees of Yayasan UEM (the philanthropic arm of UEM Group), INCEIF and a member of the Board of Trustees of OSK Foundation.

Lastly, he sits on the Investment Panel of KWAP.

**Private Companies, Trustees & Other Organisations**

- International Centre for Education in Islamic Finance ("INCEIF")
- Investment Panel of Kumpulan Wang Amanah Pekerja ("KWAP")
- Yayasan UEM
- OSK Foundation

**Advisory**

- Vynn Capital Sdn Bhd

**Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)**

- None

**Declaration**

- Dato' Noorazman does not have any conflict of interest or any family relationship with any other Director and/or Major Shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed any public sanction or penalty by any relevant regulatory bodies in 2025

Board of Directors' Profile

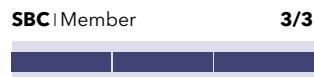
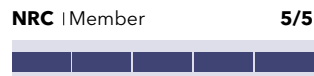
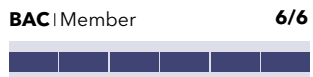
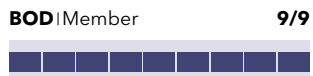


**SHARMILA SEKARAJASEKARAN**  
Independent Non-Executive Director

**Date of Appointment:**  
1 September 2021

**Length of Tenure as Director:**  
4 years 6 months

**BOD, BC and General Meeting:**



**Membership of Board Committees:**

- Chairman of the BGRC
- Member of the BAC
- Member of the SBC
- Member of the NRC

**Qualifications:**

- Adjudicator, Asian International Arbitration Centre (Malaysia) (formerly Kuala Lumpur Regional Centre for Arbitration)
- Advocate & Solicitor, High Court of Malaya, Malaysia
- Barrister-At-Law, Middle Temple, United Kingdom
- B.A. Law & Economics (Honours), Keele University, United Kingdom

**Membership of Associations:**

- Member of the ICDM

**Area of Expertise:**

- Legal, Compliance and Corporate Governance
- Strategic Planning and Business Strategy, Relationship Management

**Other Directorships** (as of 26 March 2026)

**Listed Entities**

- None

**Public Companies**

- None

**Interest in Securities of the Company and its Subsidiary Companies** (as of 26 March 2026)

- None

**Declaration**

- Sharmila does not have any conflict of interest or any family relationship with any other Director and/or Major Shareholders of the Company
- She has not been convicted for any offences within the past five (5) years, nor has she been imposed any public sanction or penalty by any relevant regulatory bodies in 2025

**Working Experience and Current Engagements:**

**Sharmila** began her career as a legal assistant in 1998 with Messrs. Chooi & Co. and joined Messrs. Tay & Partners as a Senior Legal Assistant in the Intellectual Property Department in 2004. She joined the RIM Group in 2005 and held various positions in the RIM Group.

She is the Consultant in the Legal, Operations and Industry Development Departments of the RIM Group. She has been a Partner of Jerald Gomez & Associates since 2011; her areas of practice are Intellectual Property, Banking Litigation, Corporate Advisory, including on Business and Human Rights, Estate Claims, and Family Law matters.

## Board of Directors' Profile



56

**DATUK SYED IZUAN BIN SYED KAMARULBAHRIN, P.J.N.**  
Independent Non-Executive Director

**Date of Appointment:**  
15 August 2022

**Length of Tenure as Director:**  
3 years 8 months

**BOD, BC and General Meeting:**

<b>BOD</b>   Member	<b>9/9</b>	<b>NRC</b>   Member	<b>5/5</b>
<b>BAC</b>   Chairman	<b>6/6</b>	<b>BIRC</b>   Member	<b>5/5</b>
<b>AGM</b>	<b>1/1</b>	<b>EGM</b>	<b>1/1</b>

**Membership of Board Committees:**

- Chairman of the BAC
- Member of the NRC
- Member of the BIRC

**Qualifications:**

- Certified Public Accountants, Malaysia
- Chartered Certified Accountants (ACCA), UK

**Membership of Associations:**

- Fellow Member of the ACCA, UK
- Member of the ICDM
- Member of the Malaysian Institute of Accountants ("MIA")
- Member of the Malaysian Institute of Certified Public Accountants

**Area of Expertise:**

- Accounting, Auditing, Financial Reporting, and Investments Analysis

**Other Directorships (as of 26 March 2026)**

**Listed Entities**

- Sapura Industrial Berhad

**Public Companies**

- None

**Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)**

- None

**Declaration**

- Datuk Syed Izuan does not have any conflict of interest or any family relationship with any other Director and/or Major Shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed any public sanction or penalty by any relevant regulatory bodies in 2025

**Working Experience and Current Engagements:**

**Datuk Syed Izuan** started his career with PricewaterhouseCoopers (PwC) in 1993 and performed statutory audits on private and public companies. Later, he joined Malaysian Resources Corporation Berhad, primarily responsible for investment analysis and evaluation. Subsequently, he joined Sapura Group as an Investment Manager before being promoted to Chief Financial Officer ("CFO"). In 2006, he left Sapura Group and became the CFO of Tradewinds Plantation Berhad and Tradewind (M) Bhd. He later joined Kuwait Finance House (Malaysia) Berhad and eventually became the Head of the International Business Division, focusing on investments. In January 2012, Datuk Syed Izuan joined The Weststar Group, primarily involved in the automotive, aviation, construction and property, defence and engineering sectors as the Group Financial Adviser.

Effective 1 January 2025, Datuk Syed Izuan has been appointed as the Managing Director of Sapura Industrial Berhad ("Sapura Industrial"), transitioning from the role of Independent Non-Executive Director ("INED"), and has concurrently stepped down as the Chairman of the Audit Committee of Sapura Industrial.

Previously, he was appointed as an INED of Sedania Innovator Berhad and Evergreen Fibreboard Berhad and also a member of the Audit Committee of the respective companies. During his tenure in The Weststar Group, he was appointed as a Board member of Weststar Aviation Services Sdn Bhd.

Board of Directors' Profile



48

**AHMAD FARIZ BIN HASSAN**  
Managing Director/Group Chief Executive Officer

**Date of Appointment:**

1 January 2019

**Length of Tenure as Director:**

7 years 3 months

**BOD and General Meeting:**

**BOD** | Member **8/9**



**AGM** **1/1**



**EGM** **1/1**



**Membership of Board Committees:**

- None

**Qualifications:**

- Chartered Global Management Accountant
- Bachelor's Degree in Accountancy, UiTM

**Membership of Associations:**

- Associate Member of the Chartered Institute of Management Accountants
- Member of the ICDM
- Member of MIA

**Area of Expertise:**

- Strategic Planning & Business Transformation, Investment Management & Value Creation, Empowerment, Governance, and Risk Management

**Other Directorships (as of 26 March 2026)**

**Listed Entities**

- None

**Public Companies**

- Century Bond Bhd
- Cash Band (M) Berhad

**Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)**

- None

**Declaration**

- Ahmad Fariz does not have any conflict of interest or any family relationship with any other Director and/or Major Shareholders of the Company
- He has not been convicted for any offences within the past five (5) years, nor has he been imposed any public sanction or penalty by any relevant regulatory bodies in 2025

**Working Experience and Current Engagements:**

**Ahmad Fariz** Hassan was appointed Managing Director and Group CEO ("MD/GCEO") of Kumpulan Perangsang Selangor Berhad ("KPS Berhad") on 1 January 2019, having previously served as Chief Executive Officer ("CEO") since 1 May 2016. He steers the Group's strategic direction, investment oversight, corporate governance, risk management, and ESG integration. During his tenure, KPS Berhad has undertaken a structured business transformation programme aimed at achieving sustainable performance growth, prioritising talent development and upholding the importance of ESG in decision-making processes.

With more than 20 years of experience spanning corporate strategy, investment, and the leadership of public sector institutions, Fariz brings a strong focus on enhancing shareholder value. His experience extends beyond the financial industry, providing him with a broad-based perspective on sustainable value creation and institutional stewardship across multiple sectors.

Fariz joined KPS Berhad in 2015 as Head of Strategic Planning & Investments, where he contributed to the development of the Group's investment strategy and the identification of growth opportunities. He subsequently assumed the role of CEO, overseeing strategic realignment and portfolio optimisation initiatives aimed at enhancing financial performance and organisational resilience, prior to his appointment as MD/GCEO.

Before joining KPS Berhad, Fariz was at CIMB Private Equity, at that time the largest private equity firm in the country, where he was involved in deal origination, valuation, value creation, and divestment. Ahmad Fariz then advanced his career at Ekuiti Nasional Berhad ("Ekuinas"), a private equity company owned by the Malaysian government. During this period, he gained valuable operational experience as Chief Operating Officer at one of Ekuinas' investee companies. His career later progressed to Khazanah Nasional Berhad ("Khazanah"), the national sovereign wealth fund, where he served as Senior Vice President, Investment.

With extensive experience across both the public and private sectors, Ahmad Fariz has developed a strong expertise in strengthening organisational capabilities, reinforcing governance frameworks, and integrating sustainability into business and investment decisions. This wealth of experience plays a key role in shaping KPS Berhad's long-term value, driving responsible investment practices, and ensuring balanced outcomes for stakeholders. His contributions are integral to enhancing the Group's organisational resilience.

## Senior Management's Profile



**SUZILA BINTI KHAIRUDDIN**

Deputy Chief Executive Officer (Finance & Corporate Services)



### Date Appointed to the Company as Deputy Chief Executive Officer (Finance & Corporate Services):

1 January 2019

### Qualifications:

- Bachelor of Science (Hons) in Finance and Accounting, University of Salford, United Kingdom
- Chartered Certified Accountant, the Association of Chartered Certified Accountants

### Membership of Associations:

- Fellow Member of Association of Chartered Certified Accountants (FCCA)
- Member of MIA

### Present Directorships:

#### Listed Entity

- None

#### Other Public Companies

- Cash Band (M) Berhad

### Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)

- 157,307 shares in Kumpulan Perangsang Selangor Berhad

### Working Experience and Current Engagements:

**Suzila** was appointed as Deputy Chief Executive Officer (Finance & Corporate Services) ("DCEOFCS") on 1 January 2019. In this role, she provides strategic leadership over the Group's Finance Division, encompassing financial reporting, taxation, treasury management, financial governance, and oversight of the Group's financial risks and opportunities. She leads the development of financial strategies, oversees the setting and monitoring of financial goals, budgets and performance metrics, and ensures the Group's statutory, regulatory and reporting obligations are met in accordance with applicable laws and professional standards.

Beyond her financial stewardship, Suzila's portfolio extends across a comprehensive suite of Corporate Services functions. She oversees the Human Resource Development, Legal & Compliance, Investor Relations, Sustainability & Communications ("IRSC"), Information Technology & Administration ("IT & Admin"), Risk Management, and Secretarial departments.

Her leadership ensures robust governance practices, operational effectiveness, regulatory compliance, talent and organisational capability development, transparent stakeholder engagement and strengthened enterprise-wide risk management. She plays a pivotal role in aligning these core functions with the Group's strategic direction and long-term operational resilience.

Suzila works closely with the MD/GCEO in the formulation and execution of corporate policies, strategies and long-term objectives at the Group level. Her multidisciplinary oversight and strategic contributions position her as a key driver of KPS Berhad's organisational performance, governance integrity and sustainable value creation for stakeholders.

Prior to her current position, Suzila held the dual role of Chief Operating Officer ("COO") /Chief Financial Officer ("CFO") from 1 June 2016 and subsequently served as COO beginning 1 April 2017. In these capacities, she was instrumental in overseeing the

Group's operational landscape, ensuring strong control across diverse businesses while leading the development of both financial and operational strategies critical to the Group's growth and performance.

She joined KPS Berhad as Finance Manager on 15 December 2003 and was promoted to Senior Manager of Finance on 1 January 2008, followed by Assistant General Manager of Finance on 1 January 2009. She was appointed Acting General Manager, Finance and Administration on 1 November 2013, and later confirmed as General Manager, Finance and Administration on 1 October 2014. Prior to joining KPS Berhad, Suzila gained four years of professional experience in Audit with PricewaterhouseCoopers Malaysia, where she was involved in statutory and special audits of public listed companies, multinational corporations and privately held entities across diverse industries.

## Senior Management's Profile



**AZLAN BIN ABDUL JALIL**  
Deputy Chief Executive Officer (Strategy & Investments)



**Date Appointed to the Company as Deputy Chief Executive Officer (Strategy & Investments):**

1 January 2019

**Qualifications:**

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

**Membership of Associations:**

- None

**Present Directorships:**

**Listed Entity**

- None

**Other Public Companies**

- Century Bond Bhd

**Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)**

- None

**Working Experience and Current Engagements:**

**Azlan** was appointed as Deputy Chief Executive Officer (Strategy & Investments) of KPS Berhad on 1 January 2019. Prior to that, he had served as Chief Investment Officer since 1 July 2017 and Director of Strategic Planning and Investments since June 2016. In his capacity as Deputy Chief Executive Officer (Strategy & Investments), Azlan is responsible for leading the end-to-end matters pertinent to Investments and Strategic Planning. He has played a vital role in spearheading KPS Berhad's various mergers and acquisitions ever since KPS Berhad first embarked on its Business Transformation Plan. He has displayed tremendous leadership qualities in welcoming these new companies into the bigger KPS Berhad family, as well as guiding, nurturing and finally transforming them into high performance culture companies.

Prior to joining KPS Berhad, Azlan was attached to Hong Leong Islamic Bank Berhad, where he led and managed the bank's Islamic corporate banking end, comprising debt capital market transactions; financing syndication and financing restructuring exercises, servicing numerous clients encompassing government, department and agencies, GLCs, and Small and Medium Enterprises. His last position there was Head of Wholesale Banking.

Azlan has extensively developed his experience in banking, finance, investment and capital markets for over 25 years, starting at CIMB Investment Bank Berhad, Kuwait Finance House, Saudi-Arabian based Siraaj Capital Limited, Bursa Malaysia Berhad and HSBC Bank (Malaysia) Berhad. Notably, during his tenure as the Head of Sales and Market Development at Bursa Malaysia Berhad, he led the business development arm in driving the Islamic finance initiatives to greater heights, enhancing market awareness of the Malaysian

Islamic finance initiatives and successfully increasing participation of global financial institution players. He started his career as an Associate with PwC in Audit and Business Advisory, specialising in the banking sector.

## Heads of Department



**Interest in Securities of the Company and its Subsidiary Companies** (as of 26 March 2026)

- None

**Qualifications:**

- Institute for Sustainability Leadership, University of Cambridge, United Kingdom
- Saïd Business School, University of Oxford, United Kingdom
- B.Sc (Statistics), University of Illinois at Urbana-Champaign, United States

**Working Experience and Current Engagements:**

**Zulkifli** leads the strategic direction of KPS Berhad’s sustainability agenda, positioning sustainability as a core pillar of the long-term value creation. He brings a disciplined, enterprise-wide perspective, embedding sustainability as a driver of both strategic and financial outcomes. In doing so, he has further strengthened sustainability oversight and elevated the integrity and transparency of ESG disclosures, with progressive alignment to the IFRS S1 and IFRS S2 frameworks. These efforts are anchored in the UNSDGs and the Company’s vision of shared prosperity.

He drives the execution of the Group’s Sustainability Strategy Roadmap, sharpening ESG priorities and integrating sustainability considerations into corporate and business strategies. Under his stewardship, key ESG performance indicators have been formalised, while sustainability and climate-related risks are embedded within the enterprise risk management framework. He has also advanced corporate responsibility into structured, outcome-driven social investment initiatives, supporting Asnaf and underprivileged communities.

In parallel, he oversees the Company’s investor relations programme, ensuring disciplined and constructive engagement with the investment community. He shapes the Group’s financial and strategic positioning, translating business strategy, performance and prospects into a clear and credible narrative. Through sustained engagement with analysts and investors, he reinforces transparency and deepens market understanding of the business model and long-term prospects.

Complementing this, Zulkifli directs the Company’s communications function, defining corporate messaging and aligning communication with strategic priorities. He ensures consistency in how the Group is positioned across stakeholder touchpoints, reinforcing coherence between brand, business direction and expectations.

He also steers crisis communications, public engagements and corporate events. Through a calibrated approach to messaging and engagement, he manages the Company’s brand standing with considered acuity, building the credibility of the Group’s positioning in the marketplace while strengthening stakeholder confidence.

## Heads of Department



**SELFIA BINTI  
MUHAMMAD EFFENDI**

*Company Secretary/  
Director, Secretarial  
FCIS (CS) (CGP)*



**Interest in Securities of the Company and its Subsidiary Companies** (as of 26 March 2026)

- 10,000 shares in Kumpulan Perangsang Selangor Berhad

**Qualifications:**

- Certified Integrity Officer Programme by Malaysia Anti-Corruption Academy
- Certificate in Corporate Governance Malaysia Institute of Management
- Certificate in Quranic Studies University Malaya
- Honours Degree in Chartered Secretaries and Administrators Institute of Chartered Secretaries & Administrators ("ICSA"), United Kingdom (UK)

**Membership of Association:**

- Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")

**Working Experience and Current Engagements:**

As the Company Secretary for KPS Berhad Group, **Selfia** is responsible for managing compliance obligations relating to corporate secretarial matters and statutory requirements as per the Companies Act, 2016, Capital Markets and Services Act 2007, and Bursa Malaysia Securities Berhad Main Market Listing Requirements.

In her role, she is responsible for planning, managing, and overseeing the operations of the Secretarial Department, providing advisory services and efficient secretarial support to all companies within the KPS Berhad Group. Her primary objective is to ensure the Group's compliance with applicable statutory and regulatory requirements while safeguarding the interests of the Group, its Directors, and shareholders. This is achieved through the implementation of robust corporate governance practices and adherence to best practices, while remaining up to date with the latest developments and changes in corporate governance regulations, frameworks, and standards.

Selfia is a Fellow (Chartered Secretary) and Chartered Governance Professional ("CGP") of MAICSA.



**RUSSELL  
RAJ GEORGE**

*Director, Legal &  
Compliance  
(Chief Integrity &  
Governance Officer)*



**Interest in Securities of the Company and its Subsidiary Companies** (as of 26 March 2026)

- None

**Qualifications:**

- Certified Integrity Officer Programme by Malaysia Anti-Corruption Academy
- Certificate of Legal Practice Malaysia
- LLB (Honors) University of London

**Working Experience and Current Engagements:**

**Russell** was a practising lawyer and a partner in a mid-sized legal firm specialising in corporate and commercial laws. During his tenure at the firm, he was extensively involved in major corporate exercises, including initial public offerings (IPOs) and mergers and acquisitions ("M&A"). For IPOs, he provided end-to-end legal advisory services, including drafting prospectuses, ensuring compliance with listing requirements, and liaising with regulatory authorities such as the Securities Commission and Bursa Malaysia to facilitate successful listings. In M&A transactions, he managed legal due diligence, negotiated share purchase agreements, and structured deals to align with client objectives while ensuring compliance with Malaysian corporate law and regulatory frameworks. He also played a strategic role in structuring deals to optimise outcomes for clients, navigating complex cross-border considerations and stakeholder interests.

He is now in charge of the Legal and Compliance Department in KPS Berhad, where his responsibilities have evolved to concentrate on supporting the legal and compliance needs of KPS Berhad and its subsidiary companies. This includes providing strategic guidance on contractual matters, regulatory compliance, and risk management to ensure operational efficiency across diverse business units. In addition, Russell plays a pivotal role in strengthening governance frameworks within the Group, driving initiatives that promote transparency, accountability, and adherence to best practices.

As the Chief Integrity & Governance Officer, he oversees the implementation of the Integrity and Governance Unit ("IGU") function, which includes establishing a systematic whistleblowing and complaint management system. These efforts are aimed at safeguarding ethical standards and embedding a culture of integrity throughout the organisation, ensuring that governance principles are consistently applied across all subsidiary companies.

Heads of Department



**KHAIRUL RIDZWAN BIN AZIZAN**  
 Director, Internal Audit & Risk Management





**Interest in Securities of the Company and its Subsidiary Companies** (as of 26 March 2026)

- None

**Qualifications:**

- Association of Chartered Certified Accountants

**Working Experience and Current Engagements:**

**Khairul Ridzwan** leads the Internal Audit and ERM functions at KPS Berhad, overseeing planning, execution, monitoring, and reporting. He drives strategic initiatives to enhance processes and controls, adding value to the Group’s operations through a disciplined approach to risk management, governance, and compliance.

Since joining KPS Berhad in 2022, Khairul has played a pivotal role in driving improvements across subsidiary companies through audit engagements and business process optimisation initiatives. His leadership has been marked by actionable recommendations and the successful execution of special projects to strengthen the Group’s operational framework.

With over 21 years of experience in internal auditing and risk management across various industries, Khairul brings expertise in business process re-engineering, risk management, data analytics, and corporate compliance. His diverse professional background equips him to contribute meaningfully to KPS Berhad’s ongoing growth and strategic objectives.



**SITI SHAZLINA BINTI SHAMSIRUDDIN**  
 Director, Human Resource Development





**Interest in Securities of the Company and its Subsidiary Companies** (as of 26 March 2026)

- None

**Qualifications:**

- Bachelor of Commerce (B.Com.) Human Resources Management and Management, Curtin University of Technology, Australia

**Working Experience and Current Engagements:**

**Shazlina** serves as the Director of Human Resource Development, playing a pivotal role in shaping and implementing the Group’s HR strategies to align with its business plans and long-term objectives. She leads the cultural transformation initiatives, fostering a cohesive, innovative, and high-performance work environment that supports organisational growth and sustainability.

With her expertise in Succession Planning, Talent Management, Change Management, Organisational Performance, and HR Digitalisation, Shazlina focuses on optimising workforce potential, driving employee engagement, and ensuring operational excellence. Through her leadership, she cultivates a strong high-performance culture by leveraging coaching and mentoring to develop employees’ capabilities and enhance organisational effectiveness.

In addition to her HR leadership role, Shazlina serves as the Support Recovery Team Leader under the BCM Crisis Management Committee, contributing to the Group’s emergency preparedness and supporting the safeguarding of operational continuity when required.

## Heads of Subsidiary Companies



### Date Appointed to the Company:

- 19 January 2026

### Qualifications:

- Master of Business Administration (Strategic Management), Universiti Teknologi Malaysia
- Bachelor of Management Technology, Universiti Teknologi Malaysia

### Membership of Associations:

- None

### Present Directorships:

#### Listed Entity

- None

#### Other Public Companies

- None

#### Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)

- None

### Professional Experience and Current Engagement:

**Kelly Teo** is an experienced business leader with over 20 years of expertise in manufacturing, business development and regional operations management across Southeast Asia. She has built her career on delivering growth, improving profitability, and leading business transformation initiatives across multi-country operations. Her leadership style combines strong commercial acumen with hands-on operational management, enabling organisations to enhance competitiveness while building strong, high-performing teams.

Prior to assuming her role as CEO, Kelly had accumulated over 8 years' experience in Toyoplas' Global Business Development unit, last serving as Senior Director, where she led business development initiatives across Malaysia and Indonesia and elevated Toyoplas as a valued partner to its multi-national customers. During her tenure, she successfully transformed the company's business model from a component supplier into a full contract manufacturing partner, strengthening the company's value proposition and margin structure. Her leadership contributed to the successful acquisition of major international customers, generated new sales and achieved significant year-on-year revenue growth.

Kelly began her career in Singapore and was already entrusted with multi-sites and country leadership roles before joining Toyoplas. She has held full responsibility for the company's commercial and operational activities across multiple Southeast Asian markets, ensuring the achievement of sales, profitability and operational targets. She played a crucial role in shaping the company's regional growth strategy and strengthening the company's market position.

Kelly also led the development and execution of regional expansion plans, identifying new business opportunities, entering new markets, and establishing strategic partnerships across Southeast Asia. She had successfully led revenue diversification initiatives by penetrating new industry segments, including the automotive sector in Thailand, and strengthening the company's regional footprint. In addition to driving top-line growth, Kelly implemented operational restructuring and cost optimisation initiatives to improve overall profitability. She also built and mentored a high-performing regional team, fostering a strong culture of collaboration, accountability and customer focus.

Kelly holds a Master of Business Administration (MBA) in Strategic Management from Universiti Teknologi Malaysia and a Bachelor's Degree in Management (Technology). With her extensive regional leadership experience and a strong track record in business growth, Kelly continues to drive Toyoplas' position as a trusted manufacturing partner in the global market.

## Heads of Subsidiary Companies



**Date Appointed to the Company:**

- 4 January 1990 (Founder)

**Membership of Associations:**

- None

**Present Directorships:**

**Listed Entity**

- None

**Other Public Companies**

- None

**Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)**

- None

**Professional Experience and Current Engagement:**

**Lim Lai Chin** has been the Chief Executive Officer of CPI (Penang) Sdn Bhd (“CPI”) since he founded the company in 1990. Subsequent to the acquisition of CPI by KPS Berhad in March 2018, Lim’s continuation as the CEO of CPI was further reaffirmed, given his proven track record and over his 35 years of experience in the plastics injection moulding and electronic manufacturing services industries. His extensive knowledge from having served these industries throughout the years, coupled with his passion, has enabled him to steer CPI into becoming a name to be reckoned within the global market.

He began his career in a manufacturing facility in Singapore. Through continuous dedication and interest in the manufacturing industry, he then founded CPI in 1990 and started the business with only six injection moulding machines, serving only a single customer at that point of time. In 2001, Lim responded to the increasing market demand and took CPI to the next level by establishing a new manufacturing facility to expand his plastics injection moulding capabilities. Subsequently, riding on the growth of the electronics industry, he also led CPI to venture into electronic manufacturing services in 2007.

Under his leadership, CPI has shown remarkable resilience in navigating through global challenges affecting the industry in recent years, namely the impact of COVID-19, demand downturn for the electronics segment worldwide and geopolitical tensions. Despite these challenges, CPI has continued to record top-line growth since KPS Berhad’s acquisition of the company.

Today, CPI houses 90 high-precision plastics injection moulding machines equipped with automation and is well-positioned to embrace future advancements and serve the ever-evolving market.

Lim’s focus on precision and delivering high-quality products has made it possible for CPI to establish long-lasting relationships with over 90 corporations globally, encompassing market leaders and multinational companies from the automotive, healthcare, telecommunications as well as electronics industries. In addition to his well-proven technical skills and industry know-how, Lim’s strong interpersonal skills combined with his charismatic leadership have allowed him to effectively and continuously manage stakeholders of every level from employees, customers, suppliers and even competitors, thus positioning CPI as the successful company that it is today.

## Heads of Subsidiary Companies



### TANG TSEN TSEN

Chief Executive  
Officer of  
MDS Advance Sdn Bhd



#### Date Appointed to the Company:

- Since 1 January 2026

#### Qualification:

- Bachelor of Science in Applied Physics, University of Malaya
- Certificate In Quality Engineer, SEGI University College

#### Membership of Associations

- None

#### Present Directorships:

##### Listed Entity

- None

##### Other Public Companies

- None

#### Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)

- None

#### Professional Experience and Current Engagement:

**Tang Tsen Tsen ("Tang")** was appointed as Chief Executive Officer of MDS Advance Sdn Bhd effective 1 January 2026. He has over 25 years of experience in sourcing, supply chain management and manufacturing operations, with exposure across the electronics, medical devices, semiconductor, aerospace and capital equipment industries.

Tang previously served as Sourcing Director - APAC Regional at Plexus Manufacturing, where he was responsible for regional sourcing strategy, supplier development, quotation and cost analysis, new product introduction (NPI) support and cross-functional collaboration. During his tenure, he contributed to significant business growth in the Asia-Pacific region, supporting revenue expansion, manufacturing footprint growth and localisation of supply chains.

His professional experience includes establishing and managing regional sourcing organisations, driving supplier qualification and development programmes, improving quotation processes, supporting value engineering initiatives and maintaining material profitability through disciplined cost and sourcing strategies. He has also been involved in supporting projects across single-use medical devices, semiconductor capital equipment, power modules and electromechanical systems.

Prior to Plexus Manufacturing, Tang held engineering and material management roles at Agilent Technologies and SGTi Sumitomo, where he was involved in material quality management, supplier audits and localisation initiatives.

## Heads of Subsidiary Companies



**GOH LENG HOCK (ALFRED)**

Chief Executive Officer of Century Bond Bhd



**Date Appointed to the Company:**

- 1 April 2022

**Qualification:**

- LCCI , Major in Marketing & Management (Stamford College, KL)

**Membership of Associations**

- Federation of Malaysian Manufacturers
- Malaysian Corrugated Carton Manufacturers Association
- Asia Corrugated Case Association

**Present Directorships:**

**Listed Entity**

- None

**Other Public Companies**

- None

**Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)**

- None

**Professional Experience and Current Engagement:**

**Alfred Goh Leng Hock ("Alfred")** was appointed as the Chief Executive Officer of the Century Bond Bhd Group ("CBB") on 1 April 2022. Prior to this appointment, Alfred served as the Deputy Chief Executive Officer of CBB since 1 February 2020. Alfred has been with CBB for over 20 years and has accumulated extensive experience in sales, manufacturing and operations since 1994. Alfred has consistently demonstrated a strong leadership in growing CBB, underpinned by his extensive knowledge of the industry, coupled with strong work ethics and persistence.

Alfred began his career at CBB in 2003 as a General Manager of the Carton Division. Following KPS Berhad's acquisition of CBB in November 2016, he continued his role in the Group's expansion initiatives, beginning with the establishment of a new pulp moulded division in late 2017, followed by a strategic move into higher value-added products through setting up of the Offset Division in the same year. In 2020, Alfred led CBB's geographical expansion of the offset division into Indonesia, which has strengthened CBB's presence globally. As a direct result of the expansion, CBB secured its first Multinational Company ("MNC") customer, marking a key milestone and transformative moment for the Group.

In response to evolving MNC customers' requirements towards ESG, Alfred steered CBB in obtaining the RBA certification in 2025, pioneering the accreditation within the packaging industry. This milestone further enhanced the Group's compliance credentials and its ability to meet increasingly stringent ethical, governance and operational standards. Aligned with growing market demand, this initiative has created new opportunities for CBB to serve customers with heightened governance and sustainability expectations. Under his leadership, CBB has transformed into a full-fledged one-stop packaging solutions provider and has been the supplier of choice for leading OEM's.

Despite the pandemic and challenging operating environment, CBB managed to remain resilient under his stewardship, guided by the group's diversified business and operational excellence including better cost management. Alfred's persistence and extensive experience in the industry have allowed him to grow the business, increase CBB's customer base and position CBB as a one-stop solution packaging solution provider, as it is today.

## Heads of Subsidiary Companies



### EU KOK SOON

Chief Executive  
Officer of  
Aqua-Flo Sdn Bhd



#### Date Appointed to the Company:

- 1 January 2024

#### Qualification:

- Master in Science, University of Malaya
- Bachelor of Science (Hons) in Chemistry, University of Malaya

#### Membership of Associations

- Member of Malaysian Institute of Chemistry
- Member of Malaysian Water Association

#### Present Directorships:

##### Listed Entity

- None

##### Other Public Companies

- None

#### Interest in Securities of the Company and its Subsidiary Companies (as of 26 March 2026)

- None

#### Professional Experience and Current Engagement:

**Eu Kok Soon** began his career in 1995 as a Technical Manager at Chemindus Sdn Bhd before joining Aqua-Flo Sdn Bhd ("Aqua-Flo") in 1999. With over 28 years of experience in the water treatment industry, he currently serves as the Chief Executive Officer of Aqua-Flo, where he plays a pivotal role in steering the company's strategic direction.

Throughout his career, Eu Kok Soon has been deeply involved in numerous water treatment projects across Malaysia, with a strong focus on water quality control, chemical application, and process optimisation. His extensive experience in the field allows him to bring valuable insights and opportunities that go beyond just chemical supply—extending into holistic water treatment process improvements and long-term sustainability strategies.

He is an active member of the SIRIM Committee, contributing to the development of standards for water treatment chemicals used in potable water supply, particularly in the formulation and application of polyaluminium chloride in water treatment works throughout Malaysia. One of his significant achievements includes the successful introduction of propylammonium chloride into the Malaysian water industry, offering a new solution in coagulant chemistry that enhances treatment efficiency and cost-effectiveness.

Under his stewardship, Aqua-Flo has strengthened its position as a leader in the water treatment industry in Malaysia. Aqua-Flo has consistently secured multiple long-term chemical supply and water meter contracts from prominent customers, reflecting sustained confidence in Aqua-Flo's technical capability, service quality, and reliability. His steady leadership continues to drive innovation, operational discipline, and integrated solutions, reinforcing Aqua-Flo's reputation as a trusted partner in Malaysia's water sector.

