

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
And Its Subsidiaries

REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2025  
(In Ringgit Malaysia)

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

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**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Dato' Haji Ghazali B. Mat Ariff (Chairman)  
Peter Ling Ee Kong (Managing Director)  
Andrew Ling Yew Chung (Executive Director)  
Mah Siew Seng  
Law Mong Yong  
Lim Tiong Heng  
Jonathan Ross Choo Jiunjye  
Datin Rafidah Binti Abdul Jalil  
Pang Jun Jie  
Pang Chong Yong (alternate to Pang Jun Jie)

**COMPANY SECRETARY**

Leong Shiak Wan  
(MAICSA 7012855)  
SSM Practicing Certificate No. 202008002757

Zuriati Binti Yaacob  
(LS0010898)  
SSM Practicing Certificate No. 202008003191

**AUDITORS**

PKF PLT  
202206000012 (LLP0030836-LCA) & AF0911  
Chartered Accountants

**REGISTERED OFFICE**

12th Floor, Menara Symphony  
No. 5 Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7890 4800  
Fax: 03-7890 4650

**REGISTRAR & SHARE TRANSFER OFFICE**

Boardroom Share Registrars Sdn. Bhd.  
11th Floor, Menara Symphony  
No.5 Jalan Prof. Khoo Kay Kim  
Seksyen 13,  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7890 4700  
Fax: 03-7890 4670

**PRINCIPAL BANKERS**

CIMB Bank Berhad  
Hong Leong Bank Berhad

**STOCK EXCHANGE LISTING**

Main Market of Bursa Malaysia Securities Berhad

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**DIRECTORS' REPORT**

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

**Principal activities**

The Company is principally engaged to provide management services and investment holding.

The principal activities of its subsidiaries are set out in Note 11 to the financial statements.

**Results**

|                                      | <b>Group<br/>RM</b> | <b>Company<br/>RM</b> |
|--------------------------------------|---------------------|-----------------------|
| Profit/(Loss) for the financial year | <u>359,452</u>      | <u>(651,984)</u>      |

**Reserves and provisions**

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

**Dividends**

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any final dividend for the financial year ended 31 December 2025.

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**Directors**

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

Dato' Haji Ghazali B. Mat Ariff  
 Mah Siew Seng  
 Law Mong Yong  
 Lim Tiong Heng  
 Andrew Ling Yew Chung  
 Peter Ling Ee Kong  
 Jonathan Ross Choo Jiunjye  
 Datin Rafidah Binti Abdul Jalil  
 Pang Jun Jie  
 Pang Chong Yong (Alternate to Pang Jun Jie)

The name of the Directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who already disclosed is:

Brian Ling Yew Han

**Directors' interest in shares**

The shareholdings and deemed shareholdings in the Ordinary Shares of the Company at the end of the financial year, as recorded in Register of Director's Shareholding kept under Section 59 of the Companies Act, 2016, in Malaysia are as follows:

|                           | Number of Ordinary Shares |         |           | At 31.12.2025 |
|---------------------------|---------------------------|---------|-----------|---------------|
|                           | At 1.1.2025               | Bought  | Sold      |               |
| <b>In the Company:</b>    |                           |         |           |               |
| <b>Direct interest:</b>   |                           |         |           |               |
| Andrew Ling Yew Chung     | 300,000                   | 700,000 | (300,000) | 700,000       |
| Lim Tiong Heng            | 78,400                    | -       | -         | 78,400        |
| Mah Siew Seng             | 3,343,588                 | -       | -         | 3,343,588     |
| Pang Chong Yong           | 6,373,972                 | 735,000 | -         | 7,108,972     |
| Peter Ling Ee Kong        | 10,294,000                | 230,100 | (460,000) | 10,064,100    |
| Law Mong Yong             | 1,836                     | -       | -         | 1,836         |
| <b>Indirect interest:</b> |                           |         |           |               |
| Mah Siew Seng             | 1,000,000                 | -       | -         | 1,000,000     |
| Peter Ling Ee Kong        | 548,000                   | 550,000 | -         | 1,098,000     |

The other Directors holding office at 31 December 2025 had no interest in the Ordinary Shares and options over shares of the Company and of its related companies during the financial year according to the register required to be kept under Section 59 of the Companies Act, 2016 in Malaysia.

**GREATER BAY HOLDINGS BERHAD**  
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**Directors' benefits**

Since the end of the previous financial year, no Director has received nor become entitled to receive any benefit (other than a benefit included in aggregate amount of emoluments received or due and receivable by directors or the fixed salaries of full time employees of the Group and of the Company as disclosed in Note 4 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the director has a substantial financial interest other than disclosed in Note 30 to the financial statements.

There were no arrangements during and at the end of the financial year, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**Directors' remuneration and fee**

Directors' remuneration including benefits-in-kind of the Group and of the Company amounted to RM781,406 and RM75,900 respectively as disclosed in Note 4 to the financial statements.

Directors' fee of the Group and of the Company amounted to RM312,000 and RM324,000 respectively as disclosed in Note 4 to the financial statements.

**Indemnity and insurance for Directors, officers and auditors**

There was no indemnity given to or insurance effected to any Director, officer or auditor of the Company.

**Issue of shares and debentures**

There were no changes in share capital of the Company during the financial year.

There were no debentures issued during the financial year.

**Options granted over unissued shares**

No options were granted to any person to take up unissued shares of the Company during the financial year.

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**Other statutory information**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and adequate provision had been made for doubtful debts; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent; or
- (ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, except as otherwise stated in the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

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**Auditors**

The auditors, Messrs PKF PLT, have indicated their willingness to continue in office.

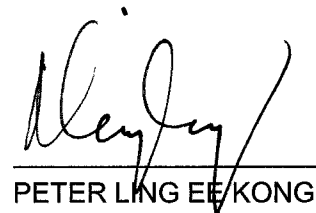
The auditors' remuneration of the Group and of the Company amounted to RM66,500 and RM5,500 respectively for the financial year ended 31 December 2025.

Signed on behalf of the Directors  
in accordance with a resolution of the Board,



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ANDREW LING YEW CHUNG



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PETER LING EE KONG

Kuala Lumpur

10 April 2026


**GREATER BAY HOLDINGS BERHAD**  
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**STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA**

In the opinion of the Directors, the accompanying financial statements as set out on pages 13 to 73 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of financial position of the Group and of the Company as at 31 December 2025 and of its financial performance and its cash flows for the financial year ended on that date.

