

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
70/40 TOYOPLAS EPI 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

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

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 tCO₂e
- Scope 2 emissions: 35,987.5 tCO₂e
- Scope 3 emissions: 2,570.3 tCO₂e
- Total emissions: 40,712.4 tCO₂e
- 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 tCO₂e offset through solar energy: 3,989.3 tCO₂e
- 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.