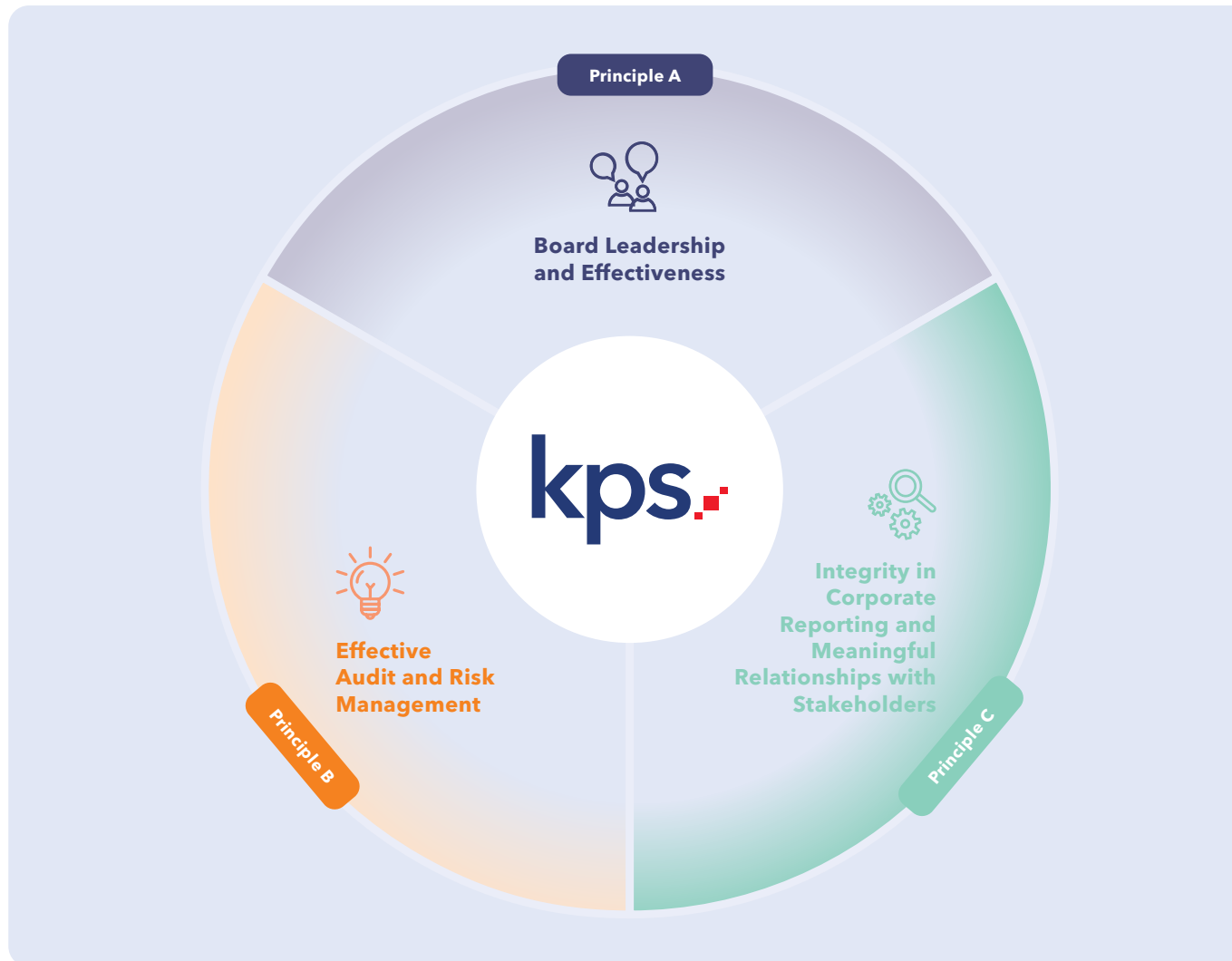
CHAPTER

07

# Governance

## Corporate Governance Overview Statement

The Board of Directors (“Board”) of KPS Berhad is pleased to present the Corporate Governance Overview Statement (“CGOS”) for the financial year ended 31 December 2025. This CGOS provides an overview of the application of the principles set out in the MCCG, issued by the Securities Commission Malaysia (“SC”), and in line with Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) as illustrated below:



The CGOS should be read in conjunction with the 2025 Corporate Governance (“CG”) Report (“2025 CG Report”), which provides a detailed account of how the Company applied each Principle of the MCCG during the year and is available on the Company’s website at [www.kps.com.my](http://www.kps.com.my) and on Bursa Securities’ website.

To gain a comprehensive understanding of KPS Berhad’s CG practices, it is essential to review the CGOS together with other key reports, namely, the Statement on Risk Management and Internal Controls (“SORMIC”), the Board Audit Committee (“BAC”) Report, the Nomination and Remuneration Committee (“NRC”) Report, which are prescribed in the 2025IAR, as well as the 2025SR. These reports are available on the Company’s website at [www.kps.com.my](http://www.kps.com.my).

### Driving Excellence in Corporate Governance Group-wide

The Board remains unwavering in its commitment to upholding the highest standards of CG, ensuring that the Company’s operations are characterised by integrity, transparency, and professionalism. Through active oversight, the Board continually enhances governance practices and implements a comprehensive CG Framework across KPS Berhad and its subsidiary companies (“KPS Berhad Group” or “Group”) regular reviews and benchmarking against global best practices and industry standards help optimise governance structures and processes.

## Corporate Governance Overview Statement

### 1) Strengthening Governance through Policy/Framework Enhancement

KPS Berhad conducted a thorough review of its Group-wide policies to ensure their continued relevance, effectiveness, and alignment with evolving internal and external dynamics. This exercise demonstrates our steadfast commitment to meeting the expectations of discerning stakeholders while further enhancing operational efficiency and strengthening governance standards.

Key drivers for the new or revised policy/framework include:

<p><b>Adapting to Industry Evolution</b></p> <p>Aligning with emerging standards and best practices to sustain competitiveness and operational efficiency.</p>	<p><b>Enhancing Clarity and Enforceability</b></p> <p>Ensuring that policies/frameworks are clearly articulated, transparent, and uniformly implemented throughout the Group.</p>	<p><b>Enhancing Compliance and Risk Management</b></p> <p>Revising policies/frameworks to proactively address legal and regulatory risks while steadfastly maintaining the highest standards of corporate integrity.</p>
--	---	--

Amongst the new/revised policies/frameworks in 2025 are:

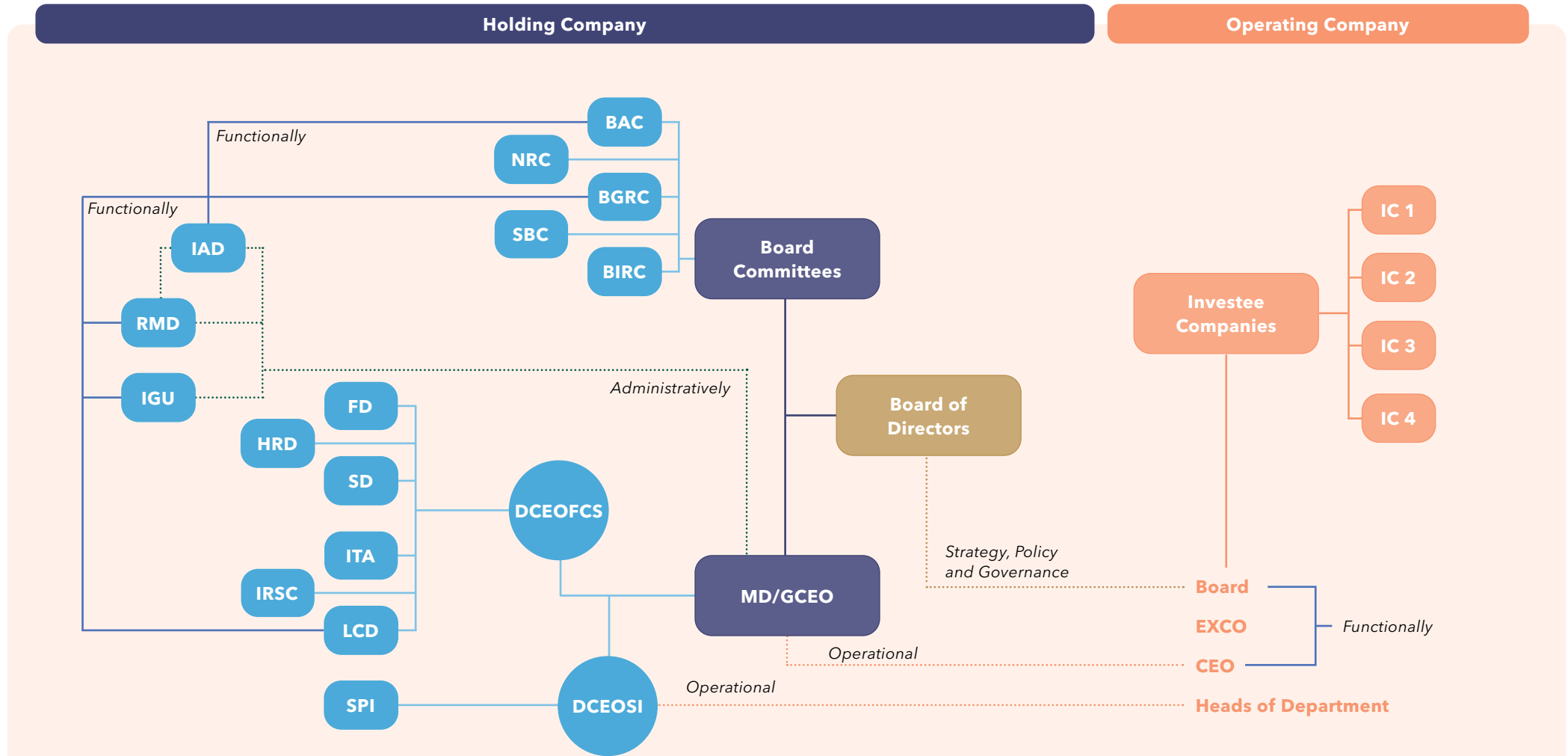
New	Revised
<b>1) Inventory Management Policy</b>	1) Anti-Bribery and Corruption Policy
	2) Compliance Policy
	3) Personal Data Protection Policy
	4) Code of Business Conduct and Ethics
	5) Treasury Policy
	6) Dividend Policy
	7) Board Diversity Policy
	8) Fit and Proper Policy
	9) Talent Management and Succession Planning Policy
	10) Performance Management System Policy
	11) Head of Subsidiary Appointment Policy
	12) Directors' Conflict of Interest Policy
	13) Employees' Conflict of Interest Policy
	14) Senior Management Remuneration Policy
	15) Non-Audit Related Services by External Auditors Policy and Policy on Appointment and Assessment of External Auditors (merged)
	16) Sustainability Framework and realigned the Task Force on Climate-Related Financial Disclosures with the National Sustainability Reporting Framework

### 2) Strengthening Governance through Robust KPS Berhad Governance Framework

KPS Berhad Governance Framework ("KPS Berhad-GF") was established in 2017, designed to align with the Company's business model and strategic direction as an investment holding entity with diversified operations spanning multiple regions. This comprehensive framework empowers the Board to fulfil its responsibilities at the investee companies ("ICs") level in an effective and systematic manner, with a particular focus on strategic leadership, policy development, governance, and the execution of value creation plans ("VCPs").

## Corporate Governance Overview Statement

The KPS Berhad-GF is as summarised below:



Managing Director/Group Chief Executive Officer ("MD/GCEO"); Deputy Chief Executive Officer, Finance & Corporate Services ("DCEOFCS"); Deputy Chief Executive Officer, Strategy and Investments ("DCEOSI"); Executive Committee ("EXCO"); NRC, Board Governance and Risk Committee ("BGRC"); Board Investment Review Committee ("BIRC"); Sustainability Board Committee ("SBC"); Strategic Planning and Investment Department ("SPI"); Investor Relations, Sustainability and Communications Department ("IRSC"); Finance Department ("FD"); Human Resource Development Department ("HRD"); Secretarial Department ("SD"); Legal and Compliance Department ("LCD"); Risk Management Department ("RMD"); Internal Audit Department ("IAD"); Information Technology and Administration ("ITA"); Integrity and Governance Unit ("IGU"); Chief Executive Officer ("CEO").

## Corporate Governance Overview Statement

### Roles of the KPS Berhad Board, MD/GCEO, ICs Board, and EXCO under the KPS Berhad-GF

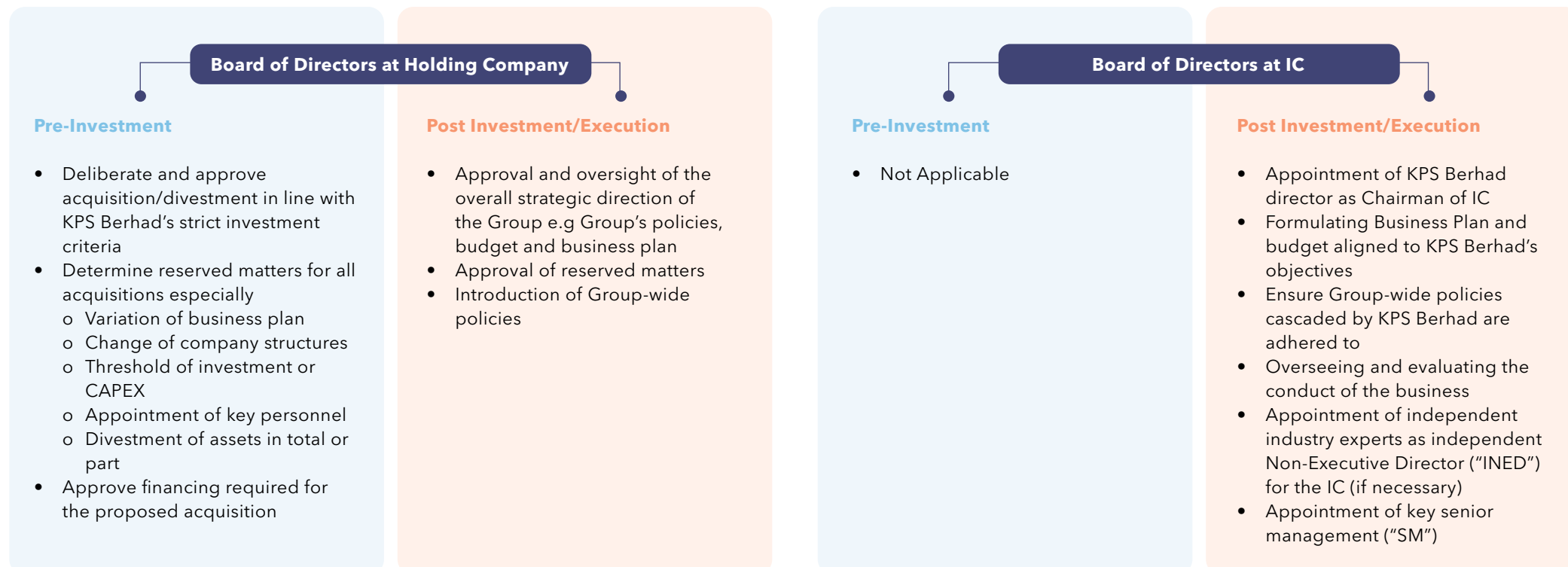
Under the KPS Berhad-GF, the Board oversees the Group’s management and business affairs and makes key policy decisions. To maximise the overall effectiveness of the Board, specific responsibilities are delegated to various Board Committees (“BCs”), namely the BAC, NRC, BGRC, BIRC, and SBC, ensuring each BC operates rigorously within its defined Terms of Reference (“TOR”).

Additionally, the Board has delegated certain powers to the MD/GCEO for day-to-day management, operating within the approved Limit of Authority (“LOA”). The LOA governs the delegation of decision-making authority, ensuring that decisions are made by the appropriate entity, such as the Board, BCs, MD/GCEO, or Management, with clear accountability to the Board.

Furthermore, as an investment holding company, KPS Berhad’s Board plays a pivotal role throughout both the pre-investment and post-investment phases of its ICs, as outlined below:

Following the acquisition of an investee company (“IC”), KPS Berhad appoints designated directors to serve as Board Representatives (“BR”) on IC’s Board. The BR assume the roles of Chairperson, working alongside key management personnel or external experts with relevant expertise (Subject Matter Experts). This structure enhances the KPS Berhad Board’s oversight of the Group’s overall strategic direction, encompassing Group policies, budgets, and business plans. Importantly, it ensures that the BR fulfil their fiduciary duties by acting in good faith and in the best interests of the IC, in accordance with Paragraph 3.02 of the SC Guidelines on the Conduct of Directors of Listed Corporations & Their Subsidiaries (“GCD”) and the Board Charter of KPS Berhad.

Regarding the responsibilities of the IC Board, each IC Board establishes a delegation of authority and Financial Authority Limits as key guidelines for its business operations and for achieving its objectives. To support this, the IC Board forms an EXCO, with members nominated by shareholders in accordance with the shareholders’ agreement. The EXCO’s roles and responsibilities are clearly defined in its TOR. The illustration below highlights the roles of the IC Board:



## Corporate Governance Overview Statement

### Corporate Governance Highlights at KPS Berhad

Throughout 2025, KPS Berhad consistently demonstrated its commitment to the Practices outlined in the MCCG, as summarised below:

MCCG		FY2025	
48 MCCG Practices	43 Standard Practices	38 Applied 4 Departed* 1 Not Applicable	
	5 Step-Up Practices	4 Adopted 1 Not Adopted*	

The four (4) departed standard practices are as follows:

Practice	Details
<b>Practice 5.9</b>	The Board comprises at least 30% women directors.
<b>Practice 8.2</b>	Disclosed on a named basis, the top five senior management’s remuneration components, including salary, bonus, benefits-in-kind and other emoluments, are in bands of RM50,000.
<b>Practice 13.2</b>	All directors attend general meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful responses to questions addressed to them.
<b>Practice 13.3</b>	The Company leverages technology to facilitate voting in absentia and remote shareholders’ participation at the general meeting.

\* Details explanation of the Departed Practices and the Non-Adoption of Step-Ups can be found in the 2025 CG Report.

Detailed explanations of the departure are disclosed in the 2025 CG Report under the respective practices.

In line with the enhanced expectations of the MCCG, the Company has evaluated each Step-Up Practice and discloses below the practices that were adopted and the one that was not during the financial year.

<p><b>Step-Up 4.5</b></p> <p><b>Adopted</b></p> <p>Designated management personnel oversee the sustainability matters of the Company</p>	<p><b>Step-Up 5.4</b></p> <p><b>Adopted</b></p> <p>The Board has a policy limiting the tenure of ID to nine (9) years without extension</p>
<p><b>Step-Up 8.3</b></p> <p><b>Not Adopted</b></p> <p>Companies are encouraged to fully disclose the detailed remuneration of each senior management member on a named basis</p>	
<p><b>Step-Up 9.4</b></p> <p><b>Adopted</b></p> <p>The Board Audit Committee is comprised solely of Independent Directors (“IDs”)</p>	<p><b>Step-Up 10.3</b></p> <p><b>Adopted</b></p> <p>The Board establishes the Board Risk Committee (known as BGRC)</p>

## Corporate Governance Overview Statement

The following sections illustrate how KPS Berhad has effectively adopted and implemented the three (3) Principles set forth in the MCCG:

## Principle A

## Board Leadership and Effectiveness



## Principle B

## Effective Audit and Risk Management



## Principle C

## Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders



## Principle A

### Board Leadership and Effectiveness



- Board Responsibilities
- Board Composition
- Remuneration

#### Board Responsibilities

##### a) Board Charter

The Board Charter (“Charter”) serves as a definitive governance framework, providing clear guidance for the Board in discharging its fiduciary duties with utmost professionalism and effectiveness. It specifies the distinct roles, powers, responsibilities, and obligations of the Board, BCs, individual directors, the MD/GCEO, and the Company Secretary. While authority is appropriately delegated, the Board retains ultimate responsibility and maintains collective oversight of both its BCs and Management at all times.

To ensure the ongoing relevance of the Charter, it is subject to systematic review and revision at least once every three (3) years, or whenever there are changes in the regulatory framework or requirements. This approach ensures that the Charter consistently reflects the Company’s evolving objectives, strategies, and the latest legal and regulatory developments. The Charter is publicly accessible on KPS Berhad’s website at [www.kps.com.my](http://www.kps.com.my).

## Corporate Governance Overview Statement

### b) Discharging Responsibilities

The Board assumes full accountability for the overall performance of the Group, exercising independent judgment with utmost care, skill, and diligence, as stipulated under Sections 211 (Functions of the Board) and 213 (Duties & Responsibilities of Directors) of the Companies Act 2016 (“CA2016”). In line with the SC’s GCD guidelines, KPS Berhad-GF ensures that Directors maintain rigorous oversight of all internal controls across the Group.

The Board exercises strategic oversight and establishes direction for both the Group’s immediate objectives and long-term aspirations, shaping its overall trajectory. It offers informed counsel on corporate initiatives proposed by Management, closely monitoring their implementation to ensure optimal performance and sustained growth.

In fulfilling its responsibilities, the Board thoroughly evaluates and challenges Management’s underlying assumptions, making key decisions on the annual strategic initiatives and business plan. This encompasses the approval of capital and revenue budgets, as well as the corporate key initiatives (“CKIs”) and key performance indicators (“KPIs”) for the Company and the MD/GCEO, thereby ensuring full alignment with the Company’s strategic objectives and facilitating robust decision-making.

While the Board provides oversight of the Group’s operations, the MD/GCEO, with Management’s support, is charged with executing the Group’s strategic and operational agenda. The MD/GCEO is accountable for implementing strategies and policies as approved by the Board, with the Company’s performance evaluated through quarterly financial reports and biannual assessments of the CKIs and KPIs.

Effective 2025, to further strengthen the Board’s oversight of the Group’s strategic matters, a dedicated strategic agenda has been incorporated into KPS Berhad’s quarterly Board meetings. Under this framework, the MD/GCEO delivers comprehensive updates to the Board on key strategic matters, including ongoing investment and divestment realisation, capital structure and capital availability, dividend distribution, value creation, prospective investments, emerging risks, mergers and acquisitions and talent development.

In addition to quarterly and ad hoc Board meetings, a separate off-site informal session, known as the Board Retreat Sessions (“BRS”), is intended to be held at least twice a year to facilitate in-depth strategic discussions among the Board, SM and Heads of Subsidiary (“HOS”) companies. The BRS serves as a dedicated forum for formulating strategic initiatives, setting the Group’s direction, and reviewing its progress. In 2025, the BRS was held from 28 November 2025 to 1 December 2025.

### c) Board Oversight of Group Sustainability

The Board plays a pivotal role in shaping and advancing the Group’s sustainability agenda. It oversees the formulation and execution of sustainability strategies and monitors progress towards the Group’s established sustainability objectives. Both the BCs and the SBC collaborate closely with the Board, providing specialised oversight and expert guidance on specific sustainability matters. Feedback from stakeholder engagements on ESG topics is communicated to the SBC, which then presents these findings to the Board for consideration and action. This governance structure facilitates comprehensive analysis and enables well-informed decision-making on complex sustainability issues, thereby supporting the Group’s long-term success.

The Board formally adopted the Sustainability Policy (“SP”) in November 2018, subsequently revising it in 2019 to establish a robust framework that underpins the Group’s unwavering commitment to responsible business practices. This policy integrates Environmental, Social, and Governance (“ESG”) principles, thereby advancing sustainable development throughout the organisation.

Recognising the rapidly evolving business landscape and shifting stakeholder expectations, KPS Berhad undertook a comprehensive review and enhancement of its SP in 2024. This updated policy further strengthens the Group’s ability to systematically embed sustainability within its operational framework, ensuring alignment with current strategic objectives and enabling the effective management of emerging challenges.

Aligned with the SP, the Group is committed to taking significant steps to ensure its activities generate long-term value for all stakeholders through sustainable development practices. The Group executed its strategy by addressing ESG risks and opportunities, aligning with its business aspirations and pursuit of operational excellence.

### d) Board Leadership

- **Board Chairman**

Dato’ Dr. Ahmad Fadzli bin Ahmad Tajuddin (“Dato’ Dr. Ahmad Fadzli”) was appointed as the Non-Independent Non-Executive Chairman (“NINEC”) on 26 May 2025. Throughout the year, Dato’ Dr. Ahmad Fadzli demonstrated exemplary leadership of the Board, consistently upholding the highest standards of formality, professionalism, and unity. Through his diligent execution of Board duties, roles, and responsibilities, he provided strategic guidance and played an instrumental role in steering the Board towards effective governance and cohesive decision-making.

## Corporate Governance Overview Statement

In line with Practice 1.4 of the MCCG, the Chairman of the Board, Dato’ Dr. Ahmad Fadzli, does not serve as a member of any BCs, a governance practice consistently upheld since 2020. This intentional separation strengthens the system of checks and balances, ensuring that the Board is able to objectively evaluate and consider the recommendations put forward by its committees.

Based on the results of the ABE 2025 evaluation, Dato’ Dr. Ahmad Fadzli was rated as “Above Average” by his peers, underscoring his exemplary leadership. This recognition reflects his ability to foster Board effectiveness, demonstrate unwavering commitment to governance and strategic direction, and exhibit outstanding interpersonal and communication skills. The Chairman’s specific roles and responsibilities are comprehensively detailed in Clause 3.5.1 of the Charter, accessible on the Company’s website at [www.kps.com.my](http://www.kps.com.my).

- **Demarcation of Duties between Chairman and MD/GCEO**

The responsibilities of the Chairman and the MD/GCEO are deliberately segregated and entrusted to separate individuals, as outlined in Clauses 3.5.1 and 3.5.2 of the Company’s Charter. This deliberate separation reinforces a strong governance structure by ensuring clear accountability and preventing excessive concentration of authority. By distributing leadership roles appropriately, the Company safeguards effective oversight and fosters objective, well-informed decision-making at the highest level.

Chairman	MD/GCEO
<p>The Chairman is responsible for effective leadership of the Board with a strong emphasis on governance and compliance. Key duties include:</p> <ul style="list-style-type: none"> <li>• Providing overall leadership to ensure the Board fulfils its responsibilities efficiently</li> <li>• Guiding the adoption and implementation of sound corporate governance practices</li> <li>• Setting the Board agenda and ensuring members receive timely, accurate information</li> <li>• Facilitating productive discussions and ensuring Board meetings are conducted effectively</li> <li>• Encouraging open participation and the free expression of differing opinions</li> <li>• Promoting respectful relationships among Board members and managing interactions between the Board and Management</li> <li>• Ensuring effective communication with stakeholders and relaying their views to the Board</li> <li>• Devoting sufficient time to fulfil the responsibilities of the Chairman’s role</li> </ul>	<p>The MD/GCEO is responsible for the day-to-day management of the Company’s operations, acting within the authority delegated by the Board.</p> <p>Key responsibilities include the following:</p> <ul style="list-style-type: none"> <li>• Strategy development and initiatives</li> <li>• Business development</li> <li>• Monitoring and tracking performance of the business</li> <li>• Risk management and development of internal processes</li> <li>• Human resource development and promoting a culture based on the Company’s vision and values</li> <li>• Stakeholder communication, engagement and management</li> </ul>

- **Company Secretary**

Selfia binti Muhammad Effendi, who serves as the Company Secretary of KPS Berhad (“Company Secretary”), is a qualified Company Secretary under Section 235 of the CA2016. In her role, she provides the Board with comprehensive advisory support on its duties and responsibilities, corporate governance matters, and compliance with all relevant laws and regulatory obligations affecting the Group. Additionally, she ensures the effective administration of Board and BCs meetings, attends and accurately records the proceedings of Board, BCs, and general meetings, and facilitates clear and efficient communication amongst Board members.

The Company Secretary keeps the Board and Management informed of statutory and regulatory updates, particularly concerning directors’ responsibilities and disclosure obligations. Her role also involves communicating Board decisions and policies to the BCs and Management, overseeing Board induction, and facilitating directors’ professional development.

The Company Secretary is committed to continuous professional development and actively engages in training to stay up to date with regulatory changes and CG. Details of the training attended by Selfia are disclosed under Practice 1.5 of the 2025 CG Report.

## Corporate Governance Overview Statement

### e) Board Administration

#### • Board Meeting & Attendance

The Board meets quarterly, with additional special meetings held as necessary to address specific matters between regular sessions, utilising virtual, hybrid, and physical platforms in accordance with Clause 120 of KPS Berhad’s Constitution.

The Chairman, in consultation with Management, determines the meeting agenda and ensures that adequate time is allocated for the comprehensive discussion of all matters submitted to the Board for its consideration. To facilitate effective and well-informed deliberations, a pre-Board session is convened to provide the Chairman with a detailed briefing on all agenda items scheduled for discussion.

The one-year schedule for Board, BCs, pre-Board, AGM and BRS meetings is finalised and communicated to the Board in November of the preceding year, allowing directors sufficient time to plan their attendance.

The Board, BCs, General meetings and Board Retreat calendar for 2025 are as follows:

Month	Number of Meetings Held	Meetings						
JAN	2	Special Board	NRC					
FEB	4	Board	NRC	BAC	BIRC			
MAR	6	Special Board	Special NRC	Special BAC	BGRC	SBC	Special NRC	
APR	-							
MAY	5	Board	BAC	BGRC	BIRC	AGM		
JUN	-							
JUL	3	Special Board	Special BAC	EGM				
AUG	8	Special Board	BAC	NRC	BGRC	BIRC	SBC	Special BIRC
SEP	1	Special Board						
OCT	-							
NOV	5	Board	BAC	BGRC	BIRC	SBC		
DEC	1	Board Retreat						

## Corporate Governance Overview Statement

Outlined below are the total counts of Board, BCs, and AGM/EGM meetings held, and the hours spent by the Board during FYE2025:

Type of meetings	Board	BAC	NRC	BGRC	BIRC	SBC	AGM	EGM
No. of meetings held	9	6	5	4	5	3	1	1
Total no. of hours spent on the meeting	18 hours 23 minutes	17 hours 5 minutes	9 hours	7 hours 21 minutes	8 hours 15 minutes	2 hours 35 minutes	4 hours 20 minutes	50 minutes

In 2025, all directors fulfilled the minimum attendance requirement of at least 50% of Board meetings, as mandated by Paragraph 15.05(3)(c) of the MMLR of Bursa Securities. The overall average attendance at Board meetings was high, with three (3) directors achieving 100% attendance and five (5) directors recording 89%. As for BCs, the average attendance stood at a commendable 100%.

Directors' attendance at Board, BCs, AGM, and EGM meetings held in 2025:

	Meeting Attendance for 2025							
	Board	BAC	NRC	BGRC	BIRC	SBC	AGM	EGM
<b>Current Directors</b>								
DAF*	4/5	89%						1/1
DSY+	8/9	89%		4/4	5/5	3/3	1/1	1/1
DIH#	8/9	89%	6/6	5/5	5/5	3/3	1/1	1/1
NK@	8/9	89%		5/5	4/4	3/3	1/1	0/1
DNA	9/9	100%	6/6		4/4	5/5	1/1	1/1
SS	9/9	100%	6/6	5/5	4/4	3/3	1/1	1/1
DSI	9/9	100%	6/6	5/5		5/5	1/1	1/1
MD/GCEO\$	8/9	89%					1/1	1/1
<b>Former Director</b>								
DH (resigned: 31.01.2025)	1/1	100%						

**Abbreviation**

DAF	- Dato' Dr. Ahmad Fadzli bin Ahmad Tajuddin (Appointed effective 26.05.2025)	SS	- Sharmila Sekarajasekaran ("Sharmila")
DSY	- Dato' Ts. Saipolyazan bin Yusop ("Dato' Ts. Saipolyazan")	DSI	- Datuk Syed Izuan bin Syed Kamarulbahrin ("Datuk Syed Izuan")
DIH	- Dato' Ikmal Hijaz bin Hashim ("Dato' Ikmal")	AFH	- Ahmad Fariz bin Hassan ("Ahmad Fariz")
NK	- Norliza binti Kamaruddin ("Norliza")	DH	- Dato' Setia Haris bin Kasim (Resigned effective 31.01.2025)
DNA	- Dato' Noorazman bin Abd Aziz ("Dato' Noorazman")		

**Notes:**

\* DAF does not sit as a member of any BCs. This helps maintain a check and balance, allowing the Board to objectively review matters brought forward by the BCs, in line with Practice 1.4 of the MCCG.

On a separate note, DAF did not attend the Board meeting on 28 August 2025 due to other official engagements.

+ DSY did not attend the Board meeting on 28 February 2025 due to other official state engagements.

# DIH did not attend the Board meeting on 21 January 2025 due to other work engagements that could not be rescheduled.

@ NK did not attend the Board meeting on 28 August 2025 and the EGM on 28 July 2025, respectively, due to prior work engagements which could not be rescheduled.

\$ MD/GCEO did not attend the Board meeting on 4 July 2025 due to another prior engagement which could not be rescheduled.

MD/GCEO serves as Executive Director and is not a member of any BCs. Nonetheless, he actively contributed to the BCs meetings as an invitee, offering updates and addressing inquiries raised by the BCs members.

## Corporate Governance Overview Statement

- **Decision at Board Meetings**

Pursuant to Clause 118(1) of the Company's Constitution, all decisions at Board meetings are made via majority vote of the directors present. In instances concerning related party transactions, only directors without a vested interest shall vote. During the financial year under review, the Board achieved unanimous agreement on all matters, underscoring its dedication to sound governance and shared accountability.

- **Board Committees**

The Board has established five (5) BCs, namely BAC, NRC, BGRC, BIRC, and SBC, each entrusted with delegated authority to oversee distinct areas in accordance with its respective TOR. Prior to every Board meeting, the Chairman of each BC submits a comprehensive report detailing the committee's discussions and recommendations. During the meeting, the Chairman formally presents this report and tables the BCs' recommendations for the Board's consideration and approval at KPS Berhad's Board meeting.

This rigorous and structured approach ensures that the Board remains fully apprised of committee deliberations, thereby facilitating informed decision-making and enabling the Board to provide constructive feedback on matters raised by the BCs.