Signed on behalf of the Directors  
in accordance with a resolution of the Board,

  
\_\_\_\_\_  
ANDREW LING YEW CHUNG  
Kuala Lumpur

  
\_\_\_\_\_  
PETER LING EE KONG

10 April 2026

**STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016 IN MALAYSIA**

I, ANDREW LING YEW CHUNG, being the Director primarily responsible for the financial management of GREATER BAY HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 13 to 73 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960, in Malaysia.

Subscribed and solemnly declared by the )  
above-named at Kuala Lumpur in Wilayah )  
Persekutuan on 10 April 2026 )

  
\_\_\_\_\_  
ANDREW LING YEW CHUNG

Before me,

  
\_\_\_\_\_  
COMMISSIONER FOR OATHS





**PKF PLT**  
202206000012(LLP0030836-LCA) &  
AF0911  
Level 33, Menara 1MK, Kompleks 1  
Mont Kiara, No.1, Jalan Kiara, Mont  
Kiara, 50480 Kuala Lumpur,  
Malaysia

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
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general@pkfmalaysia.com  
www.pkfmalaysia.com

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of GREATER BAY HOLDINGS BERHAD, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 13 to 73.

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

***Basis for Opinion***

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

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

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

PKF PLT is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

**PENANG:** 67, Jalan Seang Tek, George Town, 10450 George Town, Pulau Pinang | **PERAK:** No. 62, 62A, 62B and 62C, Persiaran Greentown 2, Pusat Perdagangan Greentown, 30350 Ipoh, Perak | **PERAK:** No.34, 36, 38 2nd floor, Jalan Raja Permaisuri Bainun, 30250 Ipoh, Perak | **JOHOR:** No.49, Jalan Harimau Tarum, Taman Century, 80250 Johor Bahru, Johor | **SABAH:** Lot 23-1, 1st Floor, Lintas Plaza, Lorong Lintas Plaza, 88300 Kota Kinabalu, Sabah | **SABA:** 1st floor, Lot 40 (corner), Bandar Nasalim, Mile 5, Jalan Lintas Utara, 90000 Sandakan, Sabah | **LABUAN:** Level 1, Lot 8, Block F, Saguking Commercial Building, Jalan Patau-Patau, 87000 Labuan, F.T

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(continued)

***Key Audit Matters***

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

**(i) *Valuation of defined benefit gratuity***  
(Refer to Notes 1(d) (viii) and 22 to the financial statements)

The Group has recognised a provision for gratuity of RM834,773 as at 31 December 2025. The assumptions that underpin the valuation of the defined benefit retirement liability are subjective and based on judgements that affect the Group's distributable reserves. Uncertainty arises as a result of estimates made based on the Group's expectations and assumptions about employment trends and market conditions. The small changes in these assumptions can materially affect the provision calculated at amortised cost.

Our audit procedures included, among others:

- a) Enquiry with management on the nature or bases of the assumptions made;
- b) Review of employment contracts to verify the eligibility criteria for the staff gratuity;
- c) Review of historical data in relation to the management assumptions made in the current financial year; and
- d) Perform reasonableness test on the provision by testing management's assumptions, data and model used.

***Information Other than the Financial Statements and Auditors' Report Thereon***

The Directors of the Group and of the Company are responsible for the other information. The other information comprises the Statement of Risk Management and Internal Control, Statement of Corporate Governance, Audit Committee Report, Management Discussion and Analysis Report, Sustainability Statement and Directors' Report included in the annual report, but does not include the Chairman's Statement, the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

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(continued)

***Responsibilities of the Directors for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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(continued)

***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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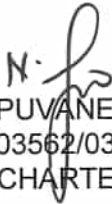
(continued)

**Other matters**

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

**PKF PLT**

PKF PLT  
202206000012 (LLP0030836-LCA) & AF0911  
CHARTERED ACCOUNTANTS

  
PUVANESWARY NAIDU A/P NYAHNAN  
03562/03/2027 J  
CHARTERED ACCOUNTANT

Kuala Lumpur

10 April 2026

**GREATER BAY HOLDINGS BERHAD**  
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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

|   | Note | Group            |                  | Company          |                  |
|---|------|------------------|------------------|------------------|------------------|
|   |      | 2025<br>RM       | 2024<br>RM       | 2025<br>RM       | 2024<br>RM       |
| Revenue   | 3    | 38,024,505       | 33,446,422       | -                | -                |
| Other income  |      | 484,115          | 519,208          | -                | -                |
| Changes in inventories of<br>finished goods and work-in-<br>progress                          |      | 287,959          | 417,440          | -                | -                |
| Raw materials used  |      | (22,540,670)     | (20,347,155)     | -                | -                |
| Employee benefits expense   | 4    | (7,204,685)      | (6,341,516)      | (399,900)        | (396,100)        |
| Other expenses  |      | (5,397,290)      | (5,082,626)      | (254,169)        | (208,652)        |
| <b>Profit/(Loss) from operations</b>  |      | <b>3,653,934</b> | <b>2,611,773</b> | <b>(654,069)</b> | <b>(604,752)</b> |
| Bargain purchase  |      | -                | (15,349)         | -                | -                |
| Depreciation of property, plant<br>and equipment  |      | (1,925,927)      | (1,579,032)      | -                | -                |
| Depreciation of investment<br>properties  |      | (42,348)         | (42,348)         | -                | -                |
| Depreciation of right-of-use<br>assets  |      | (351,172)        | (307,115)        | -                | -                |
| Interest income   |      | 17,196           | 21,357           | 2,085            | -                |
| Finance costs   | 5    | (904,903)        | (833,584)        | -                | -                |
| <b>Profit/(Loss) before tax</b>   | 6    | <b>446,780</b>   | <b>(144,298)</b> | <b>(651,984)</b> | <b>(604,752)</b> |
| Tax expense   | 7    | (87,328)         | (47,393)         | -                | -                |
| <b>Profit/(Loss) and other<br/>comprehensive<br/>income/(loss) for the<br/>financial year</b> |      | <b>359,452</b>   | <b>(191,691)</b> | <b>(651,984)</b> | <b>(604,752)</b> |
| <b>Earnings/(Loss) per ordinary<br/>share (sen)</b>   | 8    |                  |                  |                  |                  |
| Basic   |      | 0.45             | (0.24)           |                  |                  |
| Diluted   |      | 0.45             | (0.24)           |                  |                  |