- **Directors' Conflict of Interest**

In accordance with the Directors' Conflict of Interest Policy ("DCOI Policy") and in the interest of promoting transparency and robust management of potential conflicts of interest ("COI"), all Board members are required to disclose any relevant interests prior to each Board and BCs meetings, in addition to the mandatory annual disclosure at the beginning of the year. This proactive measure not only supplements the annual declaration process but also underscores the Board's strict compliance with KPS Berhad's DCOI Policy.

- **Access of Information & Supply of Meeting Papers**

In line with the Group's commitment to sustainability and its drive towards a paperless environment, all meeting materials are distributed to the Board and Management via the secure online platform, Convene. This method ensures that directors have timely electronic access to meeting documents, allowing for thorough preparation in advance of each meeting. Furthermore, this process enables directors to request additional information as required, thereby supporting well-informed and effective decision-making during meetings.

Directors have unrestricted access to Management and all necessary Group information, ensuring the Board can effectively carry out its duties. Additionally, directors may obtain independent professional advice at the Company's expense to further support their fiduciary responsibilities.

- **Minutes of Meetings**

All key deliberations and decisions made during Board and BCs meetings, including any dissenting views and instances where a director abstains from voting or deliberating due to a conflict of interest, are comprehensively documented in the meeting minutes. Draft minutes of the Board and BCs meetings are distributed via email to the relevant members for their review and feedback prior to being presented at subsequent meetings for confirmation and formal endorsement by the respective Chairpersons.

### f) **Promoting Good Business Conduct**

- **Code of Conduct and Ethics**

The Board established the Code of Conduct for Directors ("the Code") in 2013, and has since undertaken regular updates, with the most recent amendment on 30 May 2024. The 2024 revision incorporated additional responsibilities for directors regarding Beneficial Ownership ("BO"), aligning with the amended CA2016 and the Company's BO Policy.

Additionally, the Board has established a Code of Conduct for staff, known as the 'Code for Staff', which reinforces principles of discipline, good business ethics, professionalism, loyalty, integrity, and cohesiveness. These principles are integral to the success and well-being of the Group. The Code for Staff is an integral component of the Group Scheme and Conditions of Service, binding all employees to its terms and conditions.

In 2022, the Board approved the establishment of the Code of Business Conduct and Ethics ("COBE") for the KPS Berhad Group, which provides guidance and sets common ethical standards to promote consistent behaviour across all employment levels. The COBE subsequently revised in May 2025, governs the actions and working relationships of Board members and Management with employees, as well as dealings with other stakeholders, and, where applicable, with counterparties and business partners. The Code and COBE are available on the Company's corporate website at [www.kps.com.my](http://www.kps.com.my).

## Corporate Governance Overview Statement

- **Whistleblowing Policy and Guidelines**

The Board established the Whistleblowing Policy and Guidelines (“WB Policy”) on 25 August 2011, with a subsequent revision on 26 March 2024 to maintain its continued relevance and effectiveness. Upon approval by the respective IC Boards, the WB Policy was formally communicated to all ICs in compliance with the SC GCD guidelines. The WB Policy establishes a comprehensive and structured framework that encourages responsible whistleblowing by both internal and external stakeholders, ensuring robust protection and providing a secure, impartial channel for reporting suspected misconduct. This framework ensures that all concerns are addressed independently and objectively.

The WB Policy specifies the designated reporting channels for stakeholders, as follows:

**Chief Integrity and Governance Officer**

integrity@kps.com.my  
Hotline: +603-5524 8448

**BGRC Chair**

chairmanbgrc@kps.com.my

Notably, no concerns were raised during the year under review. The WB Policy is accessible on the Company’s corporate website at [www.kps.com.my](http://www.kps.com.my).

### g) Upholding Integrity

- **Anti-Bribery and Corruption Policy**

The Board adopted the Anti-Bribery and Corruption Policy (“ABC Policy”) on 28 November 2019, with subsequent revisions on 25 February 2022 and 28 March 2025, ensuring its continued relevance and adherence to the triennial review requirement set out in the Internal Document Policy.

The ABC Policy is designed to prevent corrupt practices, establish robust safeguards, and minimise corporate liability under Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009. Its implementation aligns with amendments to MMLR of Bursa Securities and supports the National Anti-Corruption Strategy (“NACS”) 2024-2028. The policy applies across all subsidiary companies and is accessible on the Company’s website at [www.kps.com.my](http://www.kps.com.my).

- **Integrity Governance Unit**

To strengthen internal controls against corruption, abuse of power, and malpractice, the Board established the Integrity Governance Unit (“IGU”) on 27 November 2020. A Chief Integrity and Governance Officer and an Integrity Governance Officer (“IGO”) were appointed for the Group, effective 1 January 2021, in compliance with government requirements for all government-linked companies (“GLCs”). The IGU’s formation also complies with the Guidelines for Adequate Procedures under Section 17A(5) of the MACC Act 2009. In 2025, the IGU reported no corruption cases to the MACC.

- **Organisation Anti-Corruption Plan 2023-2026**

Aligned with the NACP, the Board introduced the Organisation Anti-Corruption Plan 2023-2026 (“OACP”) for KPS Berhad on 28 August 2023. The OACP demonstrates the Company’s commitment to integrity, transparency, and accountability by detailing specific initiatives to promote a corruption-free workplace and embed integrity as a core organisational value. In line with its ongoing commitment to integrity and good governance, the Company will, upon the Board’s advice and approval, initiate the renewal of the OACP for the 2027-2030 cycle at the appropriate time.

### h) Governing Sustainability

- **Company’s Sustainability Strategies, Priorities and Targets**

As part of our commitment to responsible CG, KPS Berhad recognises sustainability as a key pillar in driving long-term value for our stakeholders. The Board oversees sustainability practices across the Group, ensuring that ESG considerations are embedded in the business strategy and operations. This commitment is guided by the Company’s SP, which establishes the framework for sustainability integration and sets clear accountability at both the Board and Management levels.

The Board, through its relevant committees, reviews sustainability risks, initiatives, and performance to ensure alignment with regulatory requirements and best practices. The Board ensure that sustainability strategies, priorities, and targets are clearly defined and aligned with its broader goals. In executing its responsibilities, the Board integrates sustainability considerations into the development and execution of the Group’s strategies, business plans, and risk management framework.

## Corporate Governance Overview Statement

The SBC, composed mainly of Board members, actively manages and oversees the implementation of the company's sustainability policies, strategies, and key priorities. The SBC regularly reviews initiatives and performance to ensure compliance with regulatory standards and alignment with best practices.

The SBC meets at least three (3) times a year, while ongoing informal consultations between Management and external stakeholders ensure continuous dialogue throughout the year. The Corporate Sustainability Champion ("CSC") Committee, which includes representatives from IRSC, HOS and EXCO, meets at least biannually to evaluate significant ESG risks and opportunities. The CSC proactively identifies and assesses these issues before presenting well-informed recommendations to the SBC. In turn, the SBC provides strategic guidance to Management, enabling the implementation of targeted initiatives and solutions, monitoring progress, and driving continuous improvement.

- **Communication of the Company's Sustainability Strategies, Priorities and Targets to Stakeholders**

The Board ensures that information on sustainability strategies, priorities, targets, and performance against KPIs is effectively communicated to both internal and external stakeholders through the annual publication of the Company's Sustainability Report, which is released alongside the 2025IAR. Internally, the Boards of operating subsidiary companies monitor and deliberate on sustainability issues quarterly to ensure the successful implementation and alignment of the materiality initiatives with KPS Berhad's strategic objectives.

- **Keeping Abreast of Sustainability Issues**

To proactively address emerging sustainability challenges, the Board is committed to continuously enhancing its expertise in areas such as climate-related risks, safety and health, human rights, and social investment initiatives. Board members participate in regular refresher courses and training sessions led by industry experts, thereby strengthening their capacity to provide strategic guidance on economic and ESG matters.

In 2025, Board members attended various sustainability-related training sessions, as detailed in the list of directors' training in this 2025IAR.

- **Integration of Sustainability into Performance Evaluation Criteria**

Given that both the Board and SM share accountability for managing sustainability risks and opportunities, their respective performance evaluation criteria have been enhanced to include clearly defined sustainability elements. In accordance with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), namely IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and IFRS S2 Climate-related Disclosures (IFRS S2), the Board requires that sustainability considerations, particularly those relating to ESG risks and opportunities, be systematically embedded in the formulation and execution of KPS Berhad's strategic initiatives.

Sustainability criteria have been embedded in SM's performance evaluation since 2019, spanning CKIs, KPIs, and 360-degree feedback for both SM and HOS. This ensures their actions promote long-term stakeholder value through sustainable practices. In 2025, ESG-related KPIs rose to 23% up from 9% in 2024, reflecting the Group's strengthened focus on managing ESG risks and opportunities to drive business success and regulatory compliance.

- **Designated Personnel Managing Sustainability**

A dedicated Sustainability Unit within IRSC has been established since 2017 to oversee sustainability initiatives throughout the Group. The Chief Sustainability Officer is entrusted with formulating and executing the Group's sustainability strategy, managing associated initiatives, and embedding sustainability considerations into the Group's operations, while ensuring strict adherence to statutory requirements.

This outstanding initiative underscores the Board's unwavering dedication to maintaining exemplary corporate governance standards across the Group and is fully aligned with MCCG Step-up Practice 4.5.

## Corporate Governance Overview Statement

### Board Composition

#### a) Board Composition

The NRC conducts an annual evaluation of the Board’s composition through the ABE exercise, ensuring that Board diversity remains strategically aligned with the Company’s overarching objectives, direction, and regulatory obligations. The Board is led by a NINEC and comprises seven (7) Non-Executive Directors (“NEDs”) in addition to the MD/GCEO. Of these members, five (5) serve as IDs, while three (3) are NIDs.

This composition not only surpasses the minimum requirements stipulated in Paragraph 15.02 of the MMLR of Bursa Securities, which stated at least one-third (1/3) of the Board must be IDs, including at least one (1) woman director, but also demonstrates KPS Berhad’s commitment to robust governance and diversity.

In addition, the Board’s composition is fully aligned with Practice 5.2 of the MCCG, which requires that at least half of the Board members are IDs. Currently, the Board’s composition comprise of 62.5% of IDs. The strong presence of IDs ensures rigorous checks and balances, further strengthening investor confidence in KPS Berhad and underscoring the Company’s dedication to maintaining the highest standards of CG.

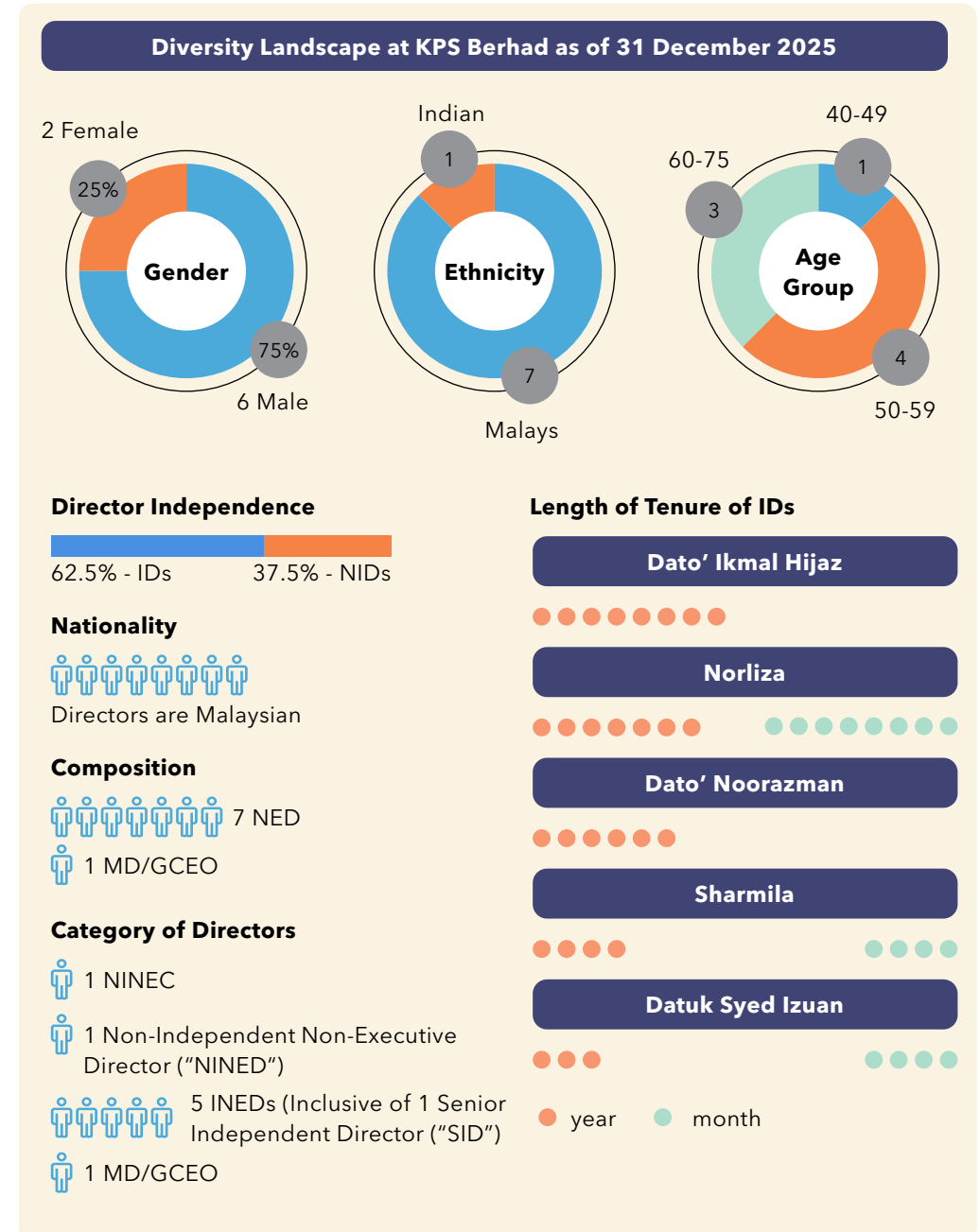
The Board’s current composition provides a balanced, diverse array of skills essential for robust governance. Collectively, the Directors possess expertise in strategic planning, governance, risk management, finance, legal and compliance, sustainability, and stakeholder relations. This breadth of experience enables effective oversight and guidance, supporting the Company’s strategic objectives and upholding high standards of accountability and operational performance.

#### b) Board Diversity

The Board places significant importance on cultivating diversity within its membership, considering a comprehensive range of attributes, including skills, competencies, experience, industry background, gender, age, ethnicity, and nationality. This diversity is considered fundamental to maintaining the Company’s competitive edge and facilitating well-informed, balanced decision-making.

Since 2015, the Board has adopted the Board Diversity Policy (“BD Policy”), which was subsequently enhanced on 30 May 2019 to encompass a broader range of diversity factors, including skills, expertise, experience, and independence, in addition to gender, age, and ethnicity. This comprehensive approach was implemented to further strengthen boardroom diversity and ensure KPS Berhad’s sustained competitive advantage. Further revisions to the BD Policy were approved by the Board on 26 August 2022 and 28 August 2025 to ensure they remain relevant.

For 2025, the landscape of KPS Berhad’s Board diversity is outlined as follows:



## Corporate Governance Overview Statement

Furthermore, the SM Gender Diversity Policy (“SMGD Policy”), established in November 2021 and updated on 27 August 2024, serves as a strategic framework to guide Management in talent selection. The policy emphasises the importance of considering a balanced spectrum of skills, competencies, knowledge, and individual contributions to the Company’s success. Although the SMGD Policy does not mandate specific gender quotas for the SM team, its principles have contributed to a gender-diverse leadership, with women comprising 43% of the SM at KPS Berhad. This outcome reflects the Company’s commitment to merit-based advancement while fostering an inclusive and equitable workplace.

With the addition of Dato' Dr. Ahmad Fadzli to the Board in May 2025, the Board’s skill sets, expertise, and industry experience have been significantly expanded, further strengthening its effectiveness and strategic capability, as outlined below:

### 1) Skill Competencies of the Board

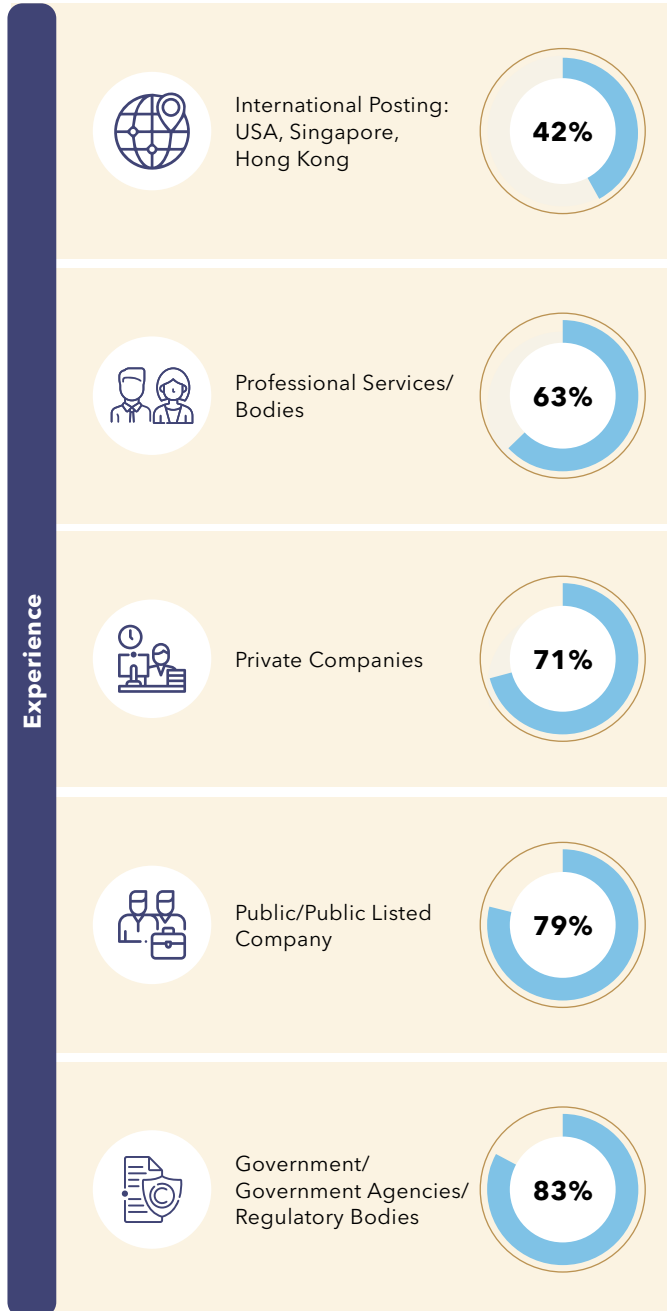
Skills Area	
Strategic Planning and Business Strategy	83%
Corporate Governance	83%
Human Capital, Culture & Succession	79%
Change & Transformation Management	71%
Risk Management and Internal Control	71%
Conflict & Dispute Resolution	63%
Investor Relations & Stakeholders Management	71%
Project Management	71%
Communication	67%
Sustainability (ESG) Management	58%
Corporate Finance	63%
Sales and Marketing	54%
Financial Reporting	63%
Investment Management	58%
International Business Relations	54%
Legal, Compliance & Regulatory Requirements	58%
Accounting	58%
Audit	54%
Information Technology	50%
Treasury Management	46%
Taxation	46%
Production and Quality Assurance	29%
Others - Reputation Management	13%
Others - Networking with Authorities & Relationship Building	13%
Others - Branding	13%

### c) Board Skills Matrix

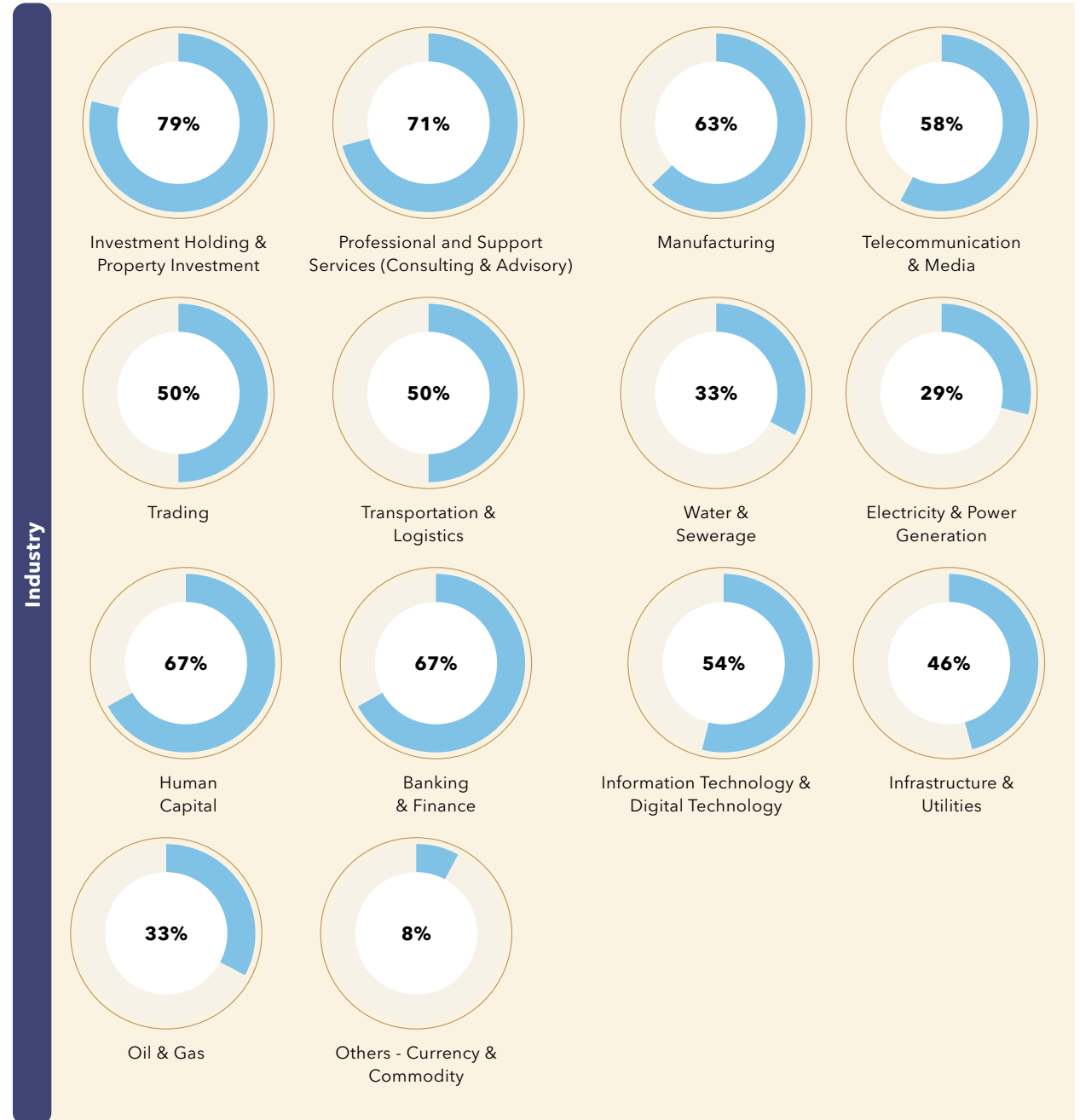
The Board Skills Matrix (“BSM”) developed since 2017, served as a strategic tool for systematically assessing the collective skills, knowledge, experience, capabilities, and industry backgrounds of current Board members. It guides the desired composition required to ensure the Board is suitably equipped to address both present and future challenges faced by the Group. Additionally, the BSM identifies the optimal blend of competencies, expertise, and experience necessary for the Board to respond effectively to evolving business needs and governance demands.

Corporate Governance Overview Statement

2) Experience of the Board



3) Industry Exposure of the Board



Corporate Governance Overview Statement

**d) Tenure of Independent Directors**

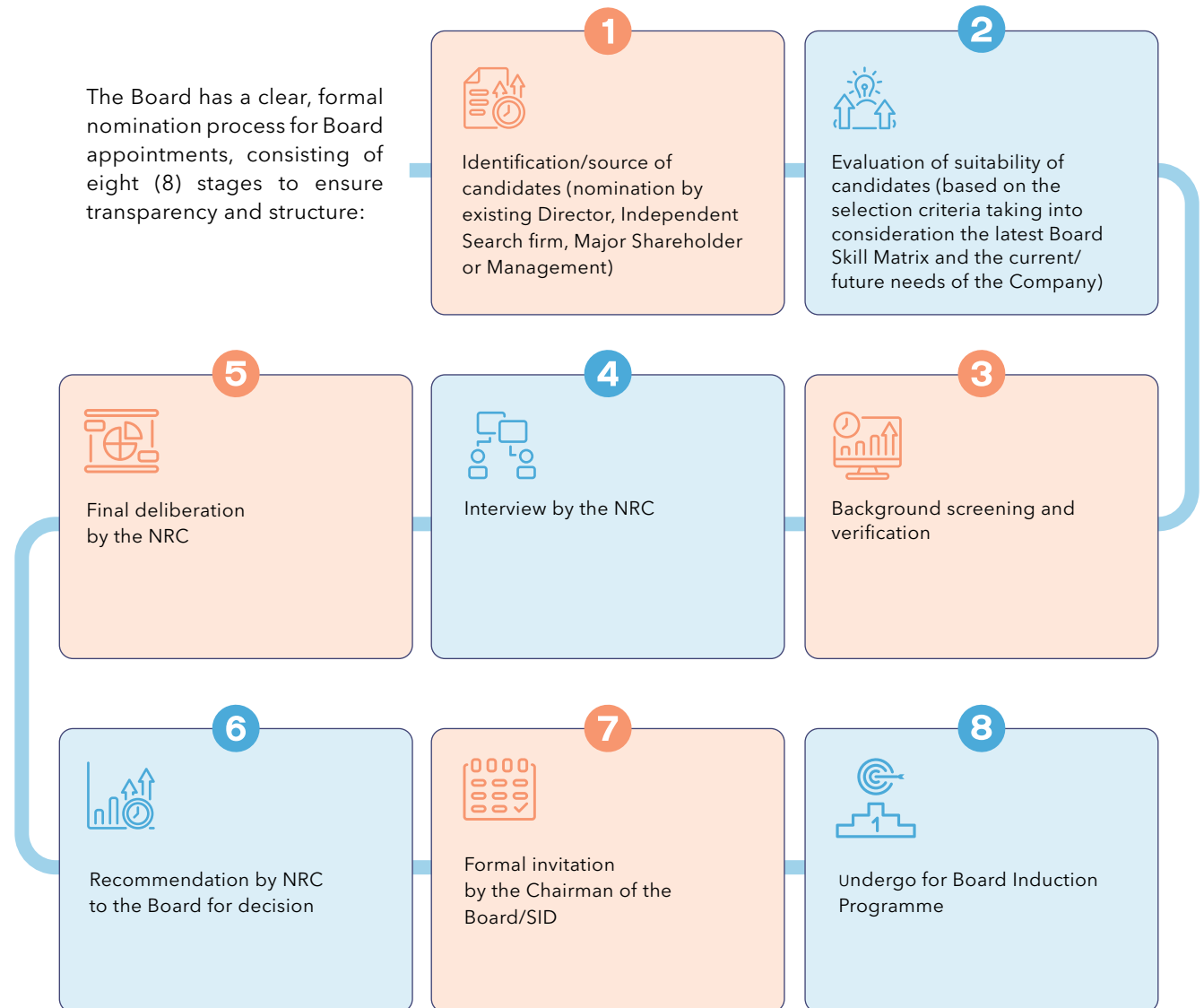
The Independent Director Tenure Policy (“IDT Policy”), established in 2018 and reviewed in 2021 and 2024, sets a maximum tenure of nine (9) years for ID to serve the Board in accordance with Step-Up Practice 5.4 of the MCCG. The NRC reviews each ID’s tenure annually as part of the ABE process to ensure ongoing compliance with the IDT Policy. In 2025, none of the IDs, namely Dato’ Ikmal, Norliza, Dato’ Noorazman, Sharmila and Datuk Syed Izuan, have surpassed the specified nine (9)-year limit set by the IDT Policy. Further details on the IDT Policy are available at [www.kps.com.my](http://www.kps.com.my).

Regarding the status of independence of the IDs, the NRC and the Board concurred that the IDs’ independence was affirmed based on the self-declarations of independence made by each ID, in accordance with the criteria for independence set out in the MMLR of Bursa Securities and satisfied the Fit and Proper Criteria set out in the Directors’ Fit and Proper Policy (“DFP Policy”).

**e) Board Appointments & Sourcing of Candidates**

The NRC is responsible for reviewing the composition of the Board, identifying and shortlisting qualified candidates for directorship, and providing recommendations to the Board. The NRC undertakes a rigorous evaluation process, guided by merit and objective criteria established by the Board, to ensure a formal, transparent selection process. The assessment encompasses a comprehensive review of the candidate’s skills, knowledge, experience, competencies, age, cultural background, gender, time commitment, including the number of other directorships held, as well as integrity and professionalism.

In identifying experienced, qualified and fit-for-purpose candidates for director positions, the Board adopts a comprehensive approach that extends beyond recommendations from existing directors, management, or major shareholders. The Board also considers candidates proposed by independent professional search firms such as Institute of Corporate Directors Malaysia (“ICDM”). Each candidate is assessed against established performance criteria and the latest BSM and mapped against the Company’s requirements.



## Corporate Governance Overview Statement

**f) Board Induction Programme**

Established in 2022, the induction programme for newly appointed directors offers a comprehensive introduction to KPS Berhad's strategic objectives, operational environment, and principal challenges. This initiative consists of a dedicated half-day session with Management, incorporating in-depth business briefings and site visits to the Company's manufacturing facilities for practical, hands-on experience. In 2025, following his appointment on 26 May 2025, Dato' Dr. Ahmad Fadzli successfully completed the induction, which included visits to the CPI and MDS factories on 18 June 2025, and subsequent site visits to Toyoplas and CBB on 28 November 2025.

**g) MD/GCEO and Head of Subsidiary Appointment**

Regarding the appointment of the MD/GCEO and HOS, the NRC undertakes rigorous assessments guided by merit and objective criteria set forth by the NRC and the Board. The evaluation process encompasses a comprehensive review of various factors, such as professional skills, relevant experience, age, cultural background, gender, integrity, and professionalism.

For MD/GCEO contract renewals, the NRC additionally examines both current and historical performance, referencing CKIs, KPIs, and non-financial achievements. These in-depth evaluations form the basis for the NRC's recommendations to the Board for final approval.

**h) Re-election of Director**

Pursuant to Clause 76(3) of the Company's Constitution, one-third (1/3) of the directors are required to retire by rotation at the Company's AGM. All Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. The NRC will undertake a thorough assessment of the directors eligible for re-election, considering their performance as evidenced by the latest individual evaluation outcomes (ABE Results), their contributions to Board effectiveness and engagement, their competencies and capabilities, their commitment of time, as well as their independence and objectivity.

In 2025, the Board concurred with the NRC's recommendation to consider the re-election of the directors retiring under Clause 76(3) of the Constitution, namely, Dato' Noorazman and Ahmad Fariz. Both directors abstained from all discussions and decisions regarding their own re-election during the relevant Board meeting, in line with the Company's DCOI Policy.

Meanwhile, at the forthcoming 49<sup>th</sup> AGM, scheduled on 19 May 2026, three (3) directors, namely Dato' Ikmal, Norliza and Datuk Syed Izuan, will stand for re-election by rotation pursuant to Clause 76(3), while Dato' Dr. Ahmad Fadzli will stand for re-election pursuant to Clause 78 of the Company's constitution. They have undergone a similar evaluation process by the NRC and the Board, prior to being presented to shareholders for approval at the AGM.

**i) Board Succession Planning**

The Board has tasked the NRC with reviewing succession planning for the Board and the MD/GCEO (C-Level) position, as well as the C-1 (SM) and HOS positions at the IC. Since 2018, the Board has implemented the Board Succession Planning Framework ("BSPF") to ensure systematic succession planning for KPS Berhad. The BSPF sets out clear guidelines for developing the Board Succession Plan ("BSP"), which was expanded in 2020 to cover the KPS Berhad BCs and BR at the ICs.

In 2024, the Board conducted a thorough review and approved an updated BSP for 2024, factoring in the upcoming retirement of two (2) directors due to tenure limits in December 2026 and April 2027. The Board has identified specific appointment criteria to ensure continuity of skills and experience, facilitate a seamless transition, maintain leadership stability, and protect the Company's long-term performance.

**j) Directors' Fit and Proper Policy**

In compliance with Paragraph 15.01A of the MMLR of Bursa Securities, the Board implemented the DFP Policy for KPS Berhad on 16 June 2022. This policy was subsequently extended to all subsidiary companies, ensuring that any individual appointed, elected, or re-elected as a director within the Group possesses the requisite qualities of character, integrity, competence, and time commitment to discharge their duties effectively.

During the financial year under review, all directors appointed to the Board as well as those subject to re-election under the 1/3 rotation rule were required to satisfy the fit and proper criteria set out in the DFP Policy. The DFP Policy is accessible on the Company's corporate website at [www.kps.com.my](http://www.kps.com.my).

## Corporate Governance Overview Statement

### Remuneration

The NRC is entrusted with formulating and periodically reviewing the remuneration policies and benefits for directors and SM to uphold principles of fairness and equity. This mandate is designed to attract, motivate, and retain high-calibre individuals capable of steering the Group towards sustained excellence. In fulfilling this responsibility, the NRC rigorously evaluates a range of critical factors, including fiduciary obligations, required time commitment, the complexity of the business environment, prevailing market conditions, the Company's overall performance, and the specialised skills and experience expected of directors and SM.

In alignment with the Company's commitment to robust governance and market competitiveness, the Directors' Remuneration Policy ("DR Policy") was formally established on 26 February 2018. To ensure continued relevance and effectiveness, the DR Policy underwent comprehensive reviews on 7 June 2022 and 27 May 2024. Similarly, the Senior Management Remuneration Policy ("SMR Policy"), instituted on 30 March 2018, was revised on 29 March 2022 and 28 August 2025 to ensure that remuneration benefits remain aligned with evolving market standards and the business's strategic direction.

Both policies support the Company's strategic aims and business goals by promoting a high-performance culture at the Board and Senior Management levels. Their robust application helps attract, motivate, and retain top talent, ensuring sustainable growth and long-term organisational success. Details of the DR Policy and SMR Policy are available on the Company's website at [www.kps.com.my](http://www.kps.com.my).

#### a) The remuneration structures for the NEDs of KPS Berhad are as follows:

##### i) NEDs Fees

	Fee Quantum per annum (RM)
Chairman	150,000
SID	132,000
Member	120,000

##### ii) NEDs Meeting Allowance

	Board	BAC	NRC, BGRC, BIRC and SBC
Chairman of the Board/Chairman of BCs	3,500	3,000	2,000
Member	2,500	2,000	1,500

The fees payable to NEDs shall be a fixed amount and shall not be linked to commissions, profit-sharing, or turnover percentages. All fees and benefits provided to NEDs are subject to annual approval by shareholders at the general meeting, in accordance with Section 230(1) of the CA2016.

Any proposed amendments to the directors' remuneration shall be thoroughly reviewed and recommended by the NRC, endorsed by the Board, and subsequently submitted to shareholders for approval at the general meeting. NEDs are not entitled to performance-based bonuses. The Company may, at its discretion, invite NEDs to participate in the Share Issuance Scheme or other short-term and/or long-term incentive plans, subject to compliance with the relevant provisions of the MMLR of Bursa Securities.

Detailed disclosure on a named basis for the remuneration of each director, encompassing fees, meeting allowances, and other benefit-in-kind (BIK), is provided under Practice 8.1 of the Company's 2025 CG Report.

#### b) The Remuneration Structure for MD/GCEO

The remuneration of the MD/GCEO is set out in the MD/GCEO's service contract. The MD/GCEO's remuneration package is designed to achieve an appropriate balance between fixed and performance-linked (variable) components. However, these packages shall expressly exclude commissions or remuneration based on a percentage of turnover. The distribution of fixed and variable remuneration for target performance depends on the level of responsibility, the complexity of the role, and typical market practices. The MD/GCEO's remuneration will be deliberated and recommended by the NRC and subsequently approved by the Board.

## Corporate Governance Overview Statement (NRC Report)

### Nomination and Remuneration Committee Report (Pursuant to Paragraph 15.08(A)(3) of the MMLR of Bursa Securities)

#### Background

Since the merger in 2018, the NRC has maintained its dual mandate over both nomination and remuneration matters, with the same members overseeing and integrating these critical functions. This unified approach is intended to streamline processes, improve operational efficiency, and ensure consistent decision-making across both areas.

#### Membership

Dato' Ikmal, serving as the SID, chairs the NRC and is supported by three (3) members, all of whom are IDs. In his capacity as Chairman, Dato' Ikmal provides strategic oversight of succession planning and talent management for both the Board and SM/HOS, and leads the appointment process for Board members and HOS. He also presides over the ABE, facilitating impartial assessments of directors' performance, remuneration competitiveness, and ongoing professional development.

The composition of the NRC fully adheres to the requirements of Paragraph 15.08A(1) of the MMLR of Bursa Securities and Practice 5.8 of the MCCG, as outlined below:

Name	Designation	Attendance at the Meeting
Dato' Ikmal, Chairman	SID	5/5
Norliza, Member	ID	5/5
Datuk Syed Izuan, Member	ID	5/5
Sharmila, Member	ID	5/5

#### Terms of Reference

The NRC operates under its own TOR, which is structured to comply with the MMLR of Bursa Securities and the relevant practices outlined in the MCCG. The TOR was last reviewed on 27 August 2024 to ensure alignment with the latest MCCG Practices and Guidance, as well as the Internal Document Policy, which stipulates a review at least once every three (3) years to maintain its relevance. The NRC's TOR is accessible on KPS Berhad's website at [www.kps.com.my](http://www.kps.com.my).

#### Key Objectives of NRC

##### Concerning the Nomination matters:

- To review and assess the size, composition and diversity of the Board and BCs of KPS Berhad, including the necessary mix of skills, knowledge, experience, and other qualities to ensure the Board functions effectively
- To identify, assess and recommend the appointment of the director to the Board and BCs of KPS Berhad, as well as the appointment of a BR of KPS Berhad in the Board of subsidiary companies and/or associates of KPS Berhad
- To identify, assess and recommend the appointment of a director with independent expertise and experience (Subject Matter Expert) as a BR in the subsidiary companies and/or associates of KPS Berhad
- To identify, assess and recommend the executive appointment of an MD/GCEO or CEO of KPS Berhad
- To review and assess the prospective candidates for the HOS position proposed by the Management of KPS Berhad and recommend the appointment of such HOS for the subsidiary's Board approval
- To ensure appropriate evaluation of the Board as a whole, BCs, and each individual director of KPS Berhad on an annual basis or in accordance with the prevailing regulations on Board evaluation
- To ensure orderly succession planning for the Board and SM at KPS Berhad Group

##### Concerning the Remuneration matters:

- To review and recommend to the Board the remuneration framework and packages for the NED, including the Non-Executive Chairman and the MD/GCEO or the CEO of KPS Berhad
- To ensure that the MD/GCEO or the CEO (where the CEO is not a director of the Company) of KPS Berhad is fairly rewarded for his/her performance as well as to encourage him/her to act in ways that enhance the Company's long-term profitability, sustainability and value
- To set the policy and/or guidelines on the remuneration framework, including reviewing and making recommendations to the Board on the remuneration of the directors, SM and employees of KPS Berhad
- To ensure that the remuneration benefits are determined based on the directors' and SM's merit, qualifications, and competence while considering the Company's operating results, individual performance, and comparable market statistics

#### NRC Meetings

Throughout 2025, five (5) NRC meetings were held, as listed below, and five (5) NRC Circular Resolutions ("CR") were passed for an urgent proposal:

- 15 January 2025
- 13 February 2025
- 14 March 2025
- 24 March 2025
- 18 August 2025

## Corporate Governance Overview Statement (NRC Report)

The MD/GCEO and DCEOFCS attend NRC meetings, and other SM may be invited, when necessary, to contribute to in-depth discussions of proposals presented to the NRC. In 2025, the key matters reviewed and considered by the NRC were as follows:

- a) Assessment of 2024 CKIs/KPIs for the MD/GCEO of KPS Berhad
- b) Proposed 2025 CKIs/KPIs for the MD/GCEO of KPS Berhad
- c) Proposed Performance Bonus for the year ended 31 December 2024 and 2025 Performance Increment of KPS Berhad
- d) Proposed Performance Bonus for the year ended 31 December 2024 for the MD/GCEO of KPS Berhad
- e) Proposed Renewal of Contract of the MD/GCEO
- f) AGM Matters:
  - i) Proposed Re-election of Directors who were retiring under Clause 76(3) of the Company's Constitution
  - ii) Directors' Remuneration for 2024/2025
  - iii) Proposed Revision of the Directors' Fee Quantum for the Board Representative of KPS Berhad at KaiserCorp Corporation Sdn Bhd
  - iv) Notice of 48<sup>th</sup> AGM
- g) Proposed Renewal of Employment Contract for the Chief Executive Officer of Century Bond Berhad
- h) Proposed Mentoring Programme for KPS Berhad
- i) Report on the Outcome of the ABE of KPS Berhad for the financial year ended 31 December 2024
- j) Proposed Revisions of the following Policies:
  - i) Board Diversity Policy
  - ii) Directors' Fit and Proper Policy
  - iii) Performance Management System Policy
  - iv) SM Remuneration Policy
  - v) Head of Subsidiary Appointment Policy
- k) Results of the 2025 CKIs/KPIs of the MD/GCEO as of 30 June 2025
- l) Status Update on the 2025 Talent Management & Succession Planning for KPS Berhad Group

### Annual Board Evaluation

#### Background

The Board engaged an independent external consultant in 2024 to undertake the ABE exercise for 2023 performance. This initiative, aligning with Practice 6.1 of the MCCG, reflects the Board's commitment to objectivity and transparency, even though KPS Berhad is not classified as a 'large company' under the MCCG definition.

During the financial year under review, the 2025 ABE exercise was conducted internally and coordinated by the Company Secretary's office. The ABE was conducted based on the enhanced ABE Framework, reviewed by an external consultant, and formally endorsed by both NRC and the Board in November 2024. The enhanced ABE Framework also considered the Bursa CG Guide and the MCCG, ensuring adherence to prevailing best practices in CG.

#### Objectives

Overall, the enhanced ABE aims to:

- Deliver meaningful insights to the Board, BCs, and individual directors, establishing a robust foundation for the Board's ongoing advancement towards high performance
- Evaluate the Board's effectiveness based on nine (9) key Board Performance Criteria, ensuring alignment with the business of KPS Berhad and all relevant regulatory requirements and guidelines applicable to KPS Berhad
- Identify opportunities for enhancement and provide well-considered recommendations and strategies to strengthen the Board's performance and facilitate the achievement of its objectives
- Assess the effectiveness of individual directors, highlighting areas for further development and enhancement

### The Scopes

The scope of the ABE covers the following, aiming to elevate the overall performance of the Board:

- i) The Board as a whole
- ii) Board Committees (BAC, NRC, BGRC, BIRC and SBC)
- iii) Board Chairman
- iv) Individual directors
- v) Independent director's Assessment of independence

### Performance Criteria

The key performance criteria used for the evaluation of the Board are as follows:

- i) Board Fundamental Roles & Responsibilities
- ii) Board Mix & Composition
- iii) Board Dynamics
- iv) Board Meeting Procedures
- v) Board Portfolio Management
- vi) Board Sustainability & ESG
- vii) Board and Management Relationship
- viii) Board Business Continuity Management
- ix) Board Stakeholder Management

Corporate Governance Overview Statement  
(NRC Report)

**ABE Exercise 2025**

The ABE Report for 2025 was presented to the NRC and the Board by the Company Secretary in March 2026. The Board acknowledged the overall findings and concurred on the recommendations made to further enhance the performance of the Board, as summarised below:

- i) Collectively, the Board’s overall performance for 2025 across all evaluation scopes reflects notable advancements in effectiveness compared to 2024. The Board demonstrates exemplary leadership and governance, consistently discharging its responsibilities with unwavering integrity. It delivers strategic oversight of the utmost calibre, underpinned by effective engagement and collaboration among its members. These attributes collectively ensure well-structured and highly efficient decision-making processes.
- ii) Based on the 2025 ABE Results, the Board consistently operates at a level that exceeds expectations, aligning with the standards of a high-performing organisation. The evaluation revealed no significant concerns regarding its effectiveness. The Board’s core strengths are distinctly demonstrated in the following areas:

<b>Board Stakeholder Management</b>
<b>Board Management Relationship</b>
<b>Board Sustainability &amp; ESG</b>
<b>Board Fundamental Roles &amp; Responsibilities</b>

As evidenced by the 2025 ABE results, the Board’s primary priorities for 2026 will centre on strengthening Business Continuity Management and driving strategic alignment between the Board and Senior Management on Sustainability and ESG initiatives. Furthermore, the Board will place significant importance on elevating its industry and business expertise, with a targeted commitment to advancing capabilities in emerging digital, IT, and artificial intelligence (“AI”) domains.

- iii) In relation to the BC’s performance (excluding BAC), the BC delivered exemplary results, demonstrating excellence in member selection, leadership, and robust governance in risk management. The BC consistently exercises strategic oversight and decisive leadership, significantly advancing the Board’s objectives and contributing substantially to the Company’s overall success.
- iv) Regarding the BAC’s performance, the Committee demonstrated exemplary oversight, internal controls, and comprehensive risk management in strict adherence to leading governance standards. The BAC’s commitment to financial integrity, regulatory compliance, and achieving strategic objectives was consistently evident. Members of the BAC displayed advanced expertise and proficiency, delivering effective financial oversight, fostering transparency, and making significant contributions to strategic governance and decision-making.
- v) As for individual directors’ performance, the NRC/ Board were satisfied with each individual director’s performance, where all Directors performed strongly, aligning well with evaluations from the Board and BC. All directors scored above average rating highlighting consistent leadership and dedication to the Company’s strategic goals and governance.
- vi) In accordance with the Directors’ Training and Development Framework approved by the Board on 28 November 2024, the NRC has undertaken a comprehensive review of the individual director performance evaluation outcomes and identified specific areas for further development. The NRC has accordingly recommended and approved by the Board, the relevant professional development programmes and targeted training initiatives to enhance each director’s competencies and to support ongoing performance excellence.

The results of individual director evaluations shall also form part of the justification for the NRC’s recommendations to the Board for the re-election of directors at the AGM.

**Directors’ Continuous Education Programme  
(Paragraph 15.08 of the MMLR of Bursa Securities)**

In accordance with Paragraph 15.08 of the MMLR of Bursa Securities, KPS Berhad’s directors prioritise ongoing professional development to stay current with industry trends and evolving statutory and regulatory requirements. All Directors have completed the MAP I and MAP II programmes. The Company Secretary ensures directors are promptly informed of regulatory changes, while the SD supports their continuous learning by organising internal training sessions.

Throughout 2025, the SD organised two (2) internal training series for the Board and SM of KPS Berhad on the following topics:

- i) Technology Update on Artificial Intelligence
- ii) Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity

## Corporate Governance Overview Statement

Details of training programmes attended by the Board members were as follows:

Directors	Course/Training Attended	Date	Organiser
<b>Dato' Dr. Ahmad Fadzi</b>	Mandatory Accreditation Programme ("MAP") - Part I	22 - 23 July 2025	ICDM
	MAP Part II - Leading for Impact	16 - 17 March 2026	ICDM
<b>Dato' Ts. Saipolyazan</b>	In-House Training: Technology Update on Artificial Intelligence	8 July 2025	KPS Berhad
	In-House Training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad
<b>Dato' Ikmal Hijaz</b>	The Shift in Boardroom Dynamic: Enhancing Governance and Strategic Leadership	25 April 2025	MAICSA
	ICDM Advocacy: E-invoicing for Directors - MyInvois & MyTax Portal Walkthrough with EY Malaysia	26 June 2025	ICDM
	In-House Training: Technology Update on Artificial Intelligence	8 July 2025	KPS Berhad
	Leading for Longevity: The Board's Role in Driving Innovation	10 July 2025	ICDM
	In-House Training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad
	MyMahir Workforce Strategies Workshop	22 September 2025	Bursa Malaysia
	Economic Indicators and Monetary Policy: A Guide for Business Leaders	6 October 2025	Asia School of Business
<b>Norliza</b>	In-House Training: Technology Update on Artificial Intelligence	8 July 2025	KPS Berhad
	In-House Training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad
<b>Sharmila</b>	In-House Training: Technology Update on Artificial Intelligence	8 July 2025	KPS Berhad
	In-House Training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad

## Corporate Governance Overview Statement

Directors	Course/Training Attended	Date	Organiser
<b>Dato' Noorazman</b>	Hijrah27 - Comprehensive Overview of the Hijrah Plan	19 February 2025	Malaysian Takaful Association
	MAP Part II: Leading for Impact	25 - 26 February 2025	ICDM
	Engagement with Chairpersons and CEOs of Insurers and Takaful Operators & Associations	25 March 2025	Bank Negara Malaysia
	Shariah Unplugged: Islamic Law by Datuk Prof. Dr. Mohd Akram Laidin	8 April 2025	International Centre for Education in Islamic Finance ("ID@INCEIF")
	Maqasid Al Shariah: Methodology Issued by Prof. Dr. Jasser Auda, ISTAC-IIUM	16 April 2025	ID@INCEIF
	The Shift in Boardroom Dynamic: Enhancing Governance and Strategic Leadership	25 April 2025	MAICSA
	E-Invoice Overview and MyInvoice Portal Guidance	27 May 2025	Ernst & Young
	FIDE Forum - The Influence of Board Culture on Corporate Performance	5 June 2025	Financial Institutions Directors' Education ("FIDE")
	Dialogue Session: Reshaping the Future - Islamic Economics for a Humane and Sustainable World	10 June 2025	INCEIF
	ICDM Advocacy: E-invoicing for Directors - MyInvois & MyTax Portal Walkthrough with EY Malaysia	26 June 2025	ICDM
	SLM Board Cybersecurity Landscape Briefing	4 July 2025	Sun Life Malaysia
	Climate Risk Management: What Bank Directors Need to Know	7 July 2025	Asian Institute of Chartered Bankers (AICB)
	In-House Training: Technology Update on Artificial Intelligence	8 July 2025	KPS Berhad
	In-House Training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad

## Corporate Governance Overview Statement

Directors	Course/Training Attended	Date	Organiser
<b>Dato' Noorazman</b>	Annual Integrity, Governance and Anti-Corruption Training for Investment Panel (IP)	25 July 2025	Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")
	KWAP Board and Investment Panel Training on Board Dynamics: Building Effective, Ethical and High-Performing Boards	7 August 2025	KWAP
	AI and the Future of Business Education: Adapt Wisely or Become Obsolete	20 August 2025	ID@INCEIF
	Leadership Risk and Compliance Awareness 2025 <ul style="list-style-type: none"> <li>• Insider Trading</li> <li>• Anti Money Laundering</li> </ul>	23 September 2025	KWAP
	Quarterly Islamic Banking Webinar Series with Dubai Islamic Bank: Sustainable Finance & Responsible Investment Framework	23 October 2025	INCEIF University & Dubai Islamic Bank ("DIB")
	KWAP Investment Workshop: Investment Opportunities, Voices from Investors and Industry	29 October 2025	KWAP
	Directors Training on Sustainability	31 October 2025	KPMG
	ASEAN Capital Markets Forum (ACMF) International Conference	6 November 2025	Securities Commission Malaysia
	FIDE Forum x ASB Governance Programme	10 November 2025	Asia School of Business

## Corporate Governance Overview Statement

Directors	Course/Training Attended	Date	Organiser
<b>Dato' Syed Izuan</b>	AMLA 2001: Risk, Challenges & Vulnerabilities Towards Risk-Based Approach for Directors	15 January 2025	Hong Leong Assurance Holdings Berhad ("HLAH")
	HLFG Group In-House Directors' Training - Moving from the recommendations of the Task Force on Climate-related Financial Disclosures to International Financial Reporting Standards ("IFRS") S1 and IFRS S2	5 March 2025	Hong Leong Financial Group Berhad ("HLFG")
	Technisights Series: AI Monitor - Exploring Trends, Innovations, and AI Challenges	25 June 2025	Association of Chartered Certified Accountants ("ACCA")
	In-House Training: Technology Update on Artificial Intelligence	8 July 2025	KPS Berhad
	In-House Training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad
	How to Measure Sustainability Performance Optimally	17 July 2025	ACCA
	Managing Teams for High Performance	21 July 2025	ACCA
	2025 Economic Power Play: Resilience, Trade & Global Foresight	22 July 2025	ACCA
	Training: AI-Powered Personal Branding & Presentations with Canva	30 September 2025	ACCA
	Navigating Succession and Workplace Dynamics in Family-Run Businesses	18 November 2025	ACCA
	Media Training	27 November 2025	Sapura Industrial Berhad ("SIB")
AI-Powered Leadership Conference Training	2 December 2025	SIB	
<b>Ahmad Fariz</b>	In-House Training: Understanding Carbon Tax, Implications, Readiness & Strategic Response for Malaysian Corporates & Strengthening Corporate Integrity	17 July 2025	KPS Berhad

## Corporate Governance Overview Statement

### Principle B

## Effective Audit and Risk Management

- Audit Committee
- Risk Management and Internal Control Framework



### Board Audit Committee

The BAC plays a pivotal role in supporting the Board to effectively discharge its fiduciary responsibilities, particularly in relation to financial reporting and the establishment of sound internal controls across the Group. Throughout the year, the BAC proactively addressed matters related to financial reporting, evaluated external and internal audit findings, reviewed related-party transactions, and scrutinised internal controls, all in strict accordance with its mandate as set forth in its TOR. This diligent approach underscores the BAC's commitment to upholding the highest standards of governance and integrity within the Group.

Throughout the financial year under review, the BAC demonstrated strong leadership by providing the Board with comprehensive, well-considered recommendations, thereby facilitating informed and effective decision-making. These contributions were instrumental in the Board's high-level deliberations on the financial reporting process and the review of financial statements.

In fulfilling its oversight responsibilities, the BAC rigorously monitored and assessed the accuracy and integrity of both annual and quarterly financial statements and supported the Board in evaluating the suitability and consistency of the Group's accounting policies and any amendments thereto. This diligent approach ensured the continued reliability and transparency of the Group's financial reporting.

#### a) Composition

The composition of the BAC was reviewed in 2024 to ensure full alignment with Step-Up Practice 9.4, which mandates that the BAC be comprised exclusively of IDs. This composition not only meets, but surpasses, the requirements set forth in Paragraph 15.09(1)(b) of the MMLR of Bursa Securities, which stipulates that all BAC members must be NEDs, with a majority being IDs.

The BAC is chaired by Datuk Syed Izuan, who serves as an ID and is distinct from the Chairman of the Board. This separation of roles fosters objective, transparent deliberation by the Board on matters escalated by the BAC, thereby strengthening governance and oversight. Datuk Syed Izuan brings a wealth of expertise to the BAC, being a member of the Malaysian Institute of Accountants ("MIA"), a fellow of the Association of Chartered Certified Accountants ("ACCA"), UK, a member of the ICDM and the Malaysian Institute of Certified Public Accountants ("MICPA").

#### b) External Auditors Assessment & Cooling-off Period

The BAC assesses the suitability, objectivity, and independence of external auditors, in accordance with the Company's Appointment and Assessment of External Auditors Policy ("AAEA Policy"). The AAEA was formed in November 2025 following the consolidation of two (2) existing policies, namely, the External Auditor Assessment Policy ("EAA Policy"), first established on 29 March 2017 and subsequently updated on 27 November 2020 and 28 August 2023, and the Non-Audit Related Services by External Auditors Policy ("NARS Policy").

Prior to the merger, the NARS Policy, introduced on 29 August 2018 and revised on 27 May 2021 and 26 February 2024, set clear parameters governing the engagement of the external auditors for non-audit services. The policy stipulated, among others, that total fees for non-audit services must not exceed 30% of total annual audit fees, unless Board's approval is obtained. In November 2025, the NARS Policy was updated to incorporate the pre-concurrence requirement under the International Ethics Standards Board for Accountants ("IESBA") Code and to clarify the scope of permitted services, after which it was merged with the EAA Policy to form the AAEA Policy.

Under the AAEA Policy, the BAC ensures that all audit and non-audit engagement undertaken by the external auditors throughout the financial year do not compromise their independence, integrity, or professional judgment. A transparent reporting mechanism is in place for Management to update the BAC on all non-audit engagements, enabling the BAC to monitor compliance with the AAEA Policy.

In addition, the BAC's TOR prescribe a mandatory three-year cooling-off period for any former key audit partners of the Company's external audit firm before such an individual may be appointed as a member of the BAC, in line with Section 540.5 of the MIA By-Laws. This measure is intended to maintain the objectivity, independence, and effectiveness of the external auditors. For the financial year under review, none of the BAC members previously served as a key audit partner of the Company's external auditors. The BAC's TOR can be viewed on the Company's corporate website at [www.kps.com.my](http://www.kps.com.my).

## Corporate Governance Overview Statement

### c) Continuous Development of BAC Members

Recognising the increasing responsibilities placed on BAC members, the BAC values continuous training and professional development. This ensures that members stay informed about relevant changes in accounting and auditing standards, practices, and rules, enabling them to fulfil their roles effectively and contribute positively to the BAC. Detailed information on the training programmes attended by BAC members in 2025 is available under Practice 9.5 of the Company's 2025 CG Report.

### d) BAC Performance Evaluation

In compliance with Paragraph 15.20 of the MMLR of Bursa Securities, the NRC and the Board annually evaluate the term of office and the performance of the BAC and its members. The assessment aims to determine the financial literacy of BAC members, their ability to ask probing questions, their competence in handling complex issues, and their skills and knowledge to fulfil their duties under the TOR.

With respect to the financial literacy of the BAC members, the Board acknowledge that each member possesses the necessary financial acumen and expertise. All members are proficient in reading, analysing, and interpreting the Company's financial statements, including the statements of financial position, comprehensive income, changes in equity, and cash flows, as well as the accompanying notes, cost accounting records, budgets, and management discussion and analysis. The duties and responsibilities of BAC members are clearly defined and governed by the BAC's TOR, in accordance with the MMLR of Bursa Securities and Principle B of the MCCG. Further details regarding the BAC's performance in discharging its responsibilities in 2025 can be found in the BAC Report within this 2025IAR.

### e) Financial Report

The Board is responsible for ensuring that the annual Audited Financial Statements and interim financial results are prepared in accordance with the CA2016 and all applicable financial reporting standards in Malaysia. This responsibility includes taking all necessary actions to ensure the consistent application of relevant accounting policies, supported by reasonable and prudent judgments and estimates.

## Risk Management & Internal Control Framework

### a) Establish an Effective Risk Management and Internal Control Framework

The Board remains steadfast in its commitment to upholding a robust and effective risk management and internal control framework and procedures covering financial, operational, regulatory, compliance, governance, and sustainability. This commitment aims to safeguard shareholders' investments, protect the Group's assets, and ensure the reliability of financial statements.

Given the above, the Group established an ERM framework in 2013, which was revised in 2018 and further strengthened in August 2020 to align with the latest ISO 31000:2018 International Standards of Risk Management - Principles and Guidelines. The ERM framework was recently enhanced to incorporate processes for identifying, assessing, and managing climate-related risks, in line with the establishment of the TCFD framework for climate-related financial disclosure within the KPS Berhad Group on 28 August 2023.

The rationale for the enhancement was to proactively identify, assess, and manage key risks at an optimal level, while accounting for evolving risk profiles influenced by changes in business strategies, the external environment, and/or the regulatory landscape. Aligned with the Group's commitment to delivering sustainable value, the ERM framework provides a comprehensive, organised approach to risk management across the entire entity.

As part of the ERM framework, the Group has also prioritised Corruption Risk Management Framework to strengthen ethical business practices and ensure compliance with anti-corruption laws, including the MACC Act 2009. This includes implementing corruption risk assessments, monitoring controls, and training programmes to mitigate bribery and fraud risks.

Additionally, Cybersecurity Risk has been integrated into the risk management process, recognising the increasing threats of data breaches, cyberattacks, and regulatory obligations under the Cyber Security Act 2024. The Group continues to enhance its cybersecurity governance, incident response capabilities, and IT risk assessments to safeguard digital assets and business operations.

The Group has instituted and adopted a structured Internal Control Framework ("KPS Berhad-ICF") to enhance the Group's governance process and internal control design. On 28 May 2020, the Board approved the adoption of the KPS Berhad-ICF across the KPS Berhad Group, establishing a uniform internal control structure to align with the Group's strategic objectives. The KPS Berhad-ICF was further enhanced on 27 November 2023 to incorporate the latest COSO framework updates in line with COSO's interpretive report released on 30 March 2023.

Detailed information on the key features, adequacy, and effectiveness of the ERM framework is available under Practice 10.2 of the 2025 CG Report.

## Corporate Governance Overview Statement

### b) Board Governance & Risk Committee

The Board Risk and Management Committee (BRMC), initially established in 2011, has undergone a series of strategic enhancements to reflect its evolving scope and responsibilities. On 29 August 2019, it was re-designated as the Board Risk and Compliance Committee (BRCC). Subsequently, on 1 January 2021, the Committee was renamed the BGRC to coincide with the formation of the Integrity and Governance Unit at KPS Berhad. These changes underscore the BGRC's broadened mandate, which now encompasses oversight of integrity and governance matters in addition to its established responsibilities for regulatory compliance, internal controls, risk management, and governance frameworks. Further, on 27 February 2023, the BGRC's TOR were expanded to include cybersecurity oversight, in line with Guidance 10.2 of the MCCG.

The BGRC is supported by the Risk and Governance Working Committee ("RGWC") at the management level, chaired by the MD/GCEO or, in his absence, the DCEO/CS. The RGWC meets quarterly to ensure consistent enforcement of the ERM, Compliance, Integrity, Governance and Cybersecurity matters/ policies. It also reviews and recommends risk parameters, risk appetite, risk profiles, risk action plans, and compliance key risks, status, and action plans to the BGRC.

### c) Internal Audit

During the financial year under review, the Internal Audit ("IA") Department ("IAD") was headed by Khairul Ridzwan bin Azizan ("Khairul"), and assisted by one (1) Manager, three (3) Internal Auditors, and three (3) Assurance Officers at subsidiary companies. Khairul is an ACCA member with over 17 years of experience in internal auditing across international conglomerates and Malaysian public-listed companies.

The IA conducts independent assessments to evaluate the adequacy, efficiency, and effectiveness of the Group's risk management, internal control, and governance processes, while also monitoring compliance with policies and procedures established by Management. Furthermore, the IA provides the BAC with reasonable assurance that no material issues or significant deficiencies have been identified that would pose a high risk to the overall internal control system under review. The annual risk-based IA plan, which outlines audit coverage, scope of work, and the IA's KPI results, is submitted to the BAC for review and approval.

### d) IA Activities

The BAC conducts periodic reviews of the activities and performance of the IA to ensure its adequacy and independence in fulfilling its role. The reviews align with the guidelines of the Institute of Internal Auditors ("IIA"), specifically the International Professional Practice Framework ("IPPF") on Internal Auditing and relevant regulations. To ensure the complete discharge of the IA's responsibilities, the BAC assesses:

- The appointment and removal of the Director of Internal Audit ("DIA")
- The adequacy of the IA's scope, competency, experience, and resources of the IA function
- Annual review of the IA Charter
- Review of the BAC TOR once every three (3) years
- Review the IA Annual Plan
- Setting of CKIs/KPIs for the IA
- Review and monitor the Status of Implementation of the Audit recommendations
- Assess the IA and DIA functions, which are responsible for regularly reviewing the effectiveness of the Group's risk management, control, and governance processes

On a quarterly basis, the IA provides the BAC with reports detailing significant internal audit findings and recommendations. It is the duty of the relevant management to ensure the proper implementation of corrective actions for reported weaknesses. Monthly monitoring of the deadlines set by the relevant management for corrective actions takes place, and any unjustified delays must be presented to the BAC for approval.

To stay abreast of professional advances, industry developments, and regulations, IA personnel regularly attend conferences, training sessions, and knowledge-sharing initiatives within the Group.

### e) Independence of Internal Audit

To enhance independence, the DIA and IA personnel have declared in their signed forms to the Company that there is no conflict of interest or potential conflict of interest arising from any external employment, business, or private interest.

The IAD operates under an IA Charter approved by the Board, which defines its responsibilities, authority, and scope within the Group. Although the DIA oversees both IA and Risk Management, he prioritises IA interests when acting as Head of IA, ensuring clear segregation of duties, roles, and activities between the two (2) functions.

Governance mechanisms introduced in 2021 and incorporated into the IA Charter safeguard the independence of IA, with objective communication to the BAC and separate reporting to the BGRC. These measures ensure that IA activities and resources remain distinct from Risk Management and, in cases of potential conflicts of interest, the BAC may seek external validation to maintain IA's independence.

During the year, the BAC satisfied that the IA function adhered to the IIA's professional standards and Code of Ethics, as well as the IPPF and the MCCG guidelines set by the SC.

## Corporate Governance Overview Statement

## Principle C

## Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders

- Engagement with Stakeholders
- Conduct of General Meetings



### Engagement With Stakeholders

#### a) Effective, Transparent and Regular Communication

KPS Berhad is committed to fostering strong, transparent, and constructive relationships with our internal and external stakeholders, including shareholders, employees, customers, regulators, business partners, and the communities in which we operate. Our stakeholder engagement practices are guided by a comprehensive Communication Policy that ensures consistency, integrity, and accountability across all our interactions.

The Group's Communication Policy sets clear guidelines for timely, accurate, and accessible information-sharing while upholding confidentiality and regulatory compliance. It outlines the channels through which we engage stakeholders, including investor briefings, employee engagement initiatives, customer feedback platforms, regulatory discussions, and sustainability dialogues.

Through a structured and policy-driven approach to stakeholder engagement, we reinforce trust, enhance corporate resilience, and uphold our commitment to governance excellence and sustainable growth.