**GREATER BAY HOLDINGS BERHAD**  
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**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025**

|   |      | Group                    |                          | Company                  |                          |
|---|------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | Note | 2025<br>RM               | 2024<br>RM               | 2025<br>RM               | 2024<br>RM               |
| <b>ASSETS</b>                                       |      |                          |                          |                          |                          |
| <b>Non-current assets</b>                           |      |                          |                          |                          |                          |
| Property, plant and equipment                       | 9    | 11,704,754               | 11,850,357               | -                        | -                        |
| Right-of-use assets                                 | 10   | 4,446,157                | 4,331,836                | -                        | -                        |
| Investment in subsidiaries                          | 11   | -                        | -                        | 20,338,786               | 20,338,786               |
| Investment properties                               | 12   | 19,718,628               | 19,760,976               | -                        | -                        |
|   |      | <u>35,869,539</u>        | <u>35,943,169</u>        | <u>20,338,786</u>        | <u>20,338,786</u>        |
| <b>Current assets</b>                               |      |                          |                          |                          |                          |
| Inventories   | 13   | 4,645,637                | 3,925,725                | -                        | -                        |
| Contract assets                                     | 14   | 1,196,935                | 1,076,380                | -                        | -                        |
| Other investments                                   | 15   | 496,852                  | 1,138,584                | 205,643                  | -                        |
| Trade receivables                                   | 16   | 8,610,559                | 7,440,732                | -                        | -                        |
| Non-trade receivables, deposits and prepayments     | 17   | 646,492                  | 503,809                  | 6,833                    | 6,833                    |
| Tax recoverable                                     |      | 33,369                   | 367,107                  | -                        | -                        |
| Fixed deposits with licensed banks                  | 18   | 464,535                  | 418,324                  | -                        | -                        |
| Cash and bank balances                              |      | 1,942,930                | 3,963,417                | 860                      | 920                      |
|   |      | <u>18,037,309</u>        | <u>18,834,078</u>        | <u>213,336</u>           | <u>7,753</u>             |
| <b>TOTAL ASSETS</b>                                 |      | <u><u>53,906,848</u></u> | <u><u>54,777,247</u></u> | <u><u>20,552,122</u></u> | <u><u>20,346,539</u></u> |
| <b>EQUITY AND LIABILITIES</b>                       |      |                          |                          |                          |                          |
| <b>Equity attributable to owners of the Company</b> |      |                          |                          |                          |                          |
| Share capital                                       | 19   | 20,338,786               | 20,338,786               | 20,338,786               | 20,338,786               |
| Treasury shares                                     | 20   | (1,196,442)              | -                        | (1,196,442)              | -                        |
| Retained profits/ (Accumulated losses)              | 21   | 8,380,760                | 8,021,308                | (1,378,104)              | (726,120)                |
| <b>Total equity</b>                                 |      | <u><u>27,523,104</u></u> | <u><u>28,360,094</u></u> | <u><u>17,764,240</u></u> | <u><u>19,612,666</u></u> |

**GREATER BAY HOLDINGS BERHAD**  
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**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (CONTINUED)**

|   |      | Group             |                   | Company           |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   | Note | 2025<br>RM        | 2024<br>RM        | 2025<br>RM        | 2024<br>RM        |
| <b>LIABILITIES</b>                      |      |                   |                   |                   |                   |
| <b>Non-current liabilities</b>          |      |                   |                   |                   |                   |
| Provision for staff gratuity            | 22   | 834,773           | 905,106           | -                 | -                 |
| Borrowings                              | 23   | 12,765,579        | 13,277,365        | -                 | -                 |
| Lease liabilities                       | 24   | 105,708           | 32,168            | -                 | -                 |
|   |      | <u>13,706,060</u> | <u>14,214,639</u> | <u>-</u>          | <u>-</u>          |
| <b>Current liabilities</b>              |      |                   |                   |                   |                   |
| Trade payables                          | 25   | 3,055,570         | 3,098,260         | -                 | -                 |
| Non-trade payables and<br>accruals      | 26   | 2,544,639         | 1,962,855         | 14,001            | 13,501            |
| Amount due to a subsidiary              | 27   | -                 | -                 | 2,449,881         | 396,372           |
| Amount due to Directors                 | 28   | 324,000           | 324,000           | 324,000           | 324,000           |
| Borrowings                              | 23   | 6,697,917         | 6,785,193         | -                 | -                 |
| Lease liabilities                       | 24   | 29,588            | 32,206            | -                 | -                 |
| Tax payable                             |      | 25,970            | -                 | -                 | -                 |
|   |      | <u>12,677,684</u> | <u>12,202,514</u> | <u>2,787,882</u>  | <u>733,873</u>    |
| <b>Total liabilities</b>                |      | <u>26,383,744</u> | <u>26,417,153</u> | <u>2,787,882</u>  | <u>733,873</u>    |
| <b>TOTAL EQUITY AND<br/>LIABILITIES</b> |      | <u>53,906,848</u> | <u>54,777,247</u> | <u>20,552,122</u> | <u>20,346,539</u> |

**GREATER BAY HOLDINGS BERHAD**  
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**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

|  | ← Non-distributable → | Treasury<br>shares<br>RM | Distributable<br>Retained<br>profits/<br>(Accumulated<br>losses)<br>RM | Total equity<br>RM |
|--|-----------------------|--------------------------|--|--------------------|
| <b>Group</b>   |                       |                          |  |                    |
| At 1 January 2024  | 20,338,786            | -                        | 8,212,999  | 28,551,785         |
| Loss and other comprehensive loss for the financial year     | -                     | -                        | (191,691)  | (191,691)          |
| At 31 December 2024  | 20,338,786            | -                        | 8,021,308  | 28,360,094         |
| Shares purchased during the financial year                   | -                     | (1,196,442)              | -  | (1,196,442)        |
| Profit and other comprehensive income for the financial year | -                     | -                        | 359,452  | 359,452            |
| At 31 December 2025  | 20,338,786            | (1,196,442)              | 8,380,760  | 27,523,104         |
| <b>Company</b>   |                       |                          |  |                    |
| At 1 January 2024  | 20,338,786            | -                        | (121,368)  | 20,217,418         |
| Loss and other comprehensive loss for the financial year     | -                     | -                        | (604,752)  | (604,752)          |
| At 31 December 2024  | 20,338,786            | -                        | (726,120)  | 19,612,666         |
| Shares purchased during the financial year                   | -                     | (1,196,442)              | -  | (1,196,442)        |
| Loss and other comprehensive loss for the financial year     | -                     | -                        | (651,984)  | (651,984)          |
| At 31 December 2025  | 20,338,786            | (1,196,442)              | (1,378,104)  | 17,764,240         |

The accompanying notes form an integral part of the financial statements.