When dealing with the investment community, the Company is committed to fostering transparent, timely and consistent communications, recognising the importance of accountability and the avoidance of selective dissemination when disclosing information on the Group's business activities and prospects to its stakeholders. To facilitate effective communication with this audience, the Company has an Investor Relations Policy ("IR Policy") in place, outlining principles and various communication platforms for disseminating information. This ensures that the Board and Management can consistently communicate effectively with shareholders and other stakeholders via the following multiple channels of communication:

- The IAR, SR and relevant circulars were dispatched to shareholders and published on the Company's website
- Issuance of various disclosures and announcements, inclusive of the quarterly financial results of the Group to Bursa Securities
- A series of engagements through investor relations ("IR") programmes, such as analyst and investor briefings
- The AGM/EGM

Furthermore, the Company consistently refreshes its corporate website at [www.kps.com.my](http://www.kps.com.my), ensuring convenient access to corporate information and providing a platform for collecting stakeholder feedback. In addition, the Company has established an integrated IR portal on the corporate website through which shareholders can remain updated on the latest information about the Group, such as corporate announcements, quarterly financial results, stock charts, dividend payments and interactive IAR, to enable them to make informed investment decisions. It is also a channel for shareholder feedback and a platform to ensure their concerns are understood and questions answered.

Guided by the IR Policy, the Company has an IR Strategy that drives effective two-way engagement between KPS Berhad, the investment community, and other stakeholders. The strategy is based on a comprehensive approach to providing factual, adequate disclosure of KPS Berhad's business prospects through various communication channels, enabling shareholders and investors to make informed investment decisions.

The Board has mandated the Management to roll out various IR programmes, amongst others:

- Briefing sessions and presentations to the investment community comprising analysts, investment managers (including one-on-one), strategic shareholders, and minority shareholders at general meetings
- Participation in non-deal roadshows organised by research houses
- Plant visits to subsidiary companies, targeting participants from analysts and fund managers
- Engagement with the media via centralised strategic communication channels

## Corporate Governance Overview Statement

### Conduct of General Meeting

#### a) Notice of AGM

The AGM serves as the primary platform for shareholder engagement, enabling the Company to present its business progress and address questions from shareholders, proxies, and corporate representatives. In line with Practice 13.1 of the MCCG and the requirements set out in the Company's Constitution, MMLR of Bursa Securities, and CA2016, the 2025IAR and the Notice of the 48<sup>th</sup> AGM in 2025 were issued 28 days prior to the meeting. Similarly, the notice for the upcoming 49<sup>th</sup> AGM, scheduled for 19 May 2026, will be released 28 days in advance.

This notice will include explanatory notes for all proposed resolutions, providing shareholders with detailed insights into their significance and impact in accordance with Guidance 13.1 of the MCCG. Additionally, the notice will be published in the local newspaper, The Star, and made available on the KPS Berhad website at [www.kps.com.my](http://www.kps.com.my) and Bursa Securities' website.

#### b) General Meetings

The Company conducted its 48<sup>th</sup> AGM on 20 May 2025 and the EGM on 28 July 2025 in a physical format, in line with Paragraph 8.27A of the MMLR. While remote shareholders' participation was not implemented, the Company enabled pre-meeting electronic questions and answers ("Q&A") for shareholders, and conducted on-site electronic polling, with an independent scrutineer appointed to verify the results.

All eight (8) Directors, the Company Secretary, SM, and the external auditors were present at the 48<sup>th</sup> AGM held on 20 May 2025. In contrast, at the unscheduled EGM held on 28 July 2025, seven (7) Directors were physically present, while one (1) Director was unable to attend due to prior official commitments.

#### c) Leveraging on Technologies for General Meetings

To promote active shareholder participation at both the AGM and EGM, KPS Berhad remains steadfast in its commitment to harnessing cutting-edge information technology. For instance, shareholders may ask questions electronically before the meeting via the message box on the share registrar's platform. All questions received from shareholders before the meetings will be published and answered by management during the question-and-answer sessions at the AGM/EGM.

In addition, in compliance with Paragraph 8.29A of the MMLR of Bursa Securities, and to ensure the efficient conduct of polling proceedings, all resolutions presented at the AGM and EGM were duly determined by poll voting. Prior to the commencement of polling, a comprehensive video guide outlining the voting procedures was shown at each meeting, ensuring shareholders were well-informed and facilitating a seamless polling experience.

To uphold the highest standards of transparency and integrity, Boardroom Share Registrars Sdn Bhd ("Boardroom") was appointed as poll administrator while Sky Corporate Services Sdn Bhd served as independent scrutineer to verify the poll results. The Chairman formally declared the poll outcomes at the conclusion of each meeting.

All decisions on resolutions tabled at the AGM/EGM were announced to Bursa Securities and published on the corporate website on the same day as the AGM/EGM guaranteeing equitable communication to all shareholders. The voting results were disclosed, including the number of votes for and against for all resolutions.

#### d) Meaningful Engagement with Shareholders

The Company is committed to fostering robust, meaningful engagement between the Board, SM, and shareholders at its general meetings, as consistently demonstrated by the Chairman's strong advocacy of active dialogue. At the 48<sup>th</sup> AGM, the MD/GCEO delivered a comprehensive presentation on the Company's Business Review and Prospects, outlining long-term strategic initiatives and key performance highlights across financial and non-financial achievements. Furthermore, the MD/GCEO and SM engaged directly with shareholders in informal settings before, during, and after the meeting to solicit their perspectives and address their concerns, thereby reinforcing a culture of openness and transparency.

At the 48<sup>th</sup> AGM and EGM of the Company, all shareholder queries were comprehensively addressed and documented in the official meeting minutes. For questions that could not be answered during the live session due to time constraints, written responses were subsequently published on the KPS Berhad website, ensuring full transparency and accessibility for shareholders.

Demonstrating a strong commitment to meaningful shareholder engagement, KPS Berhad has also established an integrated IR portal on the KPS Berhad corporate website. This platform enables shareholders to submit questions and provide feedback beyond the AGM and EGM, thereby fostering ongoing, open communication with the Company.

## Corporate Governance Overview Statement

### e) Minutes of General Meetings

The minutes of the 48<sup>th</sup> AGM held on 20 May 2025 and the EGM held on 28 July 2025 were published on the KPS Berhad website on 7 July 2025 (26 business days after the AGM) and 12 August 2025 (9 business days), i.e., not later than 30 business days after the meeting, as outlined under Practice 13.6 of the MCCG.

### Focus Areas

The Board and management reaffirm their unwavering commitment to elevating governance standards across the Group. This dedication is demonstrated through ongoing enhancements to CG practices and the systematic implementation of a robust CG Framework across the organisation. Presented below are the three (3) key focus areas of CG that were prioritised during the financial year under review:

#### a) Consistently Elevating Corporate Governance Standards

Throughout the financial year under review, Management proactively implemented a range of strategic initiatives, including the development and enhancement of CG policies and frameworks, to ensure the Company's continued adherence to evolving regulatory requirements and the adoption of industry-leading CG practices. These measures were meticulously aligned with the provisions of the MMLR of Bursa Securities, the MCCG issued by the SC, and other applicable laws and regulations, as well as the Company's overarching strategic objectives. This steadfast approach underscores our commitment to maintaining exemplary governance standards and fostering sustainable business growth.

#### b) Strategic Adoption of the Task Force on Climate-related Financial Disclosure Framework

Robust climate-related financial disclosures are essential for empowering stakeholders to accurately evaluate the financial impact of climate-related risks and opportunities on KPS Berhad. By providing comprehensive and decision-useful information, these disclosures enable investors, lenders, customers, regulators, and other key stakeholders to make informed assessments of the Company's financial resilience and capacity to generate long-term value. This commitment to transparent reporting underscores KPS Berhad's dedication to upholding financial stability and sustaining stakeholder trust.

Accordingly, the Board of KPS Berhad formally adopted the TCFD Framework on 28 August 2023 to enhance the Group's ability to identify, assess, and manage climate-related risks and opportunities. Integrating the TCFD framework into governance and decision-making processes strengthens organisational resilience and supports the Group's commitment to long-term value creation and sustainable growth.

The adoption of the TCFD framework aligns the Company with international best practices, enabling the integration of climate-related considerations into strategic planning, risk management, and financial reporting. The framework structures disclosures around four key pillars: governance, strategy, risk management, and metrics & targets. This approach ensures stakeholders receive clear, relevant, and actionable insights into the Company's climate-related financial risks and the mitigation strategies in place.

To ensure consistent and comparable reporting, the Company aligns its TCFD disclosures with IFRS and IFRS S2 Sustainability Disclosure Standards. This approach enhances transparency and regulatory compliance, providing stakeholders with clear information on the Company's management of climate-related risks and opportunities.

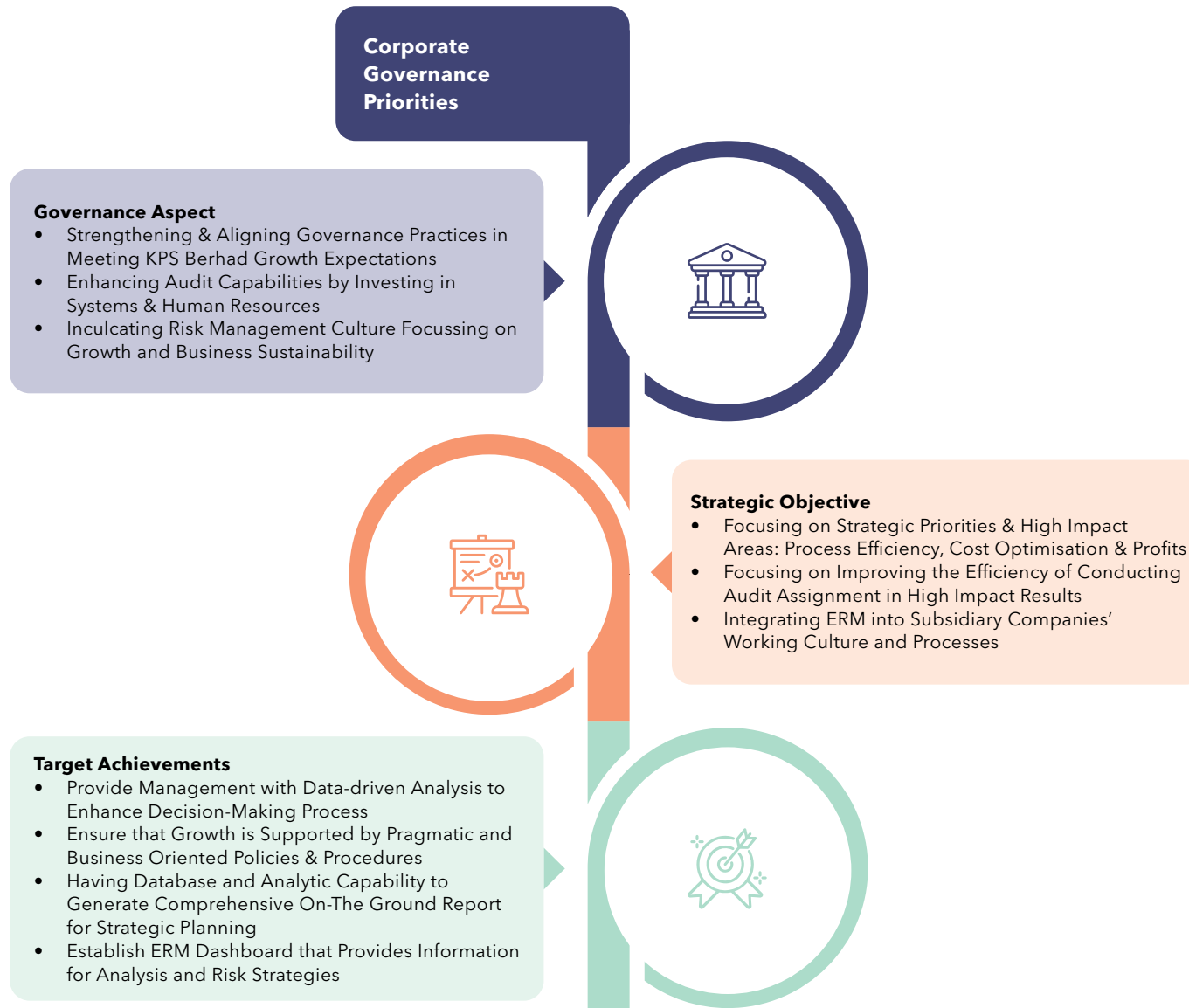
#### c) Proactively Addressing Stakeholder Expectations

In response to growing expectations from investors and the business community, the Board is dedicated to surpassing CG standards through robust practices and transparent financial reporting. The Company not only ensures compliance but also provides stakeholders with clear insights into its performance. In addition, the Company actively engages stakeholders via established feedback channels, demonstrating its commitment to incorporating stakeholder perspectives into decision-making.

## Corporate Governance Overview Statement

### Corporate Governance Priorities

Outlined below are the Company's strategic short-term and long-term initiatives to further strengthen and elevate governance practices and processes:



### Compliance Statement by the Board of Directors on Corporate Governance Overview Statement

The Board has carefully reviewed and approved the CGOS in accordance with Paragraph 15.25 of the MMLR of Bursa Securities. The Board confirms that, to the best of its knowledge, the Company has complied with all relevant laws and regulations throughout 2025. The CGOS was approved by the Board on 31 March 2026.





## Board Audit Committee Report

The Board of Directors (“the Board” or “Director”) is pleased to present the Board Audit Committee (“BAC”) Report which provides insights into the manner in which the BAC discharged its functions for Kumpulan Perangsang Selangor Berhad (“the Company”) and its subsidiary companies (“the Group”) for financial year ended 31 December 2025.

The BAC (as a sub-committee of the Board) plays a substantial role in providing assistance to the Board in fulfilling its oversight responsibilities through review of financial information and provides an unbiased review of the effectiveness and efficiency of the Group’s internal controls from an independent perspective. This is to ensure the Group’s alignment with best practices and that it operates efficiently in a dynamic market environment.

### 1. Members of BAC and attendance

The composition of the BAC fulfils the MMLR of Bursa Securities Berhad (“Bursa Securities”) as follows:

Committee	Designation	Appointment	Attendance
Datuk Syed Izuan bin Syed Kamarulbahrin ( <b>Chairman</b> )	Independent Non-Executive Director	15/08/2022	 6/6
Dato’ Noorazman bin Abdul Aziz ( <b>Member</b> )	Independent Non-Executive Director	27/08/2020	 6/6
Sharmila Sekarajasekaran ( <b>Member</b> )	Independent Non-Executive Director	1/09/2021	 6/6
Dato’ Ikmal Hijaz bin Hashim ( <b>Member</b> )	Senior Independent Non-Executive Director	26/03/2024	 6/6

- Comprised no fewer than three (3) members
- All four (4) members are Non-Executive Directors, the majority of whom, including the BAC Chairman are independent and none of whom are alternate Directors
- Having at least one (1) qualified accountant member in fulfilling the requirements of paragraph 15.09(1)(c) of the MMLR

The BAC Chairman, Datuk Syed Izuan bin Syed Kamarulbahrin, is a fellow member of the ACCA, UK, a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants.

### 2. Meetings

The BAC met on six (6) occasions during the financial year with meetings conducted in accordance with the requisite quorum as stipulated in the BAC’s Terms of Reference (“TOR”). Detailed TOR for the BAC is available online under the Investor Relations-Corporate Governance section of the Company’s website at [www.kps.com.my](http://www.kps.com.my).

### 3. Summary of activities

The BAC deliberates various agendas in its meetings such as in relation to the quarterly unaudited financial statements, accounting policies and reporting matters, internal control matters as well as other topics that are relevant to the Group’s business and investments. The BAC invites the MD/GCEO, DCEOFCs and the Internal Audit Director to attend BAC meetings. Upon request by the BAC, other members from the Management will attend certain BAC meetings.

During the financial year, the BAC also held separate meetings with External Auditors without the presence of the Management to discuss any matters of concern.

In conducting its roles and responsibilities, the BAC is guided by its TOR, which was approved by the Board and aligned to the provisions of the MMLR and other best practices. During the financial year under review, the BAC in the discharge of its functions and duties carried out the following:

#### 3.1 Financial Reporting

- On 21 February 2025 and 20 March 2025, the BAC reviewed the financial results for the fourth quarter ended 31 December 2024 and the audited financial statements for the financial year ended 31 December 2024, respectively, and recommended the same to the Board for approval.
- The BAC reviewed the quarterly Management’s impairment assessment on the non-current and current assets in the Group as part of the quarterly financial results review for the fourth quarter of 2024, and the first, second and third quarter of 2025 on 21 February 2025, 19 May 2025, 20 August 2025, and 21 November 2025, respectively.
- During the quarterly financial results for the first, second and third quarter of 2025 on 19 May 2025, 20 August 2025, and 21 November 2025, respectively, the BAC also reviewed and recommended the same to the Board for approval.
- On 23 February 2026 and 8 April 2026, the BAC reviewed the financial results for the fourth quarter ended 31 December 2025 and the audited financial results for the year ended 31 December 2025, respectively, and presented the same to the Board for approval.

## Board Audit Committee Report

- e) During the reviews, the BAC sought from the Management additional details, and explanation of material line items as well as line items that had significant movement. The material line items include related party transactions (“RPT”) entered by the Company and the Group and the potential impairment of assets.
- f) On 22 January 2026, the BAC deliberated on significant matters requiring its attention and decision and sought further clarification and information from Management to support informed deliberation and resolution. On 21 February 2025, BAC reviewed the proposed Inventory Management Policy and recommended the policy for the Board’s approval.

### 3.2 External Audit

- a) On 21 February 2025, the BAC was updated by External Auditors BDO PLT (“BDO”) on Areas of Audit Emphasis by External Auditors for the year ended 31 December 2024 and reviewed the issuance of Letters of Financial Support to subsidiary companies for the financial year ended 31 December 2024.
- b) On 20 March 2025, the BAC was updated by BDO on finalised Areas of Audit Emphasis by External Auditors for the year ended 31 December 2024. The BAC reviewed the External Auditors Assessment for financial year ended 2024 and proposed change of Auditors for Financial Year Ending 31 December 2025 and recommended the same to the Board for approval. The proposed change of Auditors from BDO to Ernst & Young PLT (“EY”), as part of sound business practice to benefit from a fresh perspective, was subsequently approved by the shareholders at the 48th Annual General Meeting (“AGM”) held on 20 May 2025.
- c) On 20 August 2025, the BAC reviewed and discussed with the Management, together with the new External Auditors, EY, the 2025 Audit Planning Memorandum presented by the latter, prior to commencement of the audit. The following items were deliberated during the review and discussion:
  - Business Insights and Risks
  - EY engagement team members
  - EY audit approach with detail on audit timeline, materiality and others
  - Audit quality and independence
  - Audit fees
- d) On 21 November 2025, the BAC received and discussed updates from EY on Interim Audit Status and First Impression Report for the financial year 2025.

- e) On 21 February 2026, the BAC reviewed the issuance of Letters of Financial Support to subsidiary companies for the financial year 31 December 2025 and recommended the same to the Board for approval. The BAC also received and discussed updates from the External Auditors on the status of the 2025 annual audit as well as discussion on key issues within their duties and responsibilities.
- f) On 27 March 2026, the BAC reviewed and recommended to the Board for approval on the External Auditors Assessment for the financial year ended 31 December 2025 and recommended for the re-appointment of EY as the External Auditors of the Company to be tabled at the upcoming 49<sup>th</sup> AGM and thereafter to authorise the Board to fix their remuneration.

Subsequently on 8 April 2026, the BAC reviewed and recommended to the Board for approval the final draft of Audited Financial Statements for the financial year ended 31 December 2025.

- g) The BAC held without the Management’s presence, three (3) private sessions on 21 February 2025, 21 November 2025 and 27 March 2026, with the External Auditors to reinforce independence. Matters discussed on these occasions included whether there were any pertinent issues relating to the financial statements that require special attention of the BAC other than those areas of audit emphasis highlighted. The BAC also enquired whether the External Auditors received cooperation from the Management during their course of auditing.

### 3.3 Internal Audit

- a) Reviewed and approved the result of 2024 Internal Audit Department (“IAD”) Key Performance Indicators (“KPI”) and 2025 KPI and Budget on 21 February 2025. The BAC approved the revised 2025 KPI after they were tabled for review on 20 March 2025. On 20 March 2025, BAC Report and Statement on Risk Management and Internal Control (“SORMIC”) were deliberated for inclusion in the 2024 Integrated Annual Report.
- b) Reviewed and discussed the 2025 internal audit reports and progress during the series of BAC meetings and sought the Management’s explanation on issues highlighted in the internal audit reports.
- c) Reviewed on a quarterly basis, the status of implementation of the internal audit recommendations by the Management and sought its explanation on long overdue action items.
- d) Pre-BAC meetings were held between the BAC Chairman, Internal Audit Director to discuss key internal controls and internal audit related matters.
- e) Reviewed, deliberated and approved the 2026 Internal Audit Plan for the Company and the Group on 21 November 2025.

## Board Audit Committee Report

- f) Reviewed and approved the results of IAD 2025 KPIs and 2026 KPIs Planning and Budget on 23 February 2026.
- g) On 27 March 2026, deliberated on the BAC Report and SORMIC for inclusion in the 2025 Integrated Annual Report.

**3.4 Other Matters**

- a) On 19 May 2025, the BAC reviewed and notified on the Non-Audited Services performed by EY.
- b) The BAC reviewed and recommended to the Board the proposed single-tier final dividend for FY2024 and proposed renewal of the existing Shareholders' mandate for Recurrent Related Party Transactions ("RRPT") on 20 March 2025 to be tabled at the 48<sup>th</sup> AGM for Shareholders' approval.
- c) On 1 July 2025, the BAC reviewed and recommended to the Board the proposed renewal of the existing Shareholders' mandate for RRPT to be tabled at the Extraordinary General Meeting for Shareholders' approval.
- d) On 20 August 2025, the BAC reviewed the revision of BAC Term of Reference, revision of Treasury Policy and Dividend Policy and recommended it to the Board for Approval.
- e) On 21 November 2025, the proposed single-tier interim dividend for FY2025 and proposed intercompany settlement between the Company and its subsidiary companies via capital redemption and capital reduction were reviewed and recommended to the Board for approval.
- f) The BAC reviewed and recommended to the Board for approval on 21 November 2025, the revised Appointment of External Auditors Policy that merged with the External Auditors' Assessment Policy as one policy to be known as Appointment and Assessment of External Auditors Policy.
- g) The BAC reviewed and recommended to the Board for proposed single-tier final dividend for FY2025 and proposed renewal of existing shareholders' mandate for RRPT on 27 March 2026 to be tabled at 49<sup>th</sup> AGM for Shareholders' approval.

The BAC Chairman at each Board meeting updated the Board on principal matters deliberated at each BAC meeting. Minutes of the BAC meetings were tabled for confirmation at the following BAC meeting and the BAC is of the view that matters reported by it to the Board for the financial year were satisfactorily highlighted and/or resolved.

**4. Conflict of Interest**

The BAC members and the Management are required to disclose any conflicts of interest that may arise based on the agenda items tabled for the meeting. The requirements for declaration concerning any conflict of interest or potential conflict of interest that may arise is included in the notice of meeting and minutes of the meeting. Should there be any conflict of interest, the affected person must observe the Company's Conflict of Interest Policy, i.e. not to participate in any discussion while the subject matters are being considered and shall not vote on the relevant resolution thereof.

**5. Others**

Throughout the financial year, the BAC members attended various seminars, training programmes and conferences to keep abreast of changes in the industry, business environment and regulatory requirements. Details are set out in the Corporate Governance Report under Practice 9.5.

**The Internal Audit Function**

- a) The internal audit function of the Company is performed in-house by the IAD. The IAD undertakes a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes within KPS Berhad Group.
- b) During the financial year, the IAD was headed by an Internal Audit Director, who is independent and report directly to the Chairman of Board Audit Committee. The Internal Audit Director is assisted by one (1) Manager, one (1) Assistant Manager, one (1) executive internal audit and three (3) assurance officers at subsidiary companies namely at Century Bond Bhd, Toyoplas Manufacturing (Malaysia) Sdn Bhd and CPI (Penang) Sdn Bhd. The Internal Audit Director is a member of the Association of Chartered Certified Accountants ("ACCA") and the Institute of Internal Auditors with more than 21 years of internal auditing experience.
- c) IAD provides independent and objective assurance on the areas of operations reviewed and makes recommendations to improve the operations of the Company and its subsidiary companies.
- d) The IAD is guided by its Internal Audit Charter ("the Charter"). The Charter sets out the purpose, scope and responsibilities of the IAD and how it maintains its independence from the Management.

## Board Audit Committee Report

e) The mission of IAD is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight on the effectiveness of governance, risk management and internal controls processes in relation to the following:

- Achievement of the organisation's goals and strategic objectives
- Reliability and integrity of financial and operating information
- Effectiveness and efficiency of operations and programmes
- Safeguarding assets
- Compliance with laws, regulations, policies, procedures and contracts

f) The IAD's performance and conduct in evaluating the effectiveness of the governance, risk management and internal control processes is guided by the International Professional Practices Framework ("IPPF") which is a conceptual framework that organises authoritative guidance issued by The Institute of Internal Auditors ("IIA"). The IIA is a trusted, global, guidance-setting body which provides internal audit professionals worldwide with authoritative guidance. The IAD is also guided by the Malaysian Code on Corporate Governance established by Bursa Securities.

g) During the financial year, the IAD assisted the BAC in discharging its duties and responsibilities by executing the independent review on the adequacy and effectiveness of the governance, risk management and internal control processes implemented by the Management. IAD also supported and conducted a review upon request by the Management or Board Audit Committee.

The summary of works that were carried out by the IAD during the financial year encompassed the following:

- i. Prepared a risk-based Annual Internal Audit Plan for deliberation and approval by the BAC to determine the priorities of the internal audit works, consistent with the organisation's goals. Main factors taken into consideration when preparing the audit plan were the strategic and operational objectives, audit history and risk profiles of each auditable area.
- ii. Performed audits that covered business units (subsidiary companies) and support functions as per the approved Annual Internal Audit Plan. Areas reviewed under the respective audits include:

- **Business Units (subsidiary companies)**

Review of processes in relation to the establishment of business plan and strategies, effectiveness and efficiency of operations, adequacy of risk management practices, control and monitoring activities, ensuring plans were accomplished and that assets were safeguarded, reliability and integrity of financial information as well as compliance with relevant policies, procedures and regulations.

- **Company Support**

Review of processes in relation to adequacy of risk management, control activities and monitoring activities within the Support Functions in ensuring that operations were effective in achieving their established objectives.

- iii. Discussed and addressed internal audit findings and recommendations with auditees.
  - iv. Presented internal audit reports that contain improvement opportunities, internal audit findings, management response and corrective actions in areas with significant risks and internal control deficiencies to the BAC at least at quarterly intervals.
  - v. Conducted and reported quarterly follow-up reviews to determine and verify the adequacy, effectiveness and timeliness of actions taken by the Management on audit recommendations highlighted in the 2025 Internal Audit reports and External Audit reports for FY2024 with progress updates provided to the BAC.
  - vi. Subsequently, these internal audit reports and quarterly follow-up are presented to the boards of the relevant subsidiary companies for their notation and management actions.
  - vii. Conducted quarterly reviews on the impairment of assets and related party transactions/recurrent related party transactions.
  - viii. Presented to the BAC on a quarterly basis, the IAD's progress relative to the Annual Internal Audit Plan.
- h) For the year ended 31 December 2025, the total cost incurred by the IAD during the year was RM1.1 million (FY2024: RM1.6 million), excluding the cost borne by the assurance officers. IAD has undertaken eight (8) audits out of eight (8) (100%) including two (2) ad hoc reviews as per the request of the BAC and Management.
  - i) All internal auditors and assurance officers possess tertiary qualifications, four (4) of whom have either relevant internal audit and/ or accounting professional qualifications and are committed to continuously enhancing their competencies and proficiencies through relevant professional courses, on-the-job training and relevant functional trainings.
  - j) In maintaining independence and objectivity, the IAD ensures that the internal auditors are free from any relationship or conflict of interest when performing their duties.

# Statement on Risk Management and Internal Control

## 1. Introduction

The Board of Directors (“Board” or “Director”) of Kumpulan Perangsang Selangor Berhad (“KPS Berhad” or “the Company”) is pleased to present this Statement on Risk Management and Internal Control (“SORMIC” or “this Statement”) for the financial year ended 31 December 2025. This Statement outlines the Company and its subsidiary companies (“the Group”)’s risk management and internal control framework, ensuring alignment with the “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers” issued by Bursa Securities Malaysia Berhad (“Bursa Securities”) and compliance with paragraph 15.26(b) of the MMLR of Bursa Securities.

The Board is committed to upholding a robust system of risk management and internal control. These frameworks are seamlessly integrated into the Group’s business activities, ensuring effective governance and safeguarding stakeholder interests. This Statement excludes associate companies over which the Group does not have management control.

## 2. Roles And Responsibilities

### The Board

The Board affirms its commitment to ensuring effective governance and robust risk management throughout the Group. Its key responsibilities include:

- **Setting the Group’s Risk Appetite:** Defining acceptable tolerance levels to guide decision-making and strategic planning
- **Overseeing the Risk Management Framework and Internal Control Systems:** Ensuring these frameworks are designed to manage risks effectively and align with the Group’s strategic objectives
- **Providing Periodic Reviews:** Regularly evaluating the effectiveness and adequacy of the frameworks by identifying, assessing, and monitoring key risks
- **Ensuring Compliance and Business Continuity:** Maintaining adherence to regulatory requirements and maintaining business resilience through continuity planning.
- **Facilitating Stakeholder Communication:** Supporting transparent and timely communication of risk-related information to stakeholders

The Board delegates specific responsibilities to the BGRC, BAC and SBC. These committees, alongside the Board, convene quarterly to deliberate on risk management and internal control matters. Through this structure, the Board safeguards shareholder investments and protects the Group’s assets.

### Board Governance and Risk Committee

The BGRC oversees risk management, compliance, integrity, and governance across the Group. Its responsibilities include:

- Establishing and maintaining an effective framework for identifying, evaluating, and managing risks
- Overseeing regulatory compliance, governance practices, and risk frameworks, including those related to cybersecurity and sustainability
- Promoting a strong culture of ethics and integrity throughout the Group by embedding these principles into governance practices and decision-making

### Board Audit Committee

The BAC assists the Board in fulfilling its fiduciary responsibilities by upholding corporate governance standards, ensuring accurate financial reporting, and maintaining effective internal control systems. It plays a critical role in reviewing financial and risk-related matters, evaluating audit findings, and aligning internal controls with the Group’s strategic goals.

### Sustainability Board Committee

The SBC assists the Board in providing oversight and direction on the Group’s sustainability framework, ensuring that policies, roadmaps and ESG targets. It is responsible for reviewing materiality matters and sustainability budgets while monitoring the integration of initiatives to enhance performance as corporate citizens. The Committee also oversees stakeholder engagement and ensures compliance with global and local reporting standards, including IFRS S1 and S2.

The primary duties of the Board, BGRC, BAC and SBC concerning risk management and internal controls are incorporated in the Board Charter and respective TOR of BGRC, BAC and SBC accessible on the Company’s official website at [www.kps.com.my](http://www.kps.com.my).

## Statement on Risk Management and Internal Control

### Management

The BGRC, BAC and SBC are supported by the KPS Berhad Management team and Heads of Department who regularly review and discuss key risk issues, regulatory compliance matters, sustainability and operational concerns, including effectiveness of internal control systems across all subsidiary companies. These discussions take place during quarterly Executive Committees (“EXCO”) meetings, Risk and Governance Working Committee (“RGWC”) meetings, Corporate Sustainability Champions (“CSC”) meeting and subsidiary Board meetings.

The RGWC which chaired by the MD/GCEO or DCEOFCs assists the BGRC in providing the oversight, direction and counsel on the overall risk management process. It is also responsible for establishing and reviewing the risk management framework, processes and responsibilities; and providing reasonable assurance that the risks are managed within tolerable ranges.

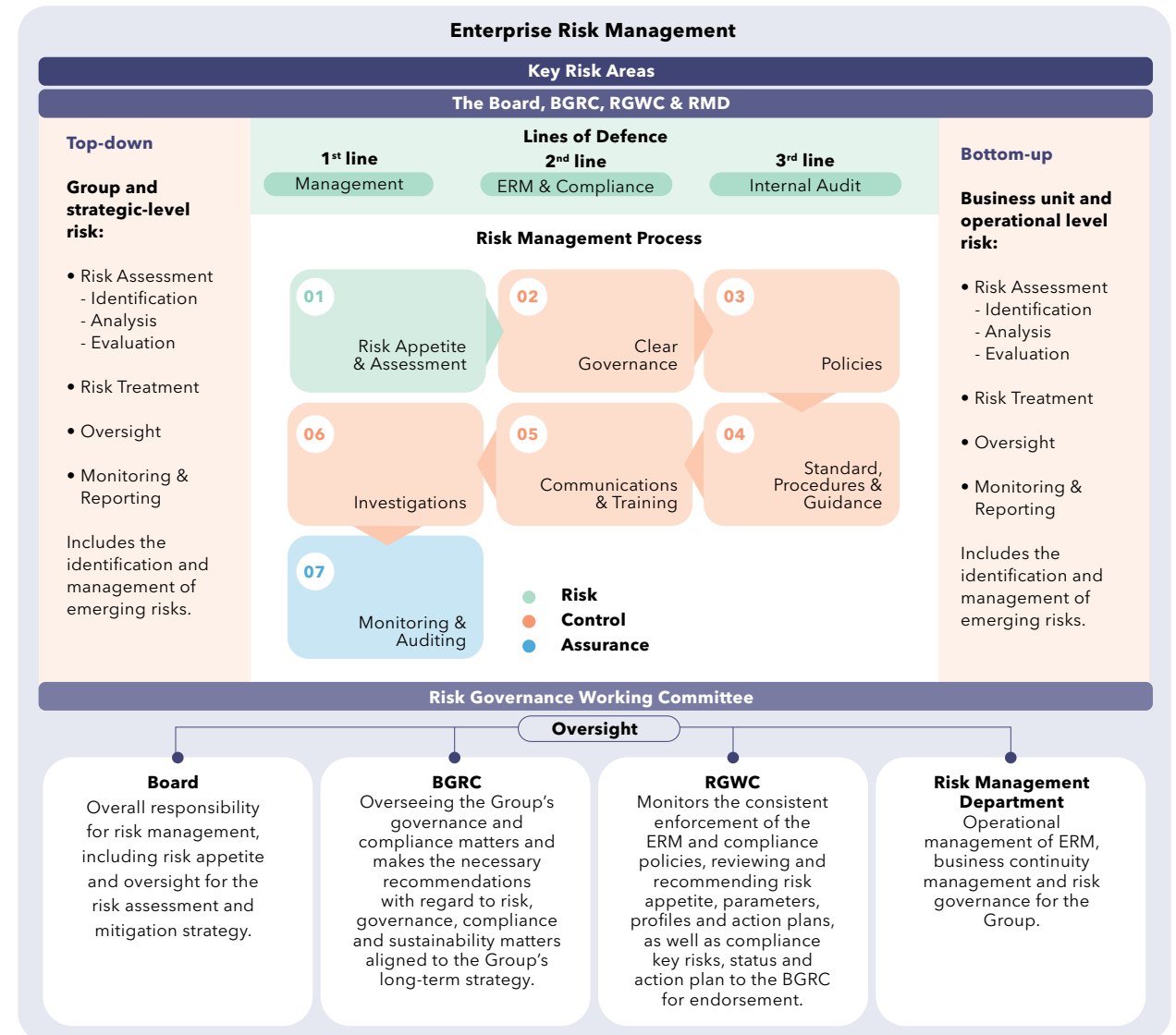
The EXCO is responsible to monitor the implementation of all decisions and policies made by the subsidiary company board and to ensure that the business and operations of the subsidiary is carried out in accordance with the business plan approved by the subsidiary’s board.

The CSC coordinates the Group’s sustainability agenda by ensuring initiatives progress in line with agreed plans, timelines and priorities. It identifies and evaluates material sustainability-related risks and opportunities, and recommends relevant ESG KPIs, targets and performance indicators aligned with the Group’s strategy. The CSC also provides direction to guide sustainability efforts across the Group and promotes consistent sustainability practices across business units and subsidiary companies.

### 3. Enterprise Risk Management

#### 3.1 Risk Management Framework

KPS Berhad adopts MS ISO 31000 Risk Management Standard as a guideline for identifying, evaluating, managing and monitoring significant risks by the Group to align its risk management process with the industry’s best practices. The following diagram illustrates the risk management governance, context and framework.



## Statement on Risk Management and Internal Control

KPS Berhad’s ERM structure encompasses all levels of the organisation, from the Board to its subsidiary companies. This integrated framework ensures that material risks identified at the subsidiary level are consolidated during EXCO meetings, reviewed by the RGWC, and subsequently escalated to the BGRC and the Board for final oversight.

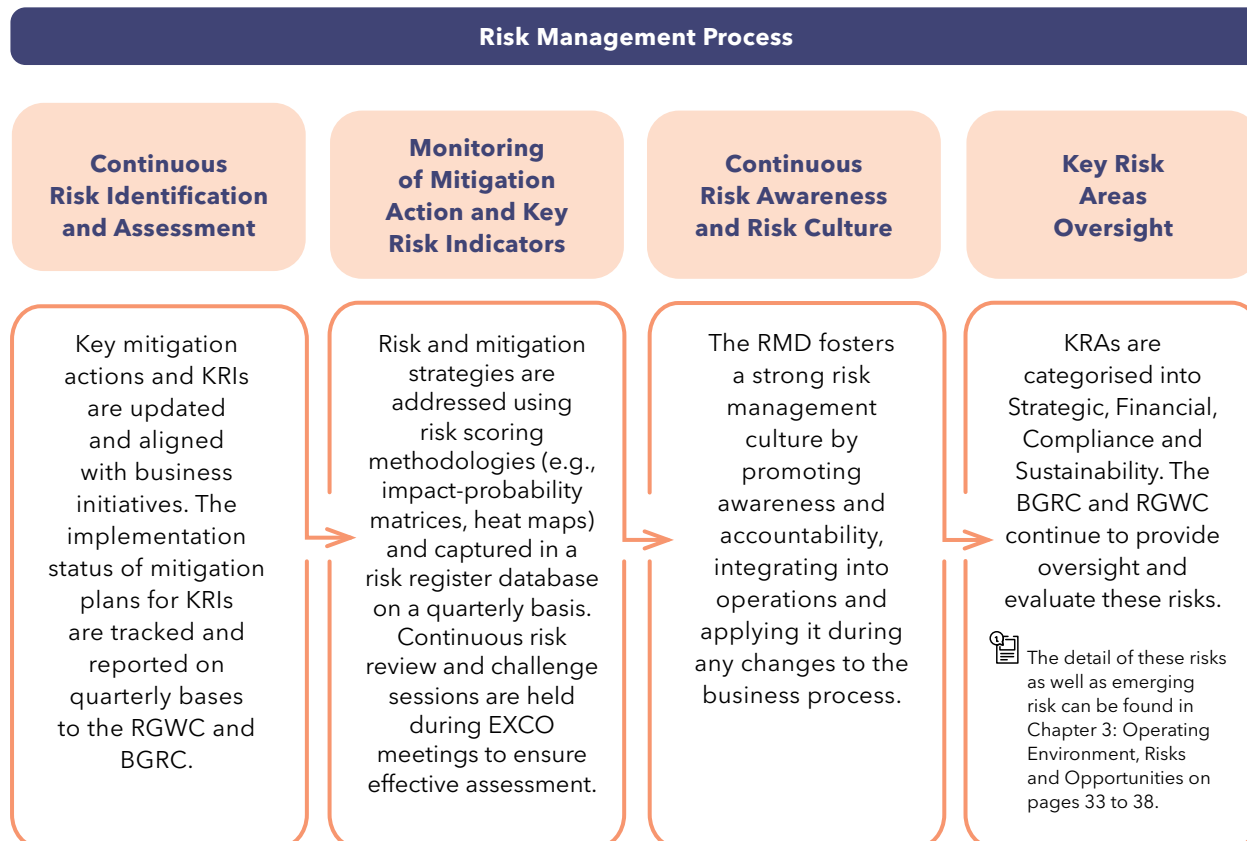
### 3.2 Risk Management Process

The Company has established a risk management process to systematically identify, assess, mitigate and monitor risks that may impact business objectives. Risk assessments are conducted continuously using structured methodologies, with Key Risk Indicators (“KRI”) tracked to ensure alignment with strategic goals.

The Risk Management Department (“RMD”) plays a key role in embedding a strong risk-awareness culture across the organisation. Oversight and governance are provided by the BGRC and the RGWC, ensuring that Strategic, Financial, Compliance and Sustainability risks are effectively managed. This structured approach enhances resilience, accountability and sustainability business growth.

### 3.3 Emerging Risks

As part of our commitment to maintaining a proactive and resilient risk management posture, the Group consistently scans the emerging risk landscape to identify potential threats that may impact our long-term strategic objectives. On a quarterly basis, the BGRC reviews these emerging risks, ranging from technological shifts to evolving sustainability regulations, to ensure that our risk profiles remain current and that preemptive mitigation strategies are integrated into our operational planning. This structured, ongoing evaluation allows the Group to remain agile and well-prepared for foreseeable future events in an increasingly dynamic business environment.



## Statement on Risk Management and Internal Control

### 4. Business Continuity Management

The Business Continuity Management (“BCM”) framework aligns with ISO22301:2019, ensuring continuity of critical functions during disruptions. This policy enhances the relevance and integration of the BCM Systems Manual, ensuring uniform alignment of processes and procedures for managing business disruptions across the Group. Proper BCM enhances the Group’s resilience and preparedness for disasters, encompassing crisis management, crisis communication, disaster recovery and simulations, as detailed below:

<b>Crisis Management Plan (“CMP”)</b>	The CMP serves as a guide to the Crisis Management Team (“CMT”) in responding to business disruptions, resuming essential operations and minimising damage costs. It outlines the roles and responsibilities during emergencies, including resource deployment and use of life safety features to protect assets, IT infrastructure, people and business dependencies. The CMP has been communicated and adopted by key subsidiary companies, each forming their CMT to ensure preparedness and response to crises.
<b>Crisis Communication Plan (“CCP”)</b>	The CCP follows a one-voice policy, outlining the roles and responsibilities of departments to communicate with stakeholders and the media during a crisis to mitigate reputational damage. It includes procedures for coordinating internal and external communications, ensuring all involved are familiar with mobilisation, escalation procedures and their roles.
<b>Disaster Recovery Plan (“DRP”)</b>	The DRP ensures the continuity of basic business functions during disasters by preventing loss of resources, minimising IT downtime and sustaining operations. Key systems are hosted on cloud services with daily backups and disaster recovery measures. An annual disaster recovery drill is conducted with the hosting provider and key subsidiary companies to validate data backup efficacy.
<b>Simulations Exercise and Testing</b>	Simulation exercises and test scenarios are essential components to the BCM programme activities in verifying the effectiveness of emergency preparedness. KPS Berhad aims to sustain a high level of competency and readiness among its key stakeholders in managing and responding to crises or disasters.

During the year under review, the Group achieved several key milestones in strengthening its BCM posture across its subsidiary companies:

- Full-scale BCM exercise:** A comprehensive BCM exercise was successfully conducted for CPI, encompassing a Business Impact Analysis (“BIA”) to identify Critical Business Function (“CBF”) and the development of tailored Business Continuity Plan (“Plan”). Awareness sessions were conducted for relevant staff to instill a culture of preparedness
- Crisis Management Simulation:** Dedicated Crisis Management Desktop Simulation were conducted for Aqua-Flo, CPI, MDS Advance. These exercises were designed to test the readiness of the respective management teams in responding to localised threats and to validate the robustness of their crisis management protocols
- Integrated Group-Level Coordination:** The simulations for Aqua-Flo, CPI and MDS were conducted in alignment with the KPS Berhad Crisis Management Team. This ensures crisis communications and response strategies are fully integrated and streamlined between the subsidiary companies and the Group level, maintaining a unified command structure to minimise damage and ensure business continuity during a crisis

## Statement on Risk Management and Internal Control

### 5. Control Structure And Environment

The Group has established an internal control structure. It is committed to continuously evaluating, enhancing and maintaining the structure to ensure effective control over the Group's business operations as well as to safeguard the value and security of the Group's assets. There is a clearly defined operating structure with lines of responsibility and delegated authority to assist the Board in maintaining proper control.

#### 5.1 Board Committees Have Clearly Defined Roles and Terms of Reference

Each Board Committee within the Group has a distinct role and TORs outlining specific functions, authority, and responsibilities. The management of subsidiary companies is delegated to their CEO, with their roles clearly defined in their respective job descriptions. Authority limits for these executives are established by their respective boards, and major decisions undergo thorough analysis before final approval by the relevant board within the Group. Details of the Board Charter are available on the Company's website at [www.kps.com.my](http://www.kps.com.my).

#### 5.2 Independence of the Board Audit Committee

Members of the BAC comprising exclusively Non-Executive Directors of the Board are leaders of high calibre and integrity; they collectively possess vast experience, knowledge and expertise across many industries. The BAC plays a significant role in helping the Board to fulfil its oversight responsibilities through the review of financial information and to provide an unbiased review of the effectiveness and efficiency of the Group's internal controls from an independent perspective.

The BAC has explicit authority to review and investigate any matters within its TOR and has:

- The required resources to perform their duties
- Full and unrestricted access to any information pertaining to the Company and Group including the support and cooperation from Management
- Direct communication channels with both the External and Internal Auditors to obtain independent professional advice
- The right to convene meetings with the External Auditors, the Internal Auditors, or both without the presence of other Executive Directors and employees of the Company, whenever deemed necessary

In addition, the BAC also ensures the objectivity, effectiveness and independence of the Internal Audit Function ("IAF") of the Management. The direct accountability of IAF to the BAC enables the internal audit activity to be independent and the Internal Auditors to be objective in performing the internal audit activities. The details of the BAC TOR can be found on the Company's website at [www.kps.com.my](http://www.kps.com.my).

#### 5.3 Internal Audit

The IAD, an integral part of the Group's internal control systems, reports directly to the BAC. The IAD's primary role is to provide independent and objective assurance designed to add value and improve the efficiency of operations within the Group. It assists the Group in achieving its objectives by bringing systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The mission for internal auditing is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The annual internal audit plan, established on a risk-based approach, is reviewed and approved by the BAC annually. The IAD's performance and conduct are guided by the International Standards for the Professional Practice of Internal Auditing ("the IIA Standards") and the International Professional Practices Framework ("IPPF"). IPPF is the conceptual framework that organises authoritative guidance issued by the Institute of Internal Auditors ("IIA"). The IAD is also guided by the MCCG established by Bursa Securities.

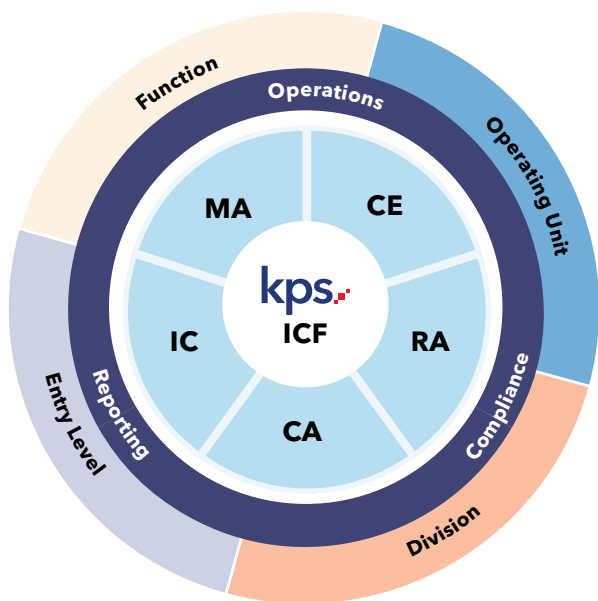
The IAD TOR has been reviewed and amended to reflect mechanisms ensuring that internal audit remains independent even if the Head of Internal Audit also oversees risk management. This includes establishing clear segregation of duties, roles and activities between the internal audit and risk management functions.

#### 5.4 KPS Berhad Internal Control Framework

An effective internal control system aligns with the Company's mission, strategies, and business objectives. To support this, KPS Berhad established the Internal Control Framework ("KPS-ICF"), which was approved by the Board on 28 May 2020. The framework strengthens governance and standardises internal controls across the Group to achieve strategic objectives.

## Statement on Risk Management and Internal Control

The KPS-ICF is based on the globally recognised the Committee of Sponsoring Organisation (“COSO”) Internal Control-Integrated Framework. Its circular design illustrates the Group’s approach to internal controls, incorporating five core components: control environment, risk assessment, control activities, information and communication, and monitoring. These components align with the framework’s primary objectives while reflecting the organisational structure.



The Board has also approved the adoption of KPS-ICF across all subsidiary companies, ensuring consistency in internal control structures and supporting the Group’s strategic goals.

### 5.5 Documented Internal Policies And Procedures

The Group periodically reviews, updates and establishes the internal policies and standard operating procedures for improvement and to reflect changes in the business structure and processes as and when necessary. The main policies and procedures are as follows:

Financial Management	
<b>Delegation of Authority (“DOA”) and Limit of Authority/ Financial Authority Limit (“LOA/FAL”)</b>	The DOA defines decision-making powers within KPS Berhad, while the LOA/FAL establishes financial thresholds for approving expenditures or transactions, promoting effective decision-making, streamlining processes, enhancing accountability and ensuring financial control within the Group.
<b>Foreign Exchange (“FX”) Policy and Guidelines</b>	The FX policy is designed to support international business operations, as the Group faces FX risks that could impact revenue, cost competitiveness and profitability. The primary goal of the FX Policy is to prudently manage and mitigate all FX exposures to minimise the adverse effects of exchange rate fluctuations.
<b>Related Party Transaction (“RPT”) Policy</b>	The guidelines ensure that all related party transactions within KPS Berhad and its subsidiary companies are reviewed by the BAC and approved by the Board, conducted on an arm’s length basis with proper disclosure of conflict of interest, and comply with relevant disclosure requirements.
<b>Dividend Policy</b>	<p>The Board approved Dividend Policy outlines the Company’s intention to pay at least 30% of its audited consolidated normalised annual PATAMI, subject to affordability and the availability of distributable reserves. This policy ensures that dividend declarations align with the Company’s financial position, operating performance and future investment needs, supporting equitable and sustainable shareholder returns.</p> <p>This Policy also provides guidelines to ensure that dividend declarations reflects the subsidiary companies’ financial and cash flow positions, operating performance and future investment needs, supporting sustainable returns to shareholders.</p>

## Statement on Risk Management and Internal Control

Governance	
<b>Personal Data Protection (“PDP”) Policy</b>	The Personal Data Protection Act 2010 (“PDPA 2010”) regulates the processing of personal data in commercial transactions. In compliance with this Act, KPS Berhad has implemented a PDP Policy. This policy outlines the guidelines and standards for the Group to manage the collection, processing, usage, retention and disclosure of personal data, ensuring adherence to the PDPA 2010.
<b>Compliance Policy</b>	The Legal and Compliance Department (“LCD”) oversees compliance risk assessment activities to identify, assess, mitigate and educate KPS Berhad employees about non-compliance risks. These efforts aim to provide reasonable assurance that the Group’s operations and activities align with key regulatory requirements. Additionally, the LCD reports on the Group’s compliance status through quarterly updates to the relevant boards.
<b>Strategy, Business Planning and Investment SOPs</b>	The Group has established procedures for business planning, investment evaluation and monitoring which include business planning process and approval, investment mandate and criteria, tracking mechanism and establishment of the Investment Evaluation Committee (“IEC”) and BIRC, whose TOR are reviewed periodically.
<b>Investor Relations (“IR”) Policy</b>	The IR Policy ensures compliance with Bursa Malaysia securities legislation and other relevant laws regarding the disclosure of material information. It aims to manage investor expectations by providing all required disclosures in a clear, timely and consistent manner. The IR Policy guides the Board, Management and employees in effectively communicating with shareholders, investors, stakeholders and the public. It also facilitates feedback for future business decisions.
<b>Sustainability Policy</b>	This Policy serves as a key component of the Group’s ERM by integrating sustainability principles into core investment activities. This approach enables the proactive identification, assessment and mitigation of a broader range of risks, including environmental, social and governance factors. By embedding sustainability criteria into risk assessment, the Group gains deeper insights into emerging risks such as climate change, resource management, social inequality and regulatory changes.
<b>IFRS S2 Framework</b>	KPS Berhad’s adoption of the IFRS S2 framework enhances our management of climate-related risks and opportunities. By integrating climate considerations into strategic planning and risk management, we aim to ensure long-term business resilience and sustainability. The IFRS S2 framework helps us identify and mitigate potential climate impacts, maintain operational continuity and promote transparency through clear reporting, enabling informed decision-making and accurate assessment of our climate risk exposure.

## Statement on Risk Management and Internal Control

Integrity	
<b>Whistleblowing Policy and Guidelines ("WB Policy")</b>	The WB Policy enables employees and the public to raise concerns about wrongdoing within the Group. The policy aims to encourage early and appropriate reporting of concerns, provide avenues for raising concerns and receiving feedback, and protect complainants from reprisal. The IGU manages the WB Policy, escalating complaints to the Chairman of the BGRC. Further details and contact information for the whistleblowing officer and lodging a concern are available on the Company's website.
<b>Code of Business Conduct and Ethics ("COBE")</b>	KPS Berhad has established a COBE that applies to all directors, employees, subsidiary companies and third parties performing services for the Group. COBE focuses on promoting ethical business conduct, providing guidance on recognising and addressing ethical issues and offering mechanisms to report unethical conduct.
<b>Supplier Integrity Pledge</b>	To ensure that all appointed suppliers and vendors of KPS Berhad and its subsidiary companies understand and are fully committed to the COBE, the Company requires them to execute the Supplier Integrity Pledge upon commencing business or registering as suppliers. This reinforces the Company's commitment to conducting business with integrity and ethical standards.
<b>Anti-Bribery and Corruption ("ABC") Policy</b>	The ABC Policy, established in November 2019 and adopted by all subsidiary companies in March 2020, ensures the Group's compliance with Section 17A of the MACC Act 2018. The policy applies to the Group, its controlled organisation, business associates, the board and all employees to cultivate a corruption free business environment.
<b>Corruption Risk Management ("CRM") Framework</b>	KPS Berhad has developed a CRM framework, adopted by all subsidiary companies, to profile and manage corruption risks through a structured risk assessment approach. The CRM aligns with ISO 37001:2016 - Anti Bribery Management System, focusing on root cause analysis and corruption risk assessment periodically and report bi-annually to the MACC. This ensures compliance with Section 17A of the MACC Act 2018.
<b>Declaration of Conflict of Interest ("COI") by Employee and Board of Directors</b>	In addition to the established policies promoting an integrity culture, KPS Berhad ensures transparency and proper declaration of potential conflicts of interest by requiring all employees, including those in subsidiary companies, to submit an annual COI Form to the HRD. Employees are also obligated to promptly disclose any potential conflicts of interest to business dealings, employment or pricing services. This commitment extends to the Board level.

## Statement on Risk Management and Internal Control

## People Management

<b>Anti-Harassment Policy ("AHP")</b>	KPS Berhad has established the AHP to ensure a safe, conducive and harassment-free environment for all employees, in line with the 2023 amendments to the Employment Act 1995. The AHP outlines the procedures for lodging harassment complaints and ensures that all records and findings are treated confidentially. Investigations are conducted to implement corrective actions as required by law.
<b>Human Resource Policies</b>	These Policies provide transparent guidelines to ensure impartial and consistent HR practices, supporting efficient business operations and workforce management. Aligned with good corporate governance and employment regulation, these policies covering areas such as talent management, performance, COI, remuneration, leadership appointments, gender diversity, and ethics are implemented and monitored by the HRD. HRD also drives transformation programmes to foster a high - performance culture, enhance governance and promote operational excellence. These policies comply with relevant Malaysian laws, including the Employment Act 1955, Industrial Relations Act 1967 and MACC Act 2009.
<b>Quality, Safety, Health and Environment ("QSHE") Policy</b>	The Board has approved the QSHE Policy to continuously improve the quality of work, services and the safety, health and environmental performance of employees to ensure all work activities are conducted safely, preventing potential non-conformities, workplace injuries and environmental issues.

## Technology Management

<b>Cybersecurity Framework</b>	The Cybersecurity Framework has been established to align cybersecurity governance with the Group's business objectives. This framework aims to protect the systems and information of KPS Berhad and its subsidiary companies from cyber threats, enhancing the Group's overall cybersecurity capabilities.
<b>Data Protection Framework</b>	The Data Protection Framework provides a structured approach to ensure legal compliance, safeguard data privacy, manage risks and build stakeholder trust. Its objectives are to align data protection with cybersecurity initiatives and business goals, establish data governance, and implement principles, policy and procedure to protect data privacy, confidentiality, integrity and availability.
<b>Information Technology Policy</b>	The IT Policy aims to promote, standardise and implement IT activities across the Group, ensuring the protection of IT resources, alignment of security measures with business needs and maintenance of data integrity and security. The policy is periodically reviewed and updated with enhanced cybersecurity controls based on COBIT5, in line with KPS Berhad Cybersecurity Framework.

## Statement on Risk Management and Internal Control

### 6. Monitoring and Review

The processes adopted to monitor and review the effectiveness of the internal control system are as follows:

- i) All subsidiary companies are required to submit monthly Management Reports to their respective EXCO and Finance Departments. These reports include comparisons of actual performance against the previous year and the budget, with significant variances explained and corrective actions implemented to address gaps.
- ii) The Board Investment Review Committee ("BIRC") reviews investment and divestment proposals, as well as investee performance reports, on a quarterly basis. The Chairman of the BIRC reports the outcomes of these deliberations to the Board to ensure informed decision-making.
- iii) Quarterly reports on risk, compliance, integrity, and IT are tabled for discussion at the RGWC and BGRC meetings. These reports are then submitted to the Board for deliberation and action.
- iv) The SBC convenes three times a year supported by Investor Relation, Sustainability and Corporate Communication ("IRSC") department, as well as KPS Berhad management and subsidiary management to review materiality matters. These reports are subsequently recommended to Board for approval.
- v) The BAC reviews quarterly financial performance reports submitted by the Management of KPS Berhad and its subsidiary companies. These reports are subsequently recommended to the Board for approval.
- vi) The BAC meets quarterly to review internal audit findings and ensure that highlighted weaknesses in internal controls are appropriately addressed by the Management. The BAC is supported by the IAD in terms of the following:

- Internal Audit findings are discussed with auditees and respective EXCO members, with recommendations provided to address the issues
- Submissions of reports to the BAC at quarterly intervals containing improvement opportunities, audit findings, management response and corrective actions in areas with significant risks and internal control deficiencies and subsequently presented to subsidiary companies management for action
- Monthly follow-up reviews via the Internal Audit Findings Register ("IAFR") to determine the adequacy, effectiveness and timeliness of Management's actions on audit recommendations highlighted in the 2024 internal audit reports with progress updates provided to the BAC on a quarterly basis
- Review of the BAC TOR to reflect updates to the current business environment, including Malaysia Institute of Accountant ("MIA") by-law requirements

During the financial year, the Group identified areas for enhancement within its internal control environment, particularly in relation to segregation of duties, financial closing processes, and Information Technology General Controls ("ITGC"). These observations were reviewed by the Board through the BAC, which emphasised the importance of strengthening control consistency across the Group. The Management has initiated improvement measures to address the gaps. The adequacy and effectiveness of these remediation actions are being actively monitored and assessed periodically by the BAC.

### 7. Conclusion

For the financial year ended 31 December 2025, the Board has actively monitored and reviewed the risk management practices and effectiveness of the internal control structure, based on the adopted ERM framework, which includes processes for identifying,

evaluating and managing significant risks faced by the Group. This is an ongoing process that includes enhancement of the relevant key internal controls when there are changes in the business environment.

The Board has received assurance from the MD/GCEO and DCEOFCS that the Group's risk management framework and internal control structure is operating adequately and effectively in all material aspects, based on the current risk management and internal control system of the Group. Where weaknesses are identified, rectification steps have been put in place.

Based on the assurances provided and with the implementation of the ERM framework as well as the adoption of Internal Control Framework, the Board is of the opinion that the risk management and internal control system for the year under review, up to the date of the issuance of the Group's financial statements, are adequate and effective in safeguarding shareholders' investments and all stakeholders' interests.

### 8. Review of the Statement by External Auditors

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants.

Based on the procedures performed and evidence obtained, the External Auditors have reported to the Board that nothing has come to their attention to cause them to believe that this statement is not prepared, in all material respects in accordance with the disclosures required by the guidelines.

CHAPTER

08

# Stakeholder Information

## Analysis of Shareholdings as of 26 March 2026

**A. Issued Shares of the Company** : **537,385,383 Ordinary Shares**  
**Voting Right** : **One (1) Vote per Ordinary Share**

### B. Analysis by Size of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
Less than 100	992	12.39	38,029	0.01
100 to 1,000	1,881	23.49	1,047,085	0.19
1,001 to 10,000	3,022	37.73	14,126,554	2.63
10,001 to 100,000	1,824	22.77	55,980,373	10.42
100,001 to less than 5%	288	3.60	125,494,850	23.35
5% and above	2	0.02	340,698,492	63.40
<b>TOTAL</b>	<b>8,009</b>	<b>100.00</b>	<b>537,385,383</b>	<b>100.00</b>

### C. List of Substantial Shareholders (5% And Above)

No.	Name	Shareholdings	%
1.	DARUL EHSAN INVESTMENT GROUP BERHAD Shares held in CDS account as follows: a. Own account - 1,461,916 b. ABB Nominee (Tempatan) Sdn Bhd - 309,561,538	311,023,454	57.88
2.	PERBADANAN KEMAJUAN NEGERI SELANGOR Shares held in CDS account as follows: a. RHB Nominees (Tempatan) Sdn Bhd/ RHB Islamic International Asset Management Berhad - 29,675,038	29,675,038	5.52

### D. List of Thirty (30) Largest Shareholders

No.	Name	Shareholdings	%
1.	ABB NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DARUL EHSAN INVESTMENT GROUP BERHAD	309,561,538	57.61
2.	RHB NOMINEES (TEMPATAN) SDN BHD RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD FOR PERBADANAN KEMAJUAN NEGERI SELANGOR (A)	29,675,038	5.52
3.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIEW ENG @ NG CHIEW MING (MY3087)	14,800,000	2.75
4.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIEW ENG @ NG CHIEW MING	12,000,000	2.23
5.	TABUNG WARISAN NEGERI SELANGOR	9,309,615	1.73
6.	LIM CHEE MENG	2,730,000	0.51
7.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING YI EN	2,223,800	0.41
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NOOR AZMAN @ NOOR HIZAM B MOHD NURDIN (8037673)	1,960,615	0.37
9.	LIM CHEE MENG	1,656,215	0.31

## Analysis of Shareholdings as of 26 March 2026

No.	Name	Shareholdings	%
10.	LIM CHIN SEAN	1,621,692	0.30
11.	HELLY LYKE TABALUJAN	1,600,000	0.30
12.	CHIN KAN SIN	1,573,700	0.29
13.	DARUL EHSAN INVESTMENT GROUP BERHAD	1,461,916	0.27
14.	OLIVE LIM SWEE LIAN	1,100,000	0.21
15.	MAL MONTE SDN BHD	1,087,692	0.20
16.	JUMA'AH BINTI MOKTAR	1,073,615	0.20
17.	FOONG NGET LEE	1,055,000	0.20
18.	CHENG CHANG CHAI	1,005,100	0.19
19.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KAN SIN	1,001,769	0.19
20.	TAN AI LENG	1,000,269	0.19
21.	TAN CHEE WEE	1,000,000	0.19
22.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW YOON PECK	951,800	0.18
23.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM CHEE MENG (PB)	948,876	0.18
24.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHAI HOCK (MY0972)	905,000	0.17
25.	SAI YEE @ SIA SAY YEE	870,000	0.16
26.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR PHILLIP DANA AMAN (3717 TRO1)	852,900	0.16
27.	SULTAN IDRIS SHAH	769,153	0.14
28.	THIRU NAVOOKARASU A/L MUTHUSAMY	730,000	0.14
29.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WEE TIANG KEE	700,292	0.13
30.	YAP MEI LIAN	700,000	0.13

## E. List of Directors and Chief Executive Officer's Shareholdings

No.	Name	Shareholdings	%
1.	DATO' DR. AHMAD FADZLI BIN AHMAD TAJUDDIN	0	0.00
2.	DATO' Ts. SAIPOLYAZAN BIN MAT YUSOP	0	0.00
3.	DATO' IKMAL HIJAZ BIN HASHIM	0	0.00
4.	NORLIZA BINTI KAMARUDDIN	0	0.00
5.	DATO' NOORAZMAN BIN ABD AZIZ	0	0.00
6.	SHARMILA SEKARAJASEKARAN	0	0.00
7.	DATUK SYED IZUAN BIN SYED KAMARULBAHRIN	0	0.00
8.	AHMAD FARIZ BIN HASSAN	0	0.00

## Additional Compliance Information Disclosures

### 1. Material Contract and Material Loans

Other than as disclosed in Note 37 of the Audited Financial Statements, there were no material contracts entered into by the Company and its subsidiary companies involving the interests of the Directors, MD/GCEO, DCEO/FCS, Head of Subsidiary Companies and major shareholders of the Company.

### 2. Utilisation of Proceeds Raised from Corporate Exercise

The status of utilisation of proceeds from disposal of all the securities of Sistem Penyuraian Trafik KL Barat Sdn Bhd ("SPRINT") held by Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Holdings") to Amanat Lebuhraya Rakyat Berhad ("ALR") ("Disposal") which was completed on 13 October 2022.

KPS Berhad received its 20% of the proceeds from the Disposal amounting to RM172.6 million from SPRINT Holdings in the form of dividend of RM43.8 million and redemption of non-cumulative redeemable preference shares of RM128.8 million.