**GREATER BAY HOLDINGS BERHAD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

|   | Group            |                  | Company          |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2025<br>RM       | 2024<br>RM       | 2025<br>RM       | 2024<br>RM       |
| <b>Cash flows from operating activities</b>                     |                  |                  |                  |                  |
| Profit/(Loss) before tax  | 446,780          | (144,298)        | (651,984)        | (604,752)        |
| Adjustments for:  |                  |                  |                  |                  |
| Depreciation of property, plant and equipment                   | 1,925,927        | 1,579,032        | -                | -                |
| Depreciation of right-of-use assets                             | 351,172          | 307,115          | -                | -                |
| Depreciation of investment property                             | 42,348           | 42,348           | -                | -                |
| Bargain purchase  | -                | 15,349           | -                | -                |
| Interest income   | (17,196)         | (21,357)         | (2,085)          | -                |
| Interest expense  | 904,903          | 833,584          | -                | -                |
| Inventories written off   | 103,613          | 29,503           | -                | -                |
| Gain on disposal of property, plant and equipment               | -                | (35,999)         | -                | -                |
| Unrealised gain on foreign exchange                             | (549)            | -                | -                | -                |
| Fair value gain on other investments                            | (166,417)        | (179,887)        | -                | -                |
| Property, plant and equipment written off                       | 41               | 1,833            | -                | -                |
| Reversal of impairment on trade receivables                     | (27,020)         | -                | -                | -                |
| Provision for staff gratuity                                    | 54,973           | 54,652           | -                | -                |
| Addition/(Reversal) of amortised cost of provision for gratuity | 9,231            | (40,314)         | -                | -                |
| <b>Operating profit/(loss) before working capital changes</b>   | <b>3,627,806</b> | <b>2,441,561</b> | <b>(654,069)</b> | <b>(604,752)</b> |
| (Increase)/Decrease in inventories                              | (823,525)        | 374,521          | -                | -                |
| Increase in receivables   | (1,287,136)      | (1,449,653)      | -                | (2,336)          |
| Increase in contract assets                                     | (120,555)        | (551,566)        | -                | -                |
| Increase in amount due to Directors                             | -                | 210,000          | -                | 270,000          |
| Decrease in provision for staff gratuity                        | (134,537)        | -                | -                | -                |
| Increase/(Decrease) in payables                                 | 541,289          | (1,452,267)      | 500              | 1,232            |
| <b>Cash from/(used in) operations</b>                           | <b>1,803,342</b> | <b>(427,404)</b> | <b>(653,569)</b> | <b>(335,856)</b> |
| Income tax paid   | (72,247)         | (47,393)         | -                | -                |
| Income tax refund   | 344,627          | -                | -                | -                |
| <b>Net cash from/(used in) operating activities</b>             | <b>2,075,722</b> | <b>(474,797)</b> | <b>(653,569)</b> | <b>(335,856)</b> |

The accompanying notes form an integral part of the financial statements.

**GREATER BAY HOLDINGS BERHAD**

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**AND ITS SUBSIDIARIES****STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

|   |       | Group              |                    | Company          |                |
|---|-------|--------------------|--------------------|------------------|----------------|
|   | Note  | 2025<br>RM         | 2024<br>RM         | 2025<br>RM       | 2024<br>RM     |
| <b>Cash flows from investing activities</b>             |       |                    |                    |                  |                |
| Interest received                                       |       | 17,196             | 21,357             | 2,085            | -              |
| Proceeds from disposal of property, plant and equipment |       | -                  | 36,000             | -                | -              |
| Net changes in placement of fixed deposits              |       | (46,211)           | (50,643)           | -                | -              |
| Net changes in other investments                        |       | 808,149            | 40,554             | (205,643)        | -              |
| Acquisition of property, plant and equipment            | (ii)  | (1,433,465)        | (612,907)          | -                | -              |
| Acquisition of right-of-use assets                      | (iii) | (356,597)          | (534,753)          | -                | -              |
| Acquisition of investment in subsidiary, net            |       | -                  | (15,349)           | -                | -              |
| <b>Net cash used in investing activities</b>            |       | <b>(1,010,928)</b> | <b>(1,115,741)</b> | <b>(203,558)</b> | <b>-</b>       |
| <b>Cash flows from financing activities</b>             |       |                    |                    |                  |                |
| Interest paid   |       | (904,903)          | (833,584)          | -                | -              |
| Drawdown of term loan                                   | (iv)  | 379,024            | 930,000            | -                | -              |
| Repayment of term loan                                  | (iv)  | (995,647)          | (939,656)          | -                | -              |
| Repayment of hire purchase                              | (iv)  | (100,339)          | (38,775)           | -                | -              |
| Net changes in Banker's Acceptance                      | (iv)  | (229,000)          | 5,765,000          | -                | -              |
| Repayment of lease liabilities                          | (iv)  | (37,974)           | (44,226)           | -                | -              |
| Advances from a subsidiary                              |       | -                  | -                  | 2,053,509        | 335,786        |
| Purchase of treasury shares                             |       | (1,196,442)        | -                  | (1,196,442)      | -              |
| <b>Net cash (used in)/from financing activities</b>     |       | <b>(3,085,281)</b> | <b>4,838,759</b>   | <b>857,067</b>   | <b>335,786</b> |

The accompanying notes form an integral part of the financial statements.

**GREATER BAY HOLDINGS BERHAD**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

|   | Note | Group       |            | Company    |            |
|---|------|-------------|------------|------------|------------|
|   |      | 2025<br>RM  | 2024<br>RM | 2025<br>RM | 2024<br>RM |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |      | (2,020,487) | 3,248,221  | (60)       | (70)       |
| <b>Cash and cash equivalents at 1 January</b>               |      | 3,963,417   | 715,196    | 920        | 990        |
| <b>Cash and cash equivalents at 31 December</b>             | (i)  | 1,942,930   | 3,963,417  | 860        | 920        |

Notes:

**(i) Cash and cash equivalents**

Cash and cash equivalents, included in the statements of cash flows comprise cash and bank balances.