No.	Purpose	Proposed/Actual Utilisation (RM'000)	Utilisation Timeframe
1.	Special dividend	24,182	December 2022
2.	Acquisition of new subsidiary company, MDS Advance Sdn Bhd:		
	- Upon completion	68,000	January 2023
	- After first year Profit Guarantee	8,000	March 2024
	- After second year Profit Guarantee	9,000	March 2025
3.	Principal repayment for existing term loan	18,000	August 2023
4.	Working capital	45,418	2023

### 3. Audit Fees and Non-Audit Fees

The amount of audit fees paid or payable to external auditors by the Company and the Group for the financial year ended 31 December 2025 are as follows:

Purpose	Company (RM'000)	Group (RM'000)
Audit Fees	578	2,192
Non-Audit Fees		
- Review of statement on risk management and internal control	10	10
- MFRS training	-	160
- Transfer pricing	9	106
- Preparation of tax computation	-	19
- Preparation of MBRS reporting to SSM	3	30
- Review of audit working paper	102	102
<b>Total</b>	<b>702</b>	<b>2,619</b>

Additional Compliance Information Disclosures

4. Recurrent Related Party Transactions (“RRPT”) of a Revenue or Trading Nature

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the MMLR, details of the RRPT of a revenue or trading nature entered into during the financial year ended 31 December 2025 (“FY2025”) by KPS Berhad Group pursuant to the shareholders’ mandate obtained from the shareholders of KPS Berhad at the EGM of the Company held on 28 July 2025 were as follows:

No.	Company within KPS Berhad Group	Transacting Related Parties	Nature of Transactions	Actual Value Transacted during FY2025 (RM’000)	Interested Related Parties	
					Name	Nature of Relationship
(a)	Aqua-Flo Sdn Bhd® (“Aqua-Flo”)	Pengurusan Air Selangor Sdn Bhd (“Air Selangor”) and/or any of its subsidiary, associated or affiliated companies (“Air Selangor Group”)	Supply and delivery of chemical products, water meters, goods and services, laboratory monitoring equipment and disinfection system in Selangor and Federal Territories of Kuala Lumpur and Putrajaya by Aqua-Flo to Air Selangor Group <sup>+</sup>	35,626	<p><i>Interested Major Shareholders</i></p> <ul style="list-style-type: none"> <li>Menteri Besar Selangor (Incorporated) (“MBI”)</li> <li>Darul Ehsan Investment Group Berhad (“DEIG”)</li> </ul> <p><i>Interested Persons Connected</i></p> <ul style="list-style-type: none"> <li>Air Selangor Holdings Berhad (“ASHB”)</li> <li>Air Selangor</li> <li>Perbadanan Kemajuan Negeri Selangor (“PKNS”)</li> </ul>	<p>DEIG is a major shareholder of KPS Berhad with direct shareholding of 57.88%. MBI is a holding company of DEIG.</p> <p>ASHB is a wholly-owned subsidiary of MBI.</p> <p>Air Selangor is a wholly-owned subsidiary of ASHB.</p> <p>PKNS is a substantial shareholder of KPS Berhad with direct shareholding of 5.52% and a person connected to DEIG.</p>
(b)	Smartpipe Technology Sdn Bhd* (“SPT”)	Air Selangor	Laying of new pipes to replace existing pipes in Selangor and Federal Territories of Kuala Lumpur and Putrajaya by SPT to Air Selangor Group	Nil	<ul style="list-style-type: none"> <li>Tabung Warisan Negeri Selangor (“TWNS”)</li> </ul> <p><i>Interested Directors</i></p> <ul style="list-style-type: none"> <li>Dato’ Dr. Ahmad Fadzli bin Ahmad Tajuddin (“Dato’ Dr. Ahmad Fadzli”)</li> <li>Dato’ Ts. Saipolyazan bin Mat Yusop (“Dato’ Ts. Saipolyazan”)</li> </ul>	<p>TWNS is a shareholder of KPS Berhad with direct shareholding of 1.732% and a person connected to DEIG.</p> <p>Dato’ Dr. Ahmad Fadzli sits on the Boards of MBI, PKNS, Air Selangor and ASHB. He is the Chairman and a Non-Independent Non-Executive Director of KPS Berhad.</p> <p>Dato’ Ts. Saipolyazan sits on the Boards of MBI, DEIG and ASHB. He is the board representative of MBI in KPS Berhad. He is also the Chief Executive Officer of MBI and Non-Independent Non-Executive Director of KPS Berhad.</p>

## Additional Compliance Information Disclosures

No.	Company within KPS Berhad Group	Transacting Related Parties	Nature of Transactions	Actual Value Transacted during FY2025 (RM'000)	Interested Related Parties	
					Name	Nature of Relationship
(c)	Aqua-Flo®	Taliworks Corporation Berhad ("Taliworks") and/or any of its subsidiary, associated or affiliated companies ("Taliworks Group")	Sales of chemical products, laboratory & monitoring equipment and disinfection system by Aqua-Flo to Taliworks Group	9,126	<i>Interested Major Shareholders</i> Taliworks	Taliworks is a Major Shareholder of Aqua-Flo with direct shareholding of 24%.

## Notes:

+ Pursuant to the Framework Agreement ("FA") dated 21 November 2023 entered into between Aqua-Flo and Air Selangor for a period of two (2) years commencing from 1 January 2024 to 31 December 2025 for the supply and delivery of chemicals, goods and services as described in Section 2.3(a) above.

Pursuant to FA dated 21 February 2023 entered into between Aqua-Flo and Air Selangor for a period of two (2) years commencing from 1 January 2023 to 31 December 2024 for the supply and delivery of water meters for new development, meter migration and replacement programme as described in Section 2.3(a) above of which the contract amount has been fully utilised by Air Selangor. Subsequently, on 28 February 2024, Aqua-Flo entered into a new FA for a period of three (3) years commencing from 1 March 2024 to 28 February 2027 for the supply and delivery of water meters for new development, meter migration and replacement programme.

® Aqua-Flo is a 51% owned subsidiary companies of KPS Berhad. The balance of 25% and 24% equity interests in Aqua-Flo is owned by Prismachem Sdn Bhd ("Prismachem") and Taliworks respectively. Neither Prismachem and Taliworks nor their directors and shareholders hold any shares in KPS Berhad.

\* SPT is an indirect 64%-owned subsidiary companies of KPS Berhad. The balance 36% of the equity interest in SPT is owned by Smartpipe Holdings Sdn Bhd, an unrelated entity to KPS Berhad Group.

## 5. List of Group's Properties

Particulars of the Group's properties with net book value of 5% or more of consolidated total assets as at the end of the financial year are presented on pages 165 to 169 of this 2025IAR.

## 6. Directors' Training

Trainings attended by the Directors during FY2025 are set out on pages 132 to 135 of this 2025IAR.

## Disclosure of Financial Data for Shariah Screening

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

### (a) Group Total Income and Total Assets

Continuing Operation	2025 (RM'000)	2024 (RM'000)
Revenue	1,043,281	1,064,724
Other Income	34,575	46,346
Interest/ Profit Rate Income	8,043	12,894
Share of Profit from Associates	1,966	4,761
<b>Total Income</b>	<b>1,087,865</b>	<b>1,128,725</b>
<b>Total Assets</b>	<b>1,525,746</b>	<b>1,603,756</b>

### (b) Business Activities

Shariah Non-Complaint Activities	2025 (RM'000)	2024 (RM'000)
Interest Income	2,513	3,646

### (c) Component of Financial Position

#### (i) Cash Component

Islamic Account/Instruments	2025 (RM'000)	2024 (RM'000)
Cash and Bank Balance	191,528	206,934

Conventional Account/ Instruments	2025 (RM'000)	2024 (RM'000)
Cash and Bank Balance	174,096	178,636

## Disclosure of Financial Data for Shariah Screening

**(c) Component of Financial Position (continued)****(ii) Debt Component**

<b>Islamic Financing</b>	<b>2025 (RM'000)</b>	<b>2024 (RM'000)</b>
Loan and Borrowing	<b>113,681</b>	162,270

<b>Conventional Financing</b>	<b>2025 (RM'000)</b>	<b>2024 (RM'000)</b>
Loan and Borrowing	<b>7,254</b>	22,642

## List of Group Properties

### 1. AQUA FLO SDN BHD

Location	Registered Owner	Beneficiary Owner	Land Area	Tenure/Lease expiry (Years)	Existing Use	Approximately Age of building (Years)	Date of Revaluation/ Acquisition	Net Book Value as at 31/12/2025 (RM'000)
Sg Buluh Daerah Kuala Selangor	Aqua-Flo Sdn Bhd	Aqua-flo Sdn Bhd	3,000 sq. ft	Leasehold	Warehouse Store	33	31/12/2000	192
Damansara Intan Petaling Jaya	Aqua-flo Sdn Bhd	Aqua-flo Sdn Bhd	1,130 sq. ft	Freehold	Office	25	31/12/2000	138
			1,249 sq. ft	Freehold	Office	22	20/09/2003	152
Bandar Sultan Suleiman Pelabuhan Klang	Aqua-flo Sdn Bhd	Aqua-flo Sdn Bhd	14,400 sq. ft	Leasehold 99/2110	Warehouse Store	10	2015	2,389

### 2. CENTURY BOND BHD

Location	Registered Owner	Beneficiary Owner	Land Area	Tenure/Lease expiry (Years)	Existing Use	Approximately Age of building (Years)	Date of Revaluation/ Acquisition	Net Book Value as at 31/12/2025 (RM'000)
PT 3292 & 3293 Mukim Sentul District of Seremban, Negeri Sembilan	Polyplus Packages Sdn Bhd	Polyplus Packages Sdn Bhd	103,764 sq. ft	Freehold	A single storey factory with an annexed three storey office building	28	02/01/1985	-
PTD 65029 Mukim of Senai-Kulai District of Johor Bahru	Prestige Packages Sdn Bhd	Prestige Packages Sdn Bhd	90,604 sq. ft	Leasehold 60 yrs (Expiry: 2060)	A single storey detached factory, a double storey detached factory, guard house and bin centre	26	05/07/2000	2,903
PTD 8856 Mukim of Senai-Kulai District of Johor Bahru	Prestige Packages Sdn Bhd	Prestige Packages Sdn Bhd	116,740 sq. ft	Leasehold 60 yrs (Expiry: 2055)	A single storey detached factory	31	14/03/2003	4,879
PTD 8848 Mukim of Senai-Kulai District of Johor Bahru	Prestige Packages Sdn Bhd	Prestige Packages Sdn Bhd	108,900 sq. ft	Leasehold 60 yrs (Expiry: 2054)	A single storey detached factory and a guard house	32	03/11/2010	3,674

## List of Group Properties

## 2. CENTURY BOND BHD (continued)

Location	Registered Owner	Beneficiary Owner	Land Area	Tenure/Lease expiry (Years)	Existing Use	Approximately Age of building (Years)	Date of Revaluation/ Acquisition	Net Book Value as at 31/12/2025 (RM'000)
PTD 8849 Mukim of Senai-Kulai District of Johor Bahru	Eversynergy Sdn Bhd	Eversynergy Sdn Bhd	98,446 sq. ft	Leasehold 60 yrs (Expiry: 2055)	A single storey detached factory	31	1997	2,644
PLO 178 Mukim Senai-Kulai, Senai Industrial Estate III, Johor	Prestige Packages Sdn Bhd	Prestige Packages Sdn Bhd	21,780 sq. ft	Leasehold 25 yrs (Expiry: 2034)	A single storey detached factory	17	31/10/2004	415
PTD 46029 Mukim Senai-Kulai Senai Industrial Estate III, Johor	Prestige Packages Sdn Bhd	Prestige Packages	43,560 sq. ft	Leasehold 30 yrs (Expiry: 2025)	A single storey detached factory with a double sotrey front office	31	28/02/2007	1,228
JL, Dosomuko Ujung Baru, Pelabuhan Belawan, Medan Indonesia	PT Prestige Packages Indonesia	PT Prestige Packages Indonesia	5,653 sq. ft	Leasehold 2 yrs (Expiry: 2019)	A single storey detached factory	20	11/07/1905	130
31 Woodlands Close 01-14 Woodlands Horizon, Singapore	Esteem Packaging Pte Ltd	Esteem Packaging Pte Ltd	171 sq. ft	Leasehold 58 yrs (Expiry: 2072)	Factory unit on the 1st storey of the Building	12	01/10/2012	2,540
PTD 176445 Mukim Plentong District of Johor Bharu	Taspack Industrial Sdn Bhd	Taspack Industrial Sdn Bhd	104,969 sq. ft	Freehold	A parcel of industrial land erected upon a single storey factory, a double storey office annex and other ancillary buildings	16	21/11/2003	6,188
LOT 77185 Mukim of Senai-Kulai District of Johor Bahru	Prestige Packages Sdn Bhd	Prestige Packages Sdn Bhd	43,562 sq. ft	Leasehold 60 yrs (Expiry: 2057)	A single storey detached factory	27	01/01/2022	3,834

## List of Group Properties

## 3. CPI (PENANG) SDN BHD

Location	Registered Owner	Beneficiary Owner	Land Area	Tenure/Lease expiry (Years)	Existing Use	Approximately Age of building (Years)	Date of Revaluation/ Acquisition	Net Book Value as at 31/12/2025 (RM'000)
Plot 79 Land Building 1 Building 2 Lot 12150 Mukim 12 Barat Daya Pulau Pinang	CPI (Penang) Sdn Bhd	CPI (Penang) Sdn Bhd	174,601 sq. ft	Leasehold 60/2057	Land, 4 storey office building and 4 storey factory	27	15/10/1999	27,405
Plot 29 Hilir Sungai Keluang Satu Land Building - Warehouse Lot 12382 Mukim 12 Barat Daya Pulau Pinang	CPI (Penang) Sdn Bhd	CPI (Penang) Sdn Bhd	65,337 sq. ft	Leasehold 60/2051	Land, 2 storey office building and single storey warehouse	33	14/05/2016	2,684
Plot 109 Land Building Lot 17322 Mukim 12 Barat Daya Pulau Pinang	CPI (Penang) Sdn Bhd	CPI (Penang) Sdn Bhd	197,604 sq. ft	Leasehold 60/2069	Land, 3-storey factory building including office	3	4/7/2019	27,194

## 4. TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD

Location	Registered Owner	Beneficiary Owner	Land Area	Tenure/Lease expiry (Years)	Existing Use	Approximately Age of building (Years)	Date of Revaluation/ Acquisition	Net Book Value as at 31/12/2025 (RM'000)
8 Burn Road #17-08 Trivex Singapore 369977	Toyoplas Holdings Pte Ltd	Toyoplas Holdings Pte Ltd	82 sq. m	Leasehold 60/2068	Office	18	18/8/2018	461
HS(D) 16074 PTD NO 5364 Mukum of Kesang Ledang, Johor	Toyoplas (Malaysia) Sdn Bhd Manufacturing	Toyoplas (Malaysia) Sdn Bhd Manufacturing	50,395 sq. ft	Leasehold 60/2051	Land, 2 storey office building and double storey factory	32	1/1/2014	2,518

## List of Group Properties

**4. TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD (continued)**

Location	Registered Owner	Beneficiary Owner	Land Area	Tenure/Lease expiry (Years)	Existing Use	Approximately Age of building (Years)	Date of Revaluation/ Acquisition	Net Book Value as at 31/12/2025 (RM'000)
HS(D) 62238 PTD 105112 Mukim Senai District of Kulaijaya	Toyoplas Manufacturing (Malaysia) Sdn Bhd	Toyoplas Manufacturing (Malaysia) Sdn Bhd	298,688 sq. ft	Freehold	Land, 2 storey office building and double storey factory	10	28/8/2015	30,584
Apartment Unit No. 11D-1 Tower A Lippo Cikarang Crown Court Executive Condominium, Jl. Pajajaran Lippo Cikarang 17550	PT Toyoplas Manufacturing Indonesia	PT Toyoplas Manufacturing Indonesia	80 sq. m	Leasehold 2043	Expatriate's House	20	16/2/2005	25
Apartment Fanhouse (Pha Tower I) - Cikarang Crown Court Executive Condominium, Jl. Pajajaran Lippo Cikarang 17550	PT Toyoplas Manufacturing Indonesia	PT Toyoplas Manufacturing Indonesia	145 sq. m	Leasehold 2043	Expatriate's House	19	1/8/2006	74
Factory Building Delta Silicon II, Cikarang Jl. Trembesi, Blok F5 No. 9 Delta Silicon II Cikarang Selatan, Bekasi 17550, Jawa Barat, Indonesia	PT Toyoplas Manufacturing Indonesia	PT Toyoplas Manufacturing Indonesia	53,841 sq. m	Leasehold 2043/2044	Office, Production Line, Warehouse	21	28/10/2004	16,900
Cikarang Delta Delta Silicon II Plot F5-9 Jl. Trembesi Blok F5 No. 9 Delta Silicon II Cikarang Selatan, Bekasi 17550 Jawa Barat, Indonesia	PT Toyoplas Manufacturing Indonesia	PT Toyoplas Manufacturing Indonesia	54,990 sq. m	Leasehold 2043/2044	Office, Production Line, Warehouse	21	8/4/2004	9,786
Lot CN-04, Hoa Phu Industrial Park Mai Dinh Commune, Hiep Hoa District Bac Giang Province, Vietnam	Toyoplas Manufacturing (Bac Giang) Co Ltd	Toyoplas Manufacturing (Bac Giang) Co Ltd	25,689.3 sq. m	Leasehold 2066	Land, 2 storey office building and double storey factory	5	29/4/2021	6,465
Factory Building Lot CN-04, Hoa Phu Industrial Park Mai Dinh Commune, Hiep Hoa District Bac Giang Province, Vietnam	Toyoplas Manufacturing (Bac Giang) Co Ltd	Toyoplas Manufacturing (Bac Giang) Co Ltd	15,589.1 sq. m	Leasehold 2066	Land, 2 storey office building and double storey factory	3	09/01/2023	13,338

List of Group Properties

5. MDS ADVANCE SDN BHD

Location	Registered Owner	Beneficiary Owner	Land Area	Tenure/Lease expiry (Years)	Existing Use	Approximately Age of building (Years)	Date of Revaluation/ Acquisition	Net Book Value as at 31/12/2025 (RM'000)
No.22A, Jalan Industri Ringan Permatang Tinggi 2, Kawasan Industri Ringan Permatang Tinggi,14100 Simpang Ampat, Pulau Pinang	MDS Advance Sdn Bhd	MDS Advance Sdn Bhd	8,191 sq. ft	Freehold	Factory Building	7	27/12/2023	1,470
No.1, Lorong Industri Ringan Permatang Tinggi 14, Taman Industri Ringan Permatang Tinggi,14100 Simpang Ampat, Pulau Pinang	MDS Advance Sdn Bhd	MDS Advance Sdn Bhd	12,615 sq. ft	Freehold	Rent out	8	27/12/2023	2,054
D-16-05, Menara Mahkota Impian Pusat perniagaan Mahkota Impian 14000 Bukit Mertajam, Pulau Pinang	MDS Advance Sdn Bhd	MDS Advance Sdn Bhd	1,163 sq. ft	Freehold	Vacant	8	27/12/2023	325
No.23, Jalan Saujana 1/5 Taman Saujana Indah 14000 Bukit Mertajam, Pulau Pinang	MDS Advance Sdn Bhd	MDS Advance Sdn Bhd	2,573 sq. ft	Freehold	Vacant	13	27/12/2023	448

## Corporate Information

### Board of Directors

**Dato' Dr. Ahmad Fadzli bin Ahmad Tajuddin**

*Chairman*

*Non-Independent Non-Executive Director*

**Dato' Ts. Saipolyazan bin Mat Yusop**

*Non-Independent Non-Executive Director*

**Dato' Ikmal Hijaz bin Hashim**

*Senior Independent Non-Executive Director*

**Norliza binti Kamaruddin**

*Independent Non-Executive Director*

**Dato' Noorazman bin Abd Aziz**

*Independent Non-Executive Director*

**Sharmila Sekarajasekaran**

*Independent Non-Executive Director*

**Datuk Syed Izuan bin Syed Kamarulbahrin**

*Independent Non-Executive Director*

**Ahmad Fariz bin Hassan**

*Managing Director/Group Chief Executive Officer*

### Board Audit Committee

**Chairman**

Datuk Syed Izuan bin Syed Kamarulbahrin

**Members**

Dato' Noorazman bin Abd Aziz

Sharmila Sekarajasekaran

Dato' Ikmal Hijaz bin Hashim

### Nomination and Remuneration Committee

**Chairman**

Dato' Ikmal Hijaz bin Hashim

**Members**

Norliza binti Kamaruddin

Datuk Syed Izuan bin Syed Kamarulbahrin

Sharmila Sekarajasekaran

### Board Governance and Risk Committee

**Chairman**

Sharmila Sekarajasekaran

**Members**

Norliza binti Kamaruddin

Dato' Noorazman bin Abd Aziz

Dato' Ts. Saipolyazan bin Mat Yusop

### Board Investment Review Committee

**Chairman**

Dato' Noorazman bin Abd Aziz

**Members**

Dato' Ikmal Hijaz bin Hashim

Datuk Syed Izuan bin Syed Kamarulbahrin

Dato' Ts. Saipolyazan bin Mat Yusop

### Sustainability Board Committee

**Chairman**

Norliza binti Kamaruddin

**Members**

Dato' Ikmal Hijaz bin Hashim

Dato' Ts. Saipolyazan bin Mat Yusop

Sharmila Sekarajasekaran

## Corporate Information

**Company Secretary**

**Selfia binti Muhammad Effendi**  
(SSM PC No. 201908000999/MAICSA 7046782)

**Registered Office**

17<sup>th</sup> Floor, Plaza Perangsang  
Persiaran Perbandaran  
40000 Shah Alam  
Selangor Darul Ehsan

 **03-5524 8400**  
 **irsc@kps.com.my**  
 **www.kps.com.my**

**Principal Bankers****Affin Bank Berhad**

F-G-38 & 39  
Jalan Ikhtisas 14/1  
Off Persiaran Damai  
40000 Shah Alam  
Selangor Darul Ehsan

**Bank Islam Malaysia Berhad**

Tingkat Bawah, Wisma PKPS  
Persiaran Perbandaran  
40675 Shah Alam  
Selangor Darul Ehsan

**Maybank Islamic Berhad**

Shah Alam Main Branch  
Persiaran Perbandaran  
Seksyen 14  
40000 Shah Alam  
Selangor Darul Ehsan

**RHB Bank Berhad**

No 16 & 18  
Jalan Tengku Ampuan Zabedah D9/D  
Seksyen 9  
40100 Shah Alam  
Selangor Darul Ehsan

**Auditors****Ernst & Young PLT**




Level 23A Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
50490 Kuala Lumpur

**Listing****Bursa Malaysia Securities Berhad**

Main Market  
(22 July 2003)  
Stock Code: 5843

**Share Registrar****Boardroom Share Registrars Sdn Bhd**

11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

 **03-7890 4700**  
 **bsr.helpdesk@boardlimited.com**  
 **03-7890 4670**

**Management Team****Ahmad Fariz bin Hassan**

*Managing Director/Group Chief Executive Officer*

**Suzila binti Khairuddin**

*Deputy Chief Executive Officer  
(Finance & Corporate Services)*

**Azlan bin Abdul Jalil**

*Deputy Chief Executive Officer  
(Strategy & Investments)*

**Zulkifli bin Mawardi**

*Chief Sustainability Officer/  
Director, Investor Relations, Sustainability &  
Communications*

**Selfia binti Muhammad Effendi**

*Company Secretary/Director, Secretarial*

**Russell Raj George**

*Chief Integrity & Governance Officer/  
Director, Legal & Compliance*

**Siti Shazlina binti Shamsiruddin**

*Director, Human Resource Development*

**Khairul Ridzwan bin Azizan**

*Director, Internal Audit & Risk Management*

## Notice of the 49<sup>th</sup> Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE FORTY-NINTH (“49<sup>TH</sup>”) ANNUAL GENERAL MEETING (“AGM”) OF KUMPULAN PERANGSANG SELANGOR BERHAD (“KPS BERHAD” OR “THE COMPANY”) WILL BE HELD AT BALLROOM 1, SETIA CITY CONVENTION CENTRE, NO. 1, JALAN SETIA DAGANG AG U13/AG SETIA ALAM, SEKSYEN U13, 40170 SHAH ALAM, SELANGOR DARUL EHSAN ON TUESDAY, 19 MAY 2026 AT 10.00 A.M. FOR THE FOLLOWING PURPOSES:

### ORDINARY BUSINESS:

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025, together with the Reports of the Directors and Auditors thereon.  | Please refer to Explanatory Note 1                            |
| 2. | To approve a single-tier final dividend of 2 sen per share in respect of the financial year ended 31 December 2025.  | Please refer to Explanatory Note 2<br>(Ordinary Resolution 1) |
| 3. | To re-elect Dato’ Dr. Ahmad Fadzli bin Ahmad Tajuddin (“Dato’ Dr. Ahmad Fadzli”), who retires pursuant to Clause 78 of the Company’s Constitution and who, being eligible, offers himself for re-election. | Please refer to Explanatory Note 3<br>(Ordinary Resolution 2) |
| 4. | To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company’s Constitution and who, being eligible, offer themselves for re-election:   | Please refer to Explanatory Note 4                            |
|    | a. Dato’ Ikmal Hijaz bin Hashim (“Dato’ Ikmal Hijaz”)  | (Ordinary Resolution 3)                                       |
|    | b. Norliza binti Kamaruddin (“Norliza”)  | (Ordinary Resolution 4)                                       |
|    | c. Datuk Syed Izuan bin Syed Kamarulbahrin (“Datuk Syed Izuan”)  | (Ordinary Resolution 5)                                       |
| 5. | To approve the payment of Directors’ Remuneration to the Directors up to an amount of RM1,927,000, for the period immediately after the 49 <sup>th</sup> AGM until the next AGM of the Company.            | Please refer to Explanatory Note 5<br>(Ordinary Resolution 6) |
| 6. | To re-appoint Ernst & Young PLT (“EY”) as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration.                                 | Please refer to Explanatory Note 6<br>(Ordinary Resolution 7) |

## Notice of the 49<sup>th</sup> Annual General Meeting

### SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Ordinary Resolution:

7. Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature with KPS Berhad and its Subsidiary Companies ("KPS Berhad Group").

Please refer to Explanatory Note 7  
(Ordinary Resolution 8)

**"THAT** subject always to the provisions of the Companies Act 2016 ("CA2016") and pursuant to Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), KPS Berhad Group be and is hereby authorised to enter into and give effect to the RRPT of a revenue or trading nature with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 20 April 2026 ("Related Parties") provided that such transactions and/or arrangements are:

- a. recurrent transactions of a revenue or trading nature;
- b. necessary for the day-to-day operations;
- c. undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and
- d. not detrimental to the minority shareholders of the Company,

("Proposed Shareholders' Mandate");

**AND THAT** such approval shall continue to be in force until:

- a. the conclusion of the next AGM of the Company following the AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at such AGM; or
- b. the expiration of the period within which the next AGM of the Company after that date is required to be held under Section 340(2) of the CA2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the CA2016); or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever is earlier;

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things to give effect to the aforesaid Proposed Shareholders' Mandate and transactions contemplated under this resolution."

### ANY OTHER BUSINESS:

8. To transact any other business for which due notice has been given in accordance with the Constitution of the Company and the CA2016.

## Notice of the 49<sup>th</sup> Annual General Meeting

### **NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE**

**NOTICE IS ALSO HEREBY GIVEN** that a single-tier final dividend of 2 sen per share, in respect of the financial year ended 31 December 2025 ("FY2025"), if approved by shareholders at the 49<sup>th</sup> AGM, will be payable on 16 June 2026 to shareholders registered in the Records of Depositors at the close of business on 4 June 2026.

A depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 4 June 2026 in respect of ordinary shares.
- b. Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

### **By Order of the Board**

#### **KUMPULAN PERANGSANG SELANGOR BERHAD**

#### **SELFIA BINTI MUHAMMAD EFFENDI**

Company Secretary  
SSM PC No. 201908000999  
MAICSA 7046782

Shah Alam  
20 April 2026

### **Explanatory Notes on Ordinary and Special Businesses**

#### **1. Agenda Item No. 1 - Audited Financial Statements for the Financial Year Ended 31 December 2025**

The Agenda item is meant for discussion only. The provisions of Sections 248(2) and 340(1)(a) of the CA2016 only require the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this Agenda item is not a business which requires a resolution to be put to a vote by the Shareholders.

#### **2. Agenda Item No. 2 - Single-Tier Final Dividend**

With reference to Section 131 of the CA2016, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 31 March 2026, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval at the forthcoming 49<sup>th</sup> AGM.

Notice of the 49<sup>th</sup> Annual General Meeting**3. Agenda Item No. 3 - Re-election of Director (Dato' Dr. Ahmad Fadzli) pursuant to Clause 78 of the Company's Constitution**

Clause 78 of the Company's Constitution provides, amongst others, that the Board shall have the power to appoint any person as a Director to fill a casual vacancy or as an additional Director to the existing Board, and that any Director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.

Accordingly, Dato' Dr. Ahmad Fadzli shall hold office until the conclusion of the 49<sup>th</sup> AGM and shall then be eligible for re-election pursuant to Clause 78 of the Company's Constitution.

Dato' Dr. Ahmad Fadzli possesses over twenty-eight (28) years of distinguished experience in public service, with extensive expertise in public administration, economics, leadership, capacity building, ethics and integrity. He currently serves as the Selangor State Secretary, a position he assumed in February 2025. Prior to this appointment, he served as the State Financial Officer of Selangor beginning in December 2021.

Dato' Dr. Ahmad Fadzli demonstrates strong leadership in guiding the Board with professionalism and a collaborative approach. He provides clear directions and ensures that the Board operates cohesively, discharging its duties effectively while maintaining focus on the Company's strategic objectives and long-term sustainability.

As Chairman, Dato' Dr. Ahmad Fadzli plays a pivotal role in enhancing the Board's overall effectiveness by fostering constructive deliberation, facilitating balanced decision-making, and upholding high standards of corporate governance. He provides leadership by ensuring that discussions during the Board meetings are well-structured, well-informed, and aligned with governance best practices.

The recommendation for the re-election of Dato' Dr. Ahmad Fadzli is premised on the strategic value he brings to KPS Berhad. His insight into the State's policies and development priorities provides the Company with a valuable perspective on the State's direction, which may present opportunities for KPS Berhad in formulating its corporate strategies.

Based on the Annual Board Evaluation ("ABE") 2025 results, the overall performance of Dato' Dr. Ahmad Fadzli as both Chairman of the Board and Director of KPS Berhad was rated as Good, which falls into the "Above Expectation" category under the ABE 2025 rating scale.

In adherence to Practice 1.4 of the Malaysian Code on Corporate Governance ("MCCG"), Dato' Dr. Ahmad Fadzli, as Chairman of the Board, does not serve as a member of any Board Committees ("BCs"). This practice helps maintain appropriate checks and balances and ensures an objective review of matters presented by the BCs. He also meets the Fit and Proper Criteria set out in the Directors' Fit and Proper Policy ("DFP Policy") of the Company.

**4. Agenda Item No. 4 - Re-election of Directors who retire in accordance with Clause 76(3) of the Company's Constitution**

Clause 76(3) of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of each AGM. It further provides that all Directors shall retire from office at least once every three (3) years, but shall be eligible for re-election.

In determining the number of Directors required to retire by rotation at the 49<sup>th</sup> AGM, three (3) out of the seven (7) Directors are to retire in accordance with Clause 76(3) of the Company's Constitution.

## Notice of the 49<sup>th</sup> Annual General Meeting

The Nomination and Remuneration Committee (“NRC”) has assessed the eligibility of each Director standing for re-election based on their performance, taking into consideration the results of their latest ABE, which evaluates Board competencies in the following areas:

- i. Board Fundamental Roles and Responsibilities
- ii. Board Mix and Composition
- iii. Board Dynamic
- iv. Board Meeting Procedures
- v. Board Portfolio Management
- vi. Board Sustainability and Environmental, Social, and Governance (“ESG”)
- vii. Board Management Relationship
- viii. Board Continuity Management
- ix. Board Stakeholder Management

Based on the recommendation of the NRC, the Board is satisfied with the performance, contributions and time commitment of the following Directors retiring by rotation under Clause 76(3) of the Company’s Constitution and considers them eligible for re-election for the following justifications:

### **i. Re-election of Dato’ Ikmal Hijaz as Senior Independent Non-Executive Director (“SINED”)**

Dato’ Ikmal Hijaz’s extensive experience in project management, strategic planning, and business strategy, coupled with his expertise in human capital development, positions him as a valuable asset to the Board.

As the Chairman of the NRC, he has provided pragmatic counsel on succession planning, talent management, and remuneration matters within the Group, significantly contributing to the NRC’s positive performance. He also serves as the SINED of the Company and has chaired several Board meetings in the Chairman’s absence. His re-election will ensure continuity of leadership and the continued provision of valuable insight to support the Company’s future growth.

In his capacity as a member of the Board Audit Committee (“BAC”), Sustainability Board Committee (“SBC”), and Board Investment Review Committee (“BIRC”), he demonstrates strong acumen in audit oversight, strategic sustainability matters, and investment activities, thereby safeguarding the interests of the Group.

Having served as a director for over eight (8) years, Dato’ Ikmal Hijaz has developed an in-depth understanding of the Group’s business strategies and manufacturing landscape, enabling him to continue steering the Company toward sustainable growth.

Based on the ABE 2025 results, his overall performance as a director of KPS Berhad was rated as Good, which falls within the “Above Expectation” category under the ABE 2025 rating scale.

He fulfils the independence requirement set out in the MMLR of Bursa Securities and meets the Fit and Proper Criteria outlined in the Company’s DFP Policy.