**(ii) Acquisition of property, plant and equipment**

During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

|   | Group      |            |
|---|------------|------------|
|   | 2025<br>RM | 2024<br>RM |
| Purchase of property, plant and equipment                 | 1,780,365  | 824,407    |
| Less: Hire purchase                                       | (346,900)  | (211,500)  |
| Cash payment on purchase of property, plant and equipment | 1,433,465  | 612,907    |

**(iii) Acquisition of right-of-use assets**

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

|   | Group      |            |
|---|------------|------------|
|   | 2025<br>RM | 2024<br>RM |
| Purchase of right-of-use assets                 | 465,493    | 581,965    |
| Less: Lease liabilities                         | (108,896)  | (47,212)   |
| Cash payment on purchase of right-of-use assets | 356,597    | 534,753    |

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**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

Notes: (continued)

**(iv) Reconciliation of liabilities arising from financing activities:**

|                            | 1 January<br>RM   | Cash flows<br>RM | Non-cash<br>flows<br>RM | 31<br>December<br>RM |
|----------------------------|-------------------|------------------|-------------------------|----------------------|
| <b>Group</b>               |                   |                  |                         |                      |
| <b>2025</b>                |                   |                  |                         |                      |
| Borrowings                 |                   |                  |                         |                      |
| - Term loans               | 14,124,833        | (616,623)        | -                       | 13,508,210           |
| - Hire purchase            | 172,725           | (100,339)        | 346,900                 | 419,286              |
| - Bankers' acceptance      | 5,765,000         | (229,000)        | -                       | 5,536,000            |
| Lease liabilities          | 64,374            | (37,974)         | 108,896                 | 135,296              |
|                            | <u>14,124,833</u> | <u>(616,623)</u> | <u>108,896</u>          | <u>13,508,210</u>    |
| <b>2024</b>                |                   |                  |                         |                      |
| Borrowings                 |                   |                  |                         |                      |
| - Term loans               | 14,134,489        | (9,656)          | -                       | 14,124,833           |
| - Hire purchase            | -                 | (38,775)         | 211,500                 | 172,725              |
| - Bankers' acceptance      | -                 | 5,765,000        | -                       | 5,765,000            |
| Lease liabilities          | 61,388            | (44,226)         | 47,212                  | 64,374               |
|                            | <u>14,134,489</u> | <u>(9,656)</u>   | <u>47,212</u>           | <u>14,124,833</u>    |
| <b>Company</b>             |                   |                  |                         |                      |
| <b>2025</b>                |                   |                  |                         |                      |
| Amount due to a subsidiary | 396,372           | 2,053,509        | -                       | 2,449,881            |
|                            | <u>396,372</u>    | <u>2,053,509</u> | <u>-</u>                | <u>2,449,881</u>     |
| <b>2024</b>                |                   |                  |                         |                      |
| Amount due to a subsidiary | 60,586            | 335,786          | -                       | 396,372              |
|                            | <u>60,586</u>     | <u>335,786</u>   | <u>-</u>                | <u>396,372</u>       |

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**1. Basis of preparation**

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

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concerns which contemplate the realisation of assets and settlement of liabilities in the normal course of business.

These financial statements are presented in the Ringgit Malaysia (“RM”), which is the Group’s and the Company’s functional and presentation currency.

**(a) Standards issued and effective**

On 1 January 2025, the Group and the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2025:

**Description**

- Amendments to MFRS 121, *Lack of exchangeability*

Adoption of the new and amended MFRS above have no impact on the financial statements of the Group and of the Company.

**(b) Standards issued but not yet effective**

At the date of authorisation of these financial statements, the following pronouncements have been issued by the MASB, will become effective in future financial periods and have not been adopted by the Group and the Company:

**Effective for financial periods beginning on or after 1 January 2026:**

- Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107: *Annual Improvements to MFRS Accounting Standards - Volume 11*
- Amendments to MFRS 9: *Financial Instruments* and MFRS 7: *Disclosure of Financial Instruments* Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9: *Financial Instruments* and MFRS 7: *Disclosure of Financial Instruments* Contracts Referencing Nature-dependent Electricity

**Effective for financial periods beginning on or after 1 January 2027:**

- MFRS 18: *Presentation and Disclosure in Financial Statements*
- MFRS 19: *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121 - *Translation to a Hyperinflationary presentation Currency*

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**1. Basis of preparation (continued)**

**(b) Standards issued but not yet effective (continued)**

**Effective date yet to be determined:**

- Amendments to MFRS 10: *Consolidated Financial Statements* and MFRS 128: *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)*

**(c) Basis of measurement**

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the material accounting policies.

The financial statements are also prepared on the going concern basis. However, the Company's current liabilities exceeded its current assets by RM2,574,546 thereby indicating the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

On 31 March 2026, the Company's subsidiary, Advanced Packaging Technology (M) Bhd. ("APT") declared a single-tier interim dividend of RM0.03 per ordinary share totalling RM2,449,881.33 in respect of the financial year ending 31 December 2026, and payment was settled by way of set-off against the amount due to APT, and the obligation to pay the Dividend be fully discharged and satisfied upon such set-off being effected.

At the time of this report, there is no reason for the Directors to believe that there is any significant uncertainty that the holding company will not continue to provide their financial support. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets' amounts or to amounts and classification of liabilities that may be necessary if the Company is unable to continue as going concern.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**1. Basis of preparation (continued)**

**(d) Significant accounting estimates and judgements**

Estimates and judgements are continually evaluated by Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

*(i) Revenue Recognition Over Time*

The Group manufactures goods with customised specifications stated in the contracts with customers, thus based on management assessment at contract inception, these goods do not have alternative use to the Group. The Group has an enforceable right to payment for performance completed to date, as if the contract is terminated by the customer at any time, the Group always has the right to bill customers for the performance completed to date.

As a result, the Group recognises revenue over time using output method, based on appraisals of results achieved. Upon completion of manufacturing the goods, if all of these goods pass the quality control testing and have not yet been delivered to customers, the Group will recognise 99% of transaction price as revenue at the end of each reporting date. The remaining 1% of transaction price is recognised as revenue upon delivery of these goods to customers.

The revenue recognised during the year would differ if the Group uses different method to recognise revenue from contracts with customers over time.

*(ii) Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**1. Basis of preparation (continued)**

**(d) Significant accounting estimates and judgements (continued)**

*(iii) Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

*(iv) Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

*(v) Write-down of Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

*(vi) Provision for Expected Credit Losses ("ECLs") of Trade Receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**1. Basis of preparation (continued)**

**(d) Significant accounting estimates and judgements (continued)**

*(vii) Deferred Tax Assets and Liabilities*

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

*(viii) Provision for Staff Gratuity*

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the date of the statement of financial position on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Past service costs are recognised immediately in profit or loss.