Notice of the 49<sup>th</sup> Annual General Meeting**ii. Re-election of Norliza as Independent Non-Executive Director (“INED”)**

The recommendation to re-elect Norliza is supported by her extensive expertise in corporate social responsibility, strategic planning, business relations, crisis communications, and reputation management. With over thirty-two (32) years of experience across Malaysia and international markets spanning multiple sectors, her proficiency in key communications disciplines enables her to provide effective leadership and strategic oversight in advancing the Group’s sustainability culture and long-term business resilience.

Norliza is a champion of ESG principles and a forward-thinking leader who effectively links material sustainability risks to business strategy. This aligns seamlessly with her role as the Chairman of the Company’s SBC. Her guidance in public and investor relations has been instrumental in supporting the Group’s transition toward more sustainable practices.

Having served as a director of KPS Berhad for eight (8) years, she has gained a deep understanding of the Group’s strategies, business operations, and operating environment. She actively contributes to Board and Committee deliberations, offering constructive insights to ensure that business operations remain efficient while minimising adverse environmental impacts. Her leadership and counsel have significantly supported the Group’s efforts to embed sustainable development practices across its operations. In recognition of these initiatives, KPS Berhad has received multiple awards and accolades for its sustainability achievements.

Based on the ABE 2025 results, Norliza’s overall performance as a Director of KPS Berhad was rated as Good, which falls within the “Above Expectation” category under the ABE 2025 rating scale.

She fulfils the independence requirement set out in the MMLR of Bursa Securities and meets the Fit and Proper Criteria under the Company’s DFP Policy.

**iii. Re-election of Datuk Syed Izuan as INED**

Datuk Syed Izuan has over thirty-two (32) years of extensive experience in the finance and investment sectors, with expertise in accounting, audit, financial reporting, and investment analysis. Effective 1 January 2025, he was appointed as the Managing Director of Sapura Industrial Berhad (“Sapura Industrial”).

He is widely regarded for his strong communication and analytical skills. In his capacity as Chairman of the BAC, he demonstrates a high level of diligence, objectivity, and precision in articulating views and in assessing matters relating to the integrity of the Group’s financial reporting and audit processes.

His broad-based experience continues to add significant value to the Board from both financial and investment perspectives and aligns well with the Company’s strategic needs, given KPS Berhad’s nature as an investment holding company.

In addition, his role as the Managing Director of Sapura Industrial further demonstrates his depth of knowledge and practical experience in operational business environments.

Based on the ABE 2025 results, his overall performance as a Director of KPS Berhad was rated as Good, which falls within the “Above Expectation” category under the ABE 2025 rating scale.

He fulfils the independence requirement set out in the MMLR of Bursa Securities and meets the Fit and Proper Criteria outlined in the Company’s DFP Policy.

The Board has endorsed the NRC’s recommendation to seek shareholders’ approval for the re-election of the above retiring directors. The retiring directors have abstained from deliberations and decisions concerning their own eligibility to stand for re-election at the relevant Board meeting.

The profiles of the retiring directors are set out in Chapter 6 – Our Leadership (Board of Directors Profile) of the 2025IAR.

## Notice of the 49<sup>th</sup> Annual General Meeting

### 5. Agenda Item No. 5 - Directors' Remuneration

Section 230(1) of the CA2016 provides, amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiary companies shall be approved at a general meeting. In this respect, the shareholders' approval shall be sought at the 49<sup>th</sup> AGM on the Directors' remuneration under Ordinary Resolution 6 on payment of Directors' remuneration in respect of the period immediately after the 49<sup>th</sup> AGM to the next AGM of the Company ("Relevant Period").

The total remuneration for Directors is estimated to be up to RM1,927,000 for the Relevant Period, which will take effect from 20 May 2026, subject to the shareholders' approval.

This amount is determined based on various factors, such as:

- In line with prudent governance and operational efficiency, an allocation has been earmarked in the approved budget to cover additional Board and BCs meetings. This provision ensures that the Company is adequately prepared to convene any special meetings that may arise during the Relevant Period, including those necessitated by new investments entered into by the Group. Such flexibility is essential to support timely decision-making and maintain effective oversight amid dynamic business developments.
- To ensure comprehensive health protection for the Board, an additional allocation has been made for medical coverage due to escalating insurance premiums. This adjustment is necessary given the Board's age demographics, with two Directors over 70 years old, which is expected to result in higher insurance costs under the current scheme. The enhanced provision safeguards the continued well-being of all Directors and reflects prudent risk management by the Company.

The payment of Directors' remuneration to the Directors of the Company will be made by the Company on a monthly basis and/or as and when incurred, effective 20 May 2026.

### 6. Agenda Item No. 6 - Re-appointment of Auditors

The BAC, at its meeting held on 27 March 2026, undertook its annual assessment of the performance and independence of the external auditors, EY. The assessment covers the auditors' calibre, quality of processes and performance, audit team, independence and objectivity, audit scope and planning, audit fees and audit communications, in accordance with KPS Berhad's Appointment and Assessment of External Auditors Policy.

In its evaluation, the BAC was satisfied with EY's rating based on the quality of the audit, their performance and competency, and the sufficiency of the resources provided by the external audit team to the KPS Berhad Group. The BAC also confirmed that the provision of audit and non-audit services by EY to KPS Berhad Group for FY2025 did not impair EY's objectivity or independence as the Company's external auditors.

At its meeting held on 31 March 2026, the Board approved the BAC's recommendation to seek shareholders' approval at the 49<sup>th</sup> AGM for the re-appointment of EY as the Company's external auditors for the financial year ending 31 December 2026, and to authorise the Board to fix their remuneration under Resolution 7.

## Notice of the 49<sup>th</sup> Annual General Meeting

### 7. Agenda Item No. 7 - Proposed Renewal of Existing Shareholders' Mandate for RRPT of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, is primarily to renew its existing shareholders' mandate ("Mandate") by authorising the KPS Berhad Group to enter into recurrent transactions with the related parties which are necessary for the day-to-day operations of the KPS Berhad Group and are based on normal commercial terms and transaction prices that are not more favourable to the related parties than those generally made available to the public. The Mandate shall lapse at the conclusion of the next AGM unless the authority is renewed by a resolution passed at such general meeting.

For more details, please refer to the Circular to Shareholders dated 20 April 2026.

#### Notes:

1. For the purpose of determining a member who shall be entitled to attend this 49<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 55(2) of the Company's Constitution and Section 34(l) of the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") to issue a General Meeting Record of Depositors as of 13 May 2026. Only a depositor whose name appears on the Record of Depositors as of 13 May 2026 shall be entitled to attend the said meeting and to speak or vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A Member of the Company, who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of Members of the Company, may appoint up to two (2) proxies to attend and vote instead of the Member at the meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. If the appointer is a corporation, the proxy form must be executed under its Common Seal in accordance with the corporation's constitution. If the corporation does not have a common seal, the proxy form should be stamped with a rubber stamp and executed by:
  - i. At least two (2) authorised officers, one (1) of whom shall be a director; or
  - ii. Any director and/or authorised officers, in accordance with the laws of the country where the corporation is incorporated.
9. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Share Registrar's office earlier.
10. If the name is not inserted in the space for the name of your proxy, the Chairman of the meeting will act as your proxy.
11. The proxy form must be deposited at the Share Registrar's of the Company, namely Boardroom Share Registrar Sdn Bhd ("Boardroom") at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or alternatively, to submit your electronic Proxy Form via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time fixed for holding the meeting. Please refer to the Administrative Guide for Shareholders of the 49<sup>th</sup> AGM for the steps to submit the electronic Proxy Form.
12. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
13. The last date and time for lodging the proxy form is at 10.00 a.m. on Sunday, 17 May 2026.
14. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
  - a. Identity card (NRIC) (Malaysian), or
  - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
  - c. Passport (Foreigner).
15. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting, should the member subsequently decide to do so.

## Statement Accompanying Notice of the 49<sup>th</sup> Annual General Meeting

### 1. Details of Individual Standing for Election as Director (Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

There is no individual seeking election as a director at the 49<sup>th</sup> AGM of the Company.

### 2. Details of Directors Standing for Re-Election under the Company's Constitution

The following are Directors retiring pursuant to Clause 78 and Clause 76(3) of the Company's Constitution and standing for re-election (as per Ordinary Resolutions 2, 3, 4 and 5):

- i) Clause 78: Retirement after appointment to fill casual vacancy (Ordinary Resolution 2)

**DATO' DR. AHMAD FADZLI BIN AHMAD TAJUDDIN, AMP, PCM, SMS, DPMS**  
Chairman, Non-Independent Non-Executive Director

Nationality : Malaysian  
Age/Gender : 54/Male  
Date of Appointment : 26 May 2025  
Length of Tenure as Director : 10 months

#### Membership of Board Committees

- None

#### Qualifications

- Doctorate in Business Management, Universiti Sains Malaysia
- Master of Business Management, Universiti Kebangsaan Malaysia
- Diploma in Public Administration, National Institute of Public Administration (INTAN)
- Bachelor of Arts (Honours) Pengajian Ilmu Wahyu dan Warisan Islam, Universiti Islam Antarabangsa

#### Membership of Associations

- Member of the Institute of Corporate Directors Malaysia

#### Area of Expertise

- Public Administration, Economics, Leadership, Capacity Building, Ethics, and Integrity

#### Other Directorships (as of 26 March 2026)

##### Listed Entities

- None

#### Public Companies

- Invest Selangor Berhad
- Air Selangor Berhad
- Kumpulan Hartanah Selangor Berhad
- Permodalan Negeri Selangor Berhad

#### Board ("BOD"), BCs and General Meeting:

BOD	BC	AGM	EGM
4/5*	N/A	N/A <sup>®</sup>	1/1

#### Notes:

N/A Not applicable [Dato' Dr. Ahmad Fadzli does not sit on any of the BC in line with Practice 1.4 and Guidance 1.4 of the MCCG to ensure there is a check and balance as well as an objective review by the Board].

N/A<sup>®</sup> Not applicable as Dato' Dr. Ahmad Fadzli was appointed on 26 May 2025, which is after the AGM date

\*The attendance at meetings was based on the number of meetings held during the time the Director held office.

#### Working Experience and Current Engagements

YB Dato' Dr. Ahmad Fadzli bin Ahmad Tajuddin has over 28 years of distinguished public service experience and demonstrates expertise in public administration, economics, leadership, capacity building, ethics, and integrity. He was appointed as the Selangor State Secretary effective February 2025. Prior to this appointment, he served as the Selangor State Financial Officer beginning December 2021.

His previous roles include serving as the President (Yang Dipertua) of the Klang Municipal Council (now Royal Klang City Council) starting in April 2020. He also gained valuable experience in district administration through his positions as Assistant District Officer and Chief Assistant District Officer in Perak. In addition, he held the position of Head of the Management Development and Innovation Cluster at INTAN.

He currently serves as the Selangor State Secretary.

#### Interest in Securities of the Company and Its Subsidiary Companies

(as of 26 March 2026)

- None

#### Conflict of Interest / Relationship with any other Directors and/or Major Shareholders of the Company

Dato' Dr. Ahmad Fadzli was nominated as Chairman, Non-Independent Non-Executive Director, by Menteri Besar Selangor (Incorporated) ("MBI"). Darul Ehsan Investment Group Berhad ("DEIG") is a major shareholder of the Company with a direct shareholding of 57.88%. MBI is a holding company of DEIG.

## Statement Accompanying Notice of the 49<sup>th</sup> Annual General Meeting

- ii) Clause 76(3) of the Company’s Constitution and standing for re-election (as per Ordinary Resolutions 3):

**DATO’ IKMAL HIJAZ BIN HASHIM, DIMP**

Senior Independent Non-Executive Director

Nationality : Malaysian  
 Age/Gender : 73/Male  
 Date of Appointment : 1 January 2018  
 Length of Tenure as Director : 8 years 3 months

**Membership of Board Committees**

- Chairman of the NRC
- Member of the BAC
- Member of the BIRC
- Member of the SBC

**Qualifications**

- MPhil. in Land Management, University of Reading, UK
- Bachelor of Arts with Honours, University Malaya

**Membership of Associations**

- Member of the ICDM

**Area of Expertise**

- Project Management, Strategic Planning and Business Strategy, Human Capital

**Other Directorships (as of 26 March 2026)**

**Listed Entities**

- Prolintas Infra Business Trust

**Public Companies**

- None

**BOD, BCs and General Meeting:**

BOD	NRC	BAC	BIRC	SBC	AGM	EGM
8/9	5/5	6/6	5/5	3/3	1/1	1/1

**Working Experience and Current Engagements**

Dato’ Ikmal began his career in the Administrative and Diplomatic Service of the Government of Malaysia in 1976. In late 1991, he left government service and joined United Engineers (M) Berhad as General Manager of the Malaysia-Singapore Second Crossing project.

In 1993, he became the Chief Operating Officer of Projek Lebuhraya Utara-Selatan Berhad (“PLUS”), and in 1995, he was promoted to Managing Director of the company. In 1999, he was appointed as the Managing Director of Prolink Development Sdn Bhd (“PROLINK”) and concurrently assumed the position of President of the Property Division of the Group. He was subsequently appointed as Managing Director of Renong Berhad, a position he held from 2002 until 2003.

In November 2003, Dato’ Ikmal was seconded to Pos Malaysia Berhad as Chief Executive Officer/Managing Director and subsequently served as the Group Managing Director of Pos Malaysia and Services Holdings Berhad. In November 2007, he was appointed as the Chief Executive of the Iskandar Regional Development Authority (“IRDA”), where he served until February 2009. He then became the Chairman of Faber Group Berhad from 1 March 2009 until June 2014. During that period, he also served as an Independent Non-Executive Director of UEM Land Berhad. Additionally, he was the Chairman of MB World Group Berhad from 2016 to 2020, a Director of Nadayu Properties Berhad from 2009 to 2020, and a Director of EP Manufacturing Berhad from 2009 to 2021.

Dato’ Ikmal is currently the Chairman and a Non-Independent Non-Executive Director of Prolintas Managers Sdn Bhd (“PMSB”), having been appointed to the Board on 2 June 2022. PMSB is the trustee-manager of Prolintas Infra Business Trust, an Islamic business trust which was listed on the Main Market of Bursa Malaysia Securities Berhad on 25 March 2024.

**Interest in Securities of the Company and Its Subsidiary Companies**

(as of 26 March 2026)

- None

**Conflict of Interest / Relationship with any other Directors and/or Major Shareholders of the Company**

Dato’ Ikmal does not possess any conflicts of interest or family relationships with any other Directors and/or Major Shareholders of the Company.

Statement Accompanying Notice of the 49<sup>th</sup> Annual General Meeting

- iii) Clause 76(3) of the Company's Constitution and standing for re-election (as per Ordinary Resolutions 4):

**NORLIZA BINTI KAMARUDDIN**

Independent Non-Executive Director

Nationality : Malaysian  
 Age/Gender : 61/Female  
 Date of Appointment : 6 April 2018  
 Length of Tenure as Director : 7 years 11 months

**Membership of Board Committees**

- Chairman of the SBC
- Member of the NRC
- Member of the BGRC

**Qualifications**

- Industry Adjunct Professor Multimedia University
- Senior Certified Professional Coach ("SCPC"), Coach Transformation Academy, Dubai
- Professional Certificate in Corporate Public Affairs ("CPA"), The Center of Corporate Public Affairs, Melbourne Business School, Australia
- Bachelor's in Arts and Design, University Teknologi MARA ("UiTM"), Universiti Teknologi Mara

**Membership of Associations**

- Member of European Mentoring and Coaching Council Global
- Member of the ICDM
- Member of the International Public Relations Association

**Area of Expertise**

- Reputation Management, International Business/Relations, Crisis Communications, Branding and Sustainability

**Other Directorships** (as of 26 March 2026)**Listed Entities**

- Sedania Innovator Berhad
- British American Tobacco (Malaysia) Berhad

**Public Companies**

- None

**BOD, BCs and General Meeting:**

BOD	NRC	BGRC	SBC	AGM	EGM
8/9	5/5	4/4	3/3	1/1	0/1

**Working Experience and Current Engagements**

Norliza is a senior communications specialist with more than 32 years of experience in Malaysia and international markets. She specialises in multiple sectors, including energy, finance, banking, aviation, telecommunications, and hospitality, and has extensive experience across various communications disciplines, particularly reputation management, strategic communications, strategic planning, corporate and government stakeholder management, crisis communications, corporate social responsibility, branding, media relations, and internal communications. Norliza has helped organisations across ASEAN, the Middle East, and the United States of America develop and execute comprehensive communication strategies.

She is the only Malaysian to be recognised in three of the world's most prestigious PR and marketing awards. She was named one of the 'Top 500 Most Influential PR Professionals' in the PR Week Power Book 2014 and 2015 by the global publication PR Week. She was also listed in the 'Power List 2014 - Top 50 Most Influential People in PR' by PR Week Asia. In addition, The Internationalist in New York honoured her as 'The Internationalist of the Year 2014'.

Norliza is an Adjunct Professor at the Faculty of Applied Communication at Multimedia University Malaysia. In recognition of her contributions in architecting and developing the faculty's Bachelor of Strategic Communications programme, the faculty named its best communications student award after her, namely the 'PERMATA Liz Kamaruddin Communication Excellence Award'.

**Interest in Securities of the Company and Its Subsidiary Companies**

(as of 26 March 2026)

- None

**Conflict of Interest / Relationship with any other Directors and/or Major Shareholders of the Company**

Norliza does not possess any conflicts of interest or family relationships with any other Directors and/or Major Shareholders of the Company.

## Statement Accompanying Notice of the 49<sup>th</sup> Annual General Meeting

- iv) Clause 76(3) of the Company's Constitution and standing for re-election (as per Ordinary Resolutions 5):

**DATUK SYED IZUAN BIN SYED KAMARULBAHRIN, PJN**

Independent Non-Executive Director

Nationality : Malaysian  
 Age/Gender : 56/Male  
 Date of Appointment : 15 August 2022  
 Length of Tenure as Director : 3 years 8 months

**Membership of Board Committees**

- Chairman of the BAC
- Member of the NRC
- Member of the BIRC

**Qualifications**

- Certified Public Accountants, Malaysia
- Chartered Certified Accountants (ACCA), UK

**Membership of Associations**

- Fellow Member of the ACCA, UK
- Member of the ICDM
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

**Area of Expertise**

- Accounting, Auditing, Financial Reporting, and Investments Analysis

**Other Directorships** (as of 26 March 2026)

**Listed Entities**

- Sapura Industrial Berhad

**Public Companies**

- None

**BOD, BCs and General Meeting:**

BOD	NRC	BAC	BIRC	AGM	EGM
9/9	5/5	6/6	5/5	1/1	1/1

**Working Experience and Current Engagements**

Datuk Syed Izuan began his career with PricewaterhouseCoopers (PwC) in 1993, where he conducted statutory audits on both private and public companies. He later joined Malaysian Resources Corporation Berhad, where he was primarily responsible for investment analysis and evaluation. Subsequently, he joined Sapura Group as an Investment Manager before being promoted to Chief Financial Officer ("CFO").

In 2006, he left the Sapura Group to assume the role of CFO at Tradewinds Plantation Berhad and Tradewind (M) Bhd. He later joined Kuwait Finance House (Malaysia) Berhad, eventually serving as the Head of the International Business Division, focusing on investment activities. In January 2012, Datuk Syed Izuan joined The Weststar Group as the Group Financial Adviser, supporting businesses across the automotive, aviation, construction and property, defence, and engineering sectors.

Effective 1 January 2025, Datuk Syed Izuan was appointed as the Managing Director of Sapura Industrial, transitioning from his previous role as an INED. Concurrently, he stepped down as the Chairman of the Audit Committee of Sapura Industrial.

Previously, he served as an INED of Sedania Innovator Berhad and Evergreen Fibreboard Berhad and was also a member of the Audit Committee for both companies. During his tenure with The Weststar Group, he was appointed as a Board member of Weststar Aviation Services Sdn Bhd.

**Interest in Securities of the Company and Its Subsidiary Companies**

(as of 26 March 2026)

- None

**Conflict of Interest / Relationship with any other Directors and/or Major Shareholders of the Company**

Datuk Syed Izuan does not possess any conflicts of interest or family relationships with any other Directors and/or Major Shareholders of the Company.

Other than traffic offences, none of the Directors listed above have been convicted for any offences within the past five (5) years, nor have any of them been imposed any public sanction or penalty by any relevant regulatory bodies during the Financial Year under review.

The Directors listed above have met the Fit and Proper Criteria set out in the Directors' Fit and Proper Policy of the Company.

## Administrative Guide for Shareholders

<b>Meeting day, Date and Time:</b>	<b>Tuesday, 19 May 2026 at 10.00 a.m.</b>
<b>Meeting Venue:</b>	<b>Ballroom 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan.</b>
<b>Mode of Meeting:</b>	<b>By way of a physical meeting</b>

### A. Entitlement to Participate and Vote at the 49<sup>th</sup> Annual General Meeting (“AGM”)

1. Only shareholders whose names appear on the Record of Depositors (“ROD”) as of Wednesday, 13 May 2026 shall be eligible to participate at the 49<sup>th</sup> AGM.
2. If a shareholder is unable to participate at the 49<sup>th</sup> AGM:
  - (a) He/she may appoint proxy/proxies to participate and vote on his/her behalf: or
  - (b) He/she may also appoint the Chairman as his/her proxy and indicate the voting instructions in the Proxy Form.
3. If a shareholder wishes to participate at the 49<sup>th</sup> AGM, he/she must not submit any Proxy Form. A shareholder will not be allowed to participate in the meeting together with proxy/proxies appointed by him/her.

### B. Registration

1. Registration will start at 8.00 a.m. and close until such time as may be determined by the Chairman of the meeting.
2. Please produce your original MyKad/ Identification Card or Passport (for foreigners) during registration. Only the original MyKad/ Identification Card or Passport will be accepted for identity verification purposes. Please ensure that you collect your MyKad/ Identification Card or passport thereafter.
3. No person will be allowed to register on behalf of another person with the original MyKad/ Identification Card or Passport of that other person.

### 4. Upon verification and registration:

- (a) Please sign the Attendance List and an identification wristband will be provided at the registration counter;
- (b) A special QR code will be generated for shareholders to scan and access to the e-polling system using own smartphone/tablet;
- (c) If you are attending the AGM as a shareholder as well as a proxy, you will be registered once and will only be given one identification wristband; and
- (d) No person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband.

### 5. After registration, please vacate the registration area immediately and proceed to the meeting hall.

### 6. The registration counter will only handle verification of identity and registration of attendance.

### 7. Help desk support is available for any other enquiries/assistance/revocation of a proxy's appointment.

## Administrative Guide for Shareholders

### C. Lodgement of Proxy

If you are unable to attend the AGM in person and wish to appoint the Chairman of the AGM as your proxy to vote on your behalf, the instrument appointing proxy(ies) may be made in the following manner:

(a) In hardcopy form

Deposit your proxy form at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd ("Boardroom") at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the holding of the 49<sup>th</sup> AGM, i.e. latest by **Sunday, 17 May 2026 at 10.00 a.m.** Any alteration to the Proxy Form must be initialled.

(b) By electronic means (following the steps below):

#### For Individual/ Corporate Shareholders

- i. Log in to <https://investor.boardroomlimited.com>
- ii. Select **KUMPULAN PERANGSANG SELANGOR BERHAD 49<sup>TH</sup> ANNUAL GENERAL MEETING** from the list of Meeting Event(s) and click **"Enter"**
- iii. Go to **"Proxy"** and click on **"Submit eProxy Form"**
- iv. For Corporate Shareholders, select the company you would like to represent (if more than one)  
***(Boardroom Smart Investor Portal now facilitates the registration of Corporate Shareholders).***  
Enter your 9 digits CDS account no. and number securities held.
- v. Select your proxy/proxies appointment - either the Chairman of the meeting or individual named proxy/proxies.
- vi. Read and accept the General Terms and Conditions by clicking **"Next"**.
- vii. Enter the required particulars of your proxy/proxies.
- viii. Indicate your voting instruction for each Resolution - FOR, AGAINST, ABSTAIN or DISCRETIONARY is selected, your proxy/proxies will decide on your votes during the poll at the meeting
- ix. Review and confirm your proxy/proxies appointment and click **"Submit"**
- x. Download or print the eProxy form as an acknowledgement.

#### For Authorised Nominees/Exempt Authorised Nominees

- i. Log in to <https://investor.boardroomlimited.com>
- ii. Select **KUMPULAN PERANGSANG SELANGOR BERHAD 49<sup>TH</sup> ANNUAL GENERAL MEETING** from the list of Meeting Event(s) and click **"Enter"**
- iii. Select the Nominees Company that you are representing
- iv. Go to **"Proxy"** and click on **"Submit eProxy Form"**
- v. Click on **"Download Excel Template"** to download
- vi. Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded Excel file template. Ensure the inserted data is correct and orderly.
- vii. Proceed to upload the duly completed Excel file.
- viii. Review and confirm your proxy/proxies appointment and click **"Submit"**.
- ix. Download or print the eProxy form as an acknowledgement.

Please note that the closing date and time to submit your proxy/proxies form is by **Sunday, 17 May 2026 at 10.00 a.m.**

### D. Revocation of Proxy

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the AGM yourself, please revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the AGM. Please find below the steps for the revocation of the eProxy Form or the hardcopy Proxy Form:

<p><b>eProxy Form</b></p> <ul style="list-style-type: none"> <li>• Log in to <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>• Select <b>KUMPULAN PERANGSANG SELANGOR BERHAD 49<sup>TH</sup> ANNUAL GENERAL MEETING</b> from the list of Meeting Event(s) and click <b>"Enter"</b></li> <li>• Go to <b>"Submitted eProxy Form list"</b> and click <b>"View"</b></li> <li>• Click <b>"Cancel/Revoke"</b> at the bottom of the eProxy Form</li> <li>• Click <b>"Proceed"</b> to confirm.</li> </ul>
<p><b>Physical Form of Proxy</b></p> <ul style="list-style-type: none"> <li>• Please write in to <a href="mailto:bsr.proxy@boardroomlimited.com">bsr.proxy@boardroomlimited.com</a> to revoke the appointment of proxy(ies).</li> </ul>

Alternatively, you may proceed to the Help desk counter on the AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should advise your proxy(ies) accordingly.

## Administrative Guide for Shareholders


### E. Submission of Pre-AGM Question(s)

1. You may submit questions relating to the agenda items of the 49<sup>th</sup> AGM in advance via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, commencing from **20 April 2026** and in any event no later than **Sunday, 17 May 2026 at 10.00 a.m.** using the same user ID and password registered in BSIP, and select "SUBMIT QUESTION" to pose questions.
2. Chairman and management will respond to their best endeavours to questions submitted by shareholders which relate to the matters on the agenda of the 49<sup>th</sup> AGM. Questions that are similar or on the same matter may be consolidated and answered together.

### F. 2025 Integrated Annual Report

1. The 2025 Integrated Annual Report ("2025IAR") is available on the Company's website at <https://kps.com.my> and Bursa Malaysia's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under Company Announcements.
2. As part of our commitment to sustainability, we encourage shareholders to refer to the softcopy version of the 2025IAR. However, if you do require a printed copy, you may request for a printed copy of the Annual Report via Boardroom Smart Investor Portal website at <https://investor.boardroomlimited.com>

### G. Poll Voting

1. The voting at the 49<sup>th</sup> AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom as the Poll Administrator to conduct the poll by way of electronic voting and SKY Corporate Services Sdn Bhd as the Scrutineers to verify the poll results.
2. During the AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll. Please refer to item (i) – (iv) below when submitting your vote:
  - i. Once voting has commenced, this polling icon  will appear with the resolutions and voting choices until such time that the Chairman declares an end to the voting session;
  - ii. To vote, select your voting preference from the options provided. A confirmation message will appear to indicate that your vote has been received;

- iii. To change your vote, re-select your voting preference; and
- iv. If you wish to cancel your vote, please press 'Cancel'

3. All physical attendees are advised to bring their own personal devices in order to vote with the special QR code, which will be generated during registration.
4. Once the polling for each resolution has been completed, the Chairman will declare whether the resolution is successfully carried or duly passed and shareholders can view the results on the screen.

### H. Parking

1. Parking is free. As only cashless payment method is acceptable, please bring your Touch n Go or Bank card for validation at the reception counter located in the Lobby.
2. By validating the card, you will not be charged for parking when you leave. Please be advised that the parking will have unlimited time access on 19 May 2026.
3. Parking space for visitor is located at P1 and P2 of Setia City Convention Centre ("SCCC").
4. Please be advised that KPS Berhad will not reimburse any parking costs incurred at any other location parking.

### I. Personal Data Privacy

By registering for the electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines.

### J. Enquiries

Should you have any enquiry prior to the 49<sup>th</sup> AGM or if you wish to request technical assistance to participate in the 49<sup>th</sup> AGM, please contact Boardroom during office hours, Monday to Friday (8.30 a.m. to 5.30 p.m.) as follows:

#### Boardroom Share Registrars Sdn Bhd

Help Desk  
Tel: +603 7890 4700  
Email: [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

# Proxy Form

KUMPULAN PERANGSANG SELANGOR BERHAD  
Registration No.197501002218 (23737-K) (Incorporated in Malaysia)

No. of Ordinary Shares Held

CDS Account No.

Proxy Form for the 49<sup>th</sup> Annual General Meeting ("AGM")

I/We .....  
(Full name in capital letters)

NRIC No./Passport No./Registration No. ....

of.....  
.....  
(Full address)

being a member/members of Kumpulan Perangsang Selangor Berhad ("KPS Berhad" or "the Company"), hereby appoint:

Full Name (in Block):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
<b>Address:</b>			
<b>Email Address:</b>			
<b>Mobile Phone No.:</b>			

and/ or\* (\*delete as appropriate)

Full Name (in Block):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
<b>Address:</b>			
<b>Email Address:</b>			
<b>Mobile Phone No.:</b>			

or failing him/her, the Chairman of the Meeting, as my/our proxy to attend and vote for me/us and on my/our behalf at the 49<sup>th</sup> AGM of the Company, which will be held at Ballroom 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG, U13/AG Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Tuesday, 19 May 2026 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

Resolution	Agenda	For	Against
Ordinary Resolution 1	To approve a single tier final dividend of 2 sen per share in respect of the financial year ended 31 December 2025.		
Ordinary Resolution 2	To re-elect Dato' Dr. Ahmad Fadzli bin Ahmad Tajuddin, who retires pursuant to Clause 78 of the Company's Constitution and who being eligible, offers himself for re-election.		
Ordinary Resolution 3	To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company's Constitution and who being eligible, offer themselves for re-election:  Dato' Ikmal Hijaz bin Hashim		
Ordinary Resolution 4	Norliza binti Kamaruddin		
Ordinary Resolution 5	Datuk Syed Izuan bin Syed Kamarulbahrin		
Ordinary Resolution 6	To approve the payment of Directors' Remuneration to the Directors up to an amount of RM1,927,000 for the period immediately after the 49 <sup>th</sup> AGM until the next AGM of the Company.		
Ordinary Resolution 7	To re-appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 8	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with KPS Berhad and its Subsidiary Companies.		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion).

.....  
Signature/Common Seal of Shareholder

Dated this .....day of ..... 2026

Notes:

1. For the purpose of determining a member who shall be entitled to attend this 49<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 55(2) of the Company's Constitution and Section 34(l) of the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") to issue a General Meeting Record of Depositors as of 13 May 2026. Only a depositor whose name appears on the Record of Depositors as of 13 May 2026 shall be entitled to attend the said meeting and to speak or vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A Member of the Company, who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of Members of the Company, may appoint up to two (2) proxies to attend and vote instead of the Member at the meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Fold here along dotted line

**BOARDROOM SHARE REGISTRARS SDN BHD**

[Registration No. 199601006647 (378993-D)]

11<sup>th</sup> Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel: +603 7890 4700 Fax: +603 7890 4650

**Affix  
stamp  
here**

8. If the appointer is a corporation, the proxy form must be executed under its Common Seal in accordance with the corporation's constitution. If the corporation does not have a common seal, the proxy form should be stamped with a rubber stamp and executed by:
  - i. At least two (2) authorised officers, one (1) of whom shall be a director; or
  - ii. Any director and/or authorised officers, in accordance with the laws of the country where the corporation is incorporated.
9. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Share Registrar's office earlier.
10. If the name is not inserted in the space for the name of your proxy, the Chairman of the meeting will act as your proxy.
11. The proxy form must be deposited at the Share Registrar of the Company, namely Boardroom Share Registrar Sdn Bhd ("Boardroom") at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or alternatively, to submit your electronic Proxy Form via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time fixed for holding the meeting. Please refer to the Administrative Guide for Shareholders of the 49<sup>th</sup> AGM for the steps to submit the electronic Proxy Form.
12. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
13. The last date and time for lodging the proxy form is at 10.00 a.m. on Sunday, 17 May 2026.
14. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
  - a. Identity card (NRIC) (Malaysian), or
  - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
  - c. Passport (Foreigner).
15. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting, should the member subsequently decide to do so.





**Kumpulan Perangsang Selangor Berhad**

Registration No. 197501002218 (23737-K)

**17<sup>th</sup> Floor, Plaza Perangsang,  
Persiaran Perbandaran 40000 Shah Alam,  
Selangor Darul Ehsan, Malaysia.**

**T: +603-5524 8400**

**[www.kps.com.my](http://www.kps.com.my)**

*The 2025 Integrated Annual Report is printed on FSC-certified paper with environmentally friendly ink as part of our commitment to responsible print production.*