*(ix) Carrying Value of Investments in Subsidiary Companies*

Investments in subsidiary companies are reviewed for impairment annually in accordance with its accounting policy, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimated of future cash flows and discount rates. Changes in assumptions could significantly affect the Company's amount of investment in subsidiary.

*(x) Lease*

*(a) Lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**1. Basis of preparation (continued)**

**(d) Significant accounting estimates and judgements (continued)**

*(x) Lease (continued)*

*(a) Lease term (continued)*

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

*(b) Incremental borrowing rate of leases*

In determining the incremental borrowing rate, the Group uses interest rates ranging from 3.93% to 5.61% (2024: 4.77% to 5.61%) as a starting point and makes adjustments specific to the lease, from one (1) to three (3) years (2024: one (1) to three (3) years).

**2. Material accounting policies**

Certain immaterial accounting policies have been voluntarily disclosed to ensure completeness in the financial statements in the financial statements of the Group and the Company.

**(a) Foreign currencies**

*(i) Functional and presentation currency*

The financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency.

*(ii) Foreign currencies transactions*

Transactions in foreign currencies are measured in the respective functional currencies of the Group are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

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**2. Material accounting policies (continued)**

**(a) Foreign currencies (continued)**

*(ii) Foreign currencies transactions (continued)*

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the profit and loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rates for every unit of foreign currency ruling used at reporting date are as follows:

|                        | <b>2025</b> | <b>2024</b> |
|------------------------|-------------|-------------|
|                        | <b>RM</b>   | <b>RM</b>   |
| 1 Brunei Dollar        | 3.108       | 3.365       |
| 1 European Euro        | 4.761       | 4.663       |
| 1 United States Dollar | 4.130       | 4.530       |
| 100 Japanese Yen       | 2.654       | 3.012       |

**(b) Revenue and other income**

*(i) Sale of goods*

The Group manufactures and distributes flexible packaging materials to local and overseas customers. The sale of goods are identified in the contracts with customers: manufacturing and delivery of goods, which are non-distinct. As such, there is only one single performance obligation identified in the contract.

Transaction price is a fixed consideration which is stated in the contracts with customers. The Group recognises revenue over time as stated in Note 1(d)(i) to the financial statements.

No element of financing is deemed present as the sales are normally made with a credit term of 30 to 90 days, which is consistent with the market practice.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**2. Material accounting policies (continued)**

**(b) Revenue and other income (continued)**

*(i) Sale of goods (continued)*

The Group does not offer return/refund options, explicit warranty on its products nor provide after-sales service.

*(ii) Rental income*

Rental income is recognised on an accrual basis in accordance with the terms of agreement.

The contract price is fixed, which is based on agreed amount in the agreement. As the customer simultaneously receives and consumes the benefits during the contract period, the revenues are recognised over time.

*(iii) Interest income*

Interest income is recognised on an accrual basis, based on effective yield on the investment and effective interest method.

**(c) Borrowing costs**

Borrowing costs are stated at cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the loans and borrowings using the effective interest method.

Borrowing costs incurred in connection with financing the construction and installation of property, plant and equipment is capitalised until the property, plant and equipment are ready for their intended use. All other borrowing costs are charged to the profit or loss.

Borrowings are classified as current liabilities unless the Group have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**2. Material accounting policies (continued)**

**(d) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

|                                   |           |
|-----------------------------------|-----------|
| Plant, machinery and tools        | 7½% - 10% |
| Furniture, fittings and equipment | 10% - 20% |
| Motor vehicles                    | 20%       |

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**2. Material accounting policies (continued)**

**(e) Investment properties**

Investment properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bring the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statement of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the financial period of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**2. Material accounting policies (continued)**

**(f) Inventories**

Inventories, comprising of raw materials, work-in-progress, finished goods and consumables, are stated at the lower of cost and net realisable value.

Cost is determined using first-in-first-out basis. Cost of raw materials and consumables includes all cost incurred in bringing them to their present location and condition.

Cost of work-in-progress and finished goods include the cost of raw materials, direct labour and an appropriate proportion of the fixed and variable production overheads.

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

**(g) Contract asset**

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment.

**(h) Treasury shares**

When shares of the Group and the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**3. Revenue**

|  | <b>Group</b>      |                   |
|--|-------------------|-------------------|
|  | <b>2025</b>       | <b>2024</b>       |
|  | <b>RM</b>         | <b>RM</b>         |
| Sales of packaging materials             | 37,276,505        | 32,738,422        |
| Rental income from investment properties | 748,000           | 708,000           |
|  | <u>38,024,505</u> | <u>33,446,422</u> |

Disaggregation of revenue from sales of packaging materials and rental income:

|  | <b>Manufacturing<br/>and distribution<br/>RM</b> | <b>Rental<br/>income<br/>RM</b> | <b>Total<br/>RM</b> |
|--|--|---------------------------------|---------------------|
| <b>2025</b>                                |  |                                 |                     |
| <b>By primary geographical<br/>market:</b> |  |                                 |                     |
| Malaysia                                   | 36,809,956                                       | 748,000                         | 37,557,956          |
| Mauritius                                  | 233,471  | -                               | 233,471             |
| Brunei                                     | 233,078  | -                               | 233,078             |
|  | <u>37,276,505</u>                                | <u>748,000</u>                  | <u>38,024,505</u>   |
| <b>Major goods or services</b>             |  |                                 |                     |
| Packaging materials                        | 37,276,505                                       | -                               | 37,276,505          |
| Rental income                              | -  | 748,000                         | 748,000             |
|  | <u>37,276,505</u>                                | <u>748,000</u>                  | <u>38,024,505</u>   |
| <b>Timing of revenue<br/>recognition</b>   |  |                                 |                     |
| Overtime                                   | <u>37,276,505</u>                                | <u>748,000</u>                  | <u>38,024,505</u>   |

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**3. Revenue (continued)**

|  | <b>Manufacturing<br/>and distribution<br/>RM</b> | <b>Rental<br/>income<br/>RM</b> | <b>Total<br/>RM</b> |
|--|--|---------------------------------|---------------------|
| <b>2024</b>                            |  |                                 |                     |
| <b>By primary geographical market:</b> |  |                                 |                     |
| Malaysia                               | 31,944,404                                       | 708,000                         | 32,652,404          |
| Mauritius                              | 520,205  | -                               | 520,205             |
| Brunei                                 | 273,813  | -                               | 273,813             |
|  | <u>32,738,422</u>                                | <u>708,000</u>                  | <u>33,446,422</u>   |
| <b>Major goods or services</b>         |  |                                 |                     |
| Packaging materials                    | 32,738,422                                       | -                               | 32,738,422          |
| Rental income                          | -  | 708,000                         | 708,000             |
|  | <u>32,738,422</u>                                | <u>708,000</u>                  | <u>33,446,422</u>   |
| <b>Timing of revenue recognition</b>   |  |                                 |                     |
| Overtime                               | <u>32,738,422</u>                                | <u>708,000</u>                  | <u>33,446,422</u>   |

**4. Employee benefits expense**

|   | <b>Group</b>       |                    | <b>Company</b>     |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| <b>(a) Staff costs</b>                          |                    |                    |                    |                    |
| Salaries, wages, allowances, bonus and overtime | 5,308,417          | 4,627,848          | -                  | -                  |
| Contributions to defined contribution plan      | 467,445            | 414,574            | -                  | -                  |
| Social security contributions                   | 79,109             | 68,383             | -                  | -                  |
| Other benefits                                  | 287,366            | 186,630            | -                  | -                  |
|   | <u>6,142,337</u>   | <u>5,297,435</u>   | <u>-</u>           | <u>-</u>           |

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**4. Employee benefits expense (continued)**

|  | <b>Group</b>       |                    | <b>Company</b>     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| <b>(b) Directors' remuneration</b>                                       |                    |                    |                    |                    |
| <i>Executive:</i>  |                    |                    |                    |                    |
| Salaries, allowances and other emoluments                                | 632,923            | 606,000            | -                  | -                  |
| Contribution to defined contribution plan                                | 39,240             | 34,080             | -                  | -                  |
| Social security contributions  | 2,285              | 1,901              | -                  | -                  |
| Estimated money value of benefits-in-kind                                | 31,058             | 11,100             | -                  | -                  |
|  | <u>705,506</u>     | <u>653,081</u>     | <u>-</u>           | <u>-</u>           |
| <i>Non-executive:</i>  |                    |                    |                    |                    |
| Salaries, allowances and other emoluments                                | 75,900             | 72,100             | 75,900             | 72,100             |
| <b>Total Directors' remuneration</b>                                     | <u>781,406</u>     | <u>725,181</u>     | <u>75,900</u>      | <u>72,100</u>      |
| <b>(c) Director's fees</b>   |                    |                    |                    |                    |
| <i>Executive</i>   |                    |                    |                    |                    |
| - current year   | 72,000             | 78,000             | 72,000             | 72,000             |
| - overprovision in prior years   | (12,000)           | -                  | -                  | -                  |
|  | <u>60,000</u>      | <u>78,000</u>      | <u>72,000</u>      | <u>72,000</u>      |
| Non-executive  | 252,000            | 252,000            | 252,000            | 252,000            |
| <b>Total Directors' fees</b>   | <u>312,000</u>     | <u>330,000</u>     | <u>324,000</u>     | <u>324,000</u>     |
| <b>Total Directors' remuneration and fees</b>                            | <u>1,093,406</u>   | <u>1,055,181</u>   | <u>399,900</u>     | <u>396,100</u>     |
| <b>Total Directors' remuneration and fees excluding benefits-in-kind</b> | <u>1,062,348</u>   | <u>1,044,081</u>   | <u>399,900</u>     | <u>396,100</u>     |
| <b>Total staff costs excluding benefits-in-kind</b>                      | <u>7,204,685</u>   | <u>6,341,516</u>   | <u>399,900</u>     | <u>396,100</u>     |

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**5. Finance costs**

|                      | <b>Group</b> |             |
|----------------------|--------------|-------------|
|                      | <b>2025</b>  | <b>2024</b> |
|                      | <b>RM</b>    | <b>RM</b>   |
| Interest expense on: |              |             |
| - borrowings         | 901,277      | 829,510     |
| - lease liabilities  | 3,626        | 4,074       |
|                      | 904,903      | 833,584     |
|                      | 904,903      | 833,584     |

**6. Profit/(Loss) before tax**

|  | <b>Group</b> |             | <b>Company</b> |             |
|--|--------------|-------------|----------------|-------------|
|  | <b>2025</b>  | <b>2024</b> | <b>2025</b>    | <b>2024</b> |
|  | <b>RM</b>    | <b>RM</b>   | <b>RM</b>      | <b>RM</b>   |
| Profit/(Loss) before tax is arrived at after charging/(crediting): |              |             |                |             |
| Auditors' remuneration   |              |             |                |             |
| - Statutory audit  | 66,500       | 63,000      | 5,500          | 5,000       |
| - Non-statutory audit  | 7,000        | 7,000       | 7,000          | 7,000       |
| Addition/(Reversal) of amortised cost of provision for gratuity    | 9,231        | (40,314)    | -              | -           |
| Depreciation of property, plant and equipment                      | 1,925,927    | 1,579,032   | -              | -           |
| Depreciation of investment properties                              | 42,348       | 42,348      | -              | -           |
| Depreciation of right-of-use assets                                | 351,172      | 307,115     | -              | -           |
| Gain on foreign exchange   |              |             |                |             |
| - realised   | (69,540)     | (65,993)    | -              | -           |
| - unrealised   | (549)        | -           | -              | -           |
| Fair value gain on other investments                               | (166,417)    | (179,887)   | -              | -           |
| Gain on disposal of property, plant and equipment                  | -            | (35,999)    | -              | -           |
| Interest income  | (17,196)     | (21,357)    | (2,085)        | -           |
| Inventories written off  | 103,613      | 29,503      | -              | -           |
| Property, plant and equipment written off                          | 41           | 1,833       | -              | -           |
| Reversal of impairment on trade receivables                        | (27,020)     | -           | -              | -           |
| Provision for staff gratuity                                       | 54,973       | 54,652      | -              | -           |
|  | 54,973       | 54,652      | -              | -           |
|  | 54,973       | 54,652      | -              | -           |

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**7. Tax expense**

|  | <b>Group</b>  |               | <b>Company</b> |             |
|--|---------------|---------------|----------------|-------------|
|  | <b>2025</b>   | <b>2024</b>   | <b>2025</b>    | <b>2024</b> |
|  | <b>RM</b>     | <b>RM</b>     | <b>RM</b>      | <b>RM</b>   |
| Current tax                              |               |               |                |             |
| - current year                           | 80,241        | 55,532        | -              | -           |
| - under/(over)provision<br>in prior year | 7,087         | (8,139)       | -              | -           |
|  | <u>87,328</u> | <u>47,393</u> | <u>-</u>       | <u>-</u>    |

***Reconciliation of effective tax expense***

|  | <b>Group</b>   |                  | <b>Company</b>   |                  |
|--|----------------|------------------|------------------|------------------|
|  | <b>2025</b>    | <b>2024</b>      | <b>2025</b>      | <b>2024</b>      |
|  | <b>RM</b>      | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        |
| Profit/(Loss) before tax   | <u>446,780</u> | <u>(144,298)</u> | <u>(651,984)</u> | <u>(604,752)</u> |
| Tax calculated at<br>statutory tax rate of<br>24%                  | 107,227        | (34,632)         | (156,476)        | (145,140)        |
| Non-deductible expenses  | 283,677        | 223,934          | 156,476          | 145,140          |
| Non-taxable income   | (39,941)       | (33,440)         | -                | -                |
| Utilisation of deferred tax<br>assets previously not<br>recognised | (270,722)      | (100,330)        | -                | -                |
|  | <u>80,241</u>  | <u>55,532</u>    | <u>-</u>         | <u>-</u>         |
| Under/(Over)provision of<br>current tax in prior year              | 7,087          | (8,139)          | -                | -                |
|  | <u>87,328</u>  | <u>47,393</u>    | <u>-</u>         | <u>-</u>         |

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**7. Tax expense (continued)**

The Group has unutilised tax losses and unabsorbed capital allowances amounting to RM1,249,068 and RM8,890,156 (2024: RM1,249,068 and RM9,781,573) respectively to be utilised against future taxable profits.

Unutilised tax losses can be carried forward for a period of 10 years of assessment ("YA") to set off against future taxable profits as follows:

|              | RM                          | Utilised up<br>to |
|--------------|-----------------------------|-------------------|
| <b>Group</b> |                             |                   |
| YA 2022      | 523,339                     | YA 2032           |
| YA 2023      | 725,729                     | YA 2033           |
|              | <u>                    </u> |                   |

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

|                               | <b>Group</b>                |                             |
|-------------------------------|-----------------------------|-----------------------------|
|                               | <b>2025</b>                 | <b>2024</b>                 |
|                               | <b>RM</b>                   | <b>RM</b>                   |
| Others                        | 2,051                       | 1,647                       |
| Property, plant and equipment | (7,536,965)                 | (7,370,303)                 |
| Provision                     | 834,773                     | 905,106                     |
| Unabsorbed capital allowances | 8,890,156                   | 9,781,573                   |
| Unutilised tax losses         | 1,249,068                   | 1,249,068                   |
|                               | <u>                    </u> | <u>                    </u> |
|                               | <u>3,439,083</u>            | <u>4,567,091</u>            |

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**8. Earnings/(Loss) per ordinary share**

Basic earnings/(loss) per ordinary share for the financial year is calculated by dividing the comprehensive income/(loss) for the financial year attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the financial year, after taking into consideration of the treasury shares held by the Group calculated as follows:

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2025</b>  | <b>2024</b> |
|  | <b>RM</b>    | <b>RM</b>   |
| Total comprehensive income/(loss) attributable to owners<br>(RM)               | 359,452      | (191,691)   |
| Weighted average number of ordinary shares in issue,<br>net of treasury shares | 79,333,638   | 81,355,138  |
| Basic earnings/(loss) per share (sen)  | 0.45         | (0.24)      |

There is no dilution in the earnings per share of the current and previous financial year end as there are no dilutive potential ordinary shares outstanding at the end of the respective reporting period.

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**9. Property, plant and equipment**

|                                 | <b>Plant,<br/>machinery<br/>and tools<br/>RM</b> | <b>Furniture,<br/>fittings and<br/>equipment<br/>RM</b> | <b>Motor<br/>vehicles<br/>RM</b> | <b>Total<br/>RM</b> |
|---------------------------------|--|---|----------------------------------|---------------------|
| <b>Group</b>                    |  |   |                                  |                     |
| <b>2025</b>                     |  |   |                                  |                     |
| <b>Cost</b>                     |  |   |                                  |                     |
| At 1 January                    | 34,154,279                                       | 1,369,389   | 687,413                          | 36,211,081          |
| Additions                       | 1,169,851  | 188,229   | 422,285                          | 1,780,365           |
| Written off                     | -  | (32,821)  | -                                | (32,821)            |
| At 31 December                  | <u>35,324,130</u>                                | <u>1,524,797</u>  | <u>1,109,698</u>                 | <u>37,958,625</u>   |
| <b>Accumulated depreciation</b> |  |   |                                  |                     |
| At 1 January                    | 23,269,355                                       | 767,761   | 323,608                          | 24,360,724          |
| Charge for the financial year   | 1,596,947  | 151,512   | 177,468                          | 1,925,927           |
| Written off                     | -  | (32,780)  | -                                | (32,780)            |
| At 31 December                  | <u>24,866,302</u>                                | <u>886,493</u>  | <u>501,076</u>                   | <u>26,253,871</u>   |
| <b>Carrying amount</b>          |  |   |                                  |                     |
| At 31 December                  | <u>10,457,828</u>                                | <u>638,304</u>  | <u>608,622</u>                   | <u>11,704,754</u>   |

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**9. Property, plant and equipment (continued)**

| Group<br>2024<br>Cost                     | Plant,<br>machinery<br>and tools<br>RM | Furniture,<br>fittings and<br>equipment<br>RM | Motor<br>vehicles<br>RM | Work-in-<br>progress<br>RM | Total<br>RM |
|---|--|---|-------------------------|----------------------------|-------------|
| At 1 January                              | 33,620,395                             | 1,346,411                                     | 579,146                 | 1,105,706                  | 36,651,658  |
| Additions                                 | 376,607                                | 195,643                                       | 252,157                 | -                          | 824,407     |
| Written off                               | (224,429)                              | (172,665)                                     | -                       | -                          | (397,094)   |
| Disposals                                 | -                                      | -   | (143,890)               | -                          | (143,890)   |
| Reclassification                          | 381,706                                | -   | -                       | (381,706)                  | -           |
| Transfer to right-of-use assets (Note 10) | -                                      | -   | -                       | (724,000)                  | (724,000)   |
| At 31 December                            | 34,154,279                             | 1,369,389                                     | 687,413                 | -                          | 36,211,081  |
| <b>Accumulated depreciation</b>           |  |   |                         |                            |             |
| At 1 January                              | 22,144,948                             | 815,485                                       | 360,409                 | -                          | 23,320,842  |
| Charge for the financial year             | 1,348,835                              | 123,109                                       | 107,088                 | -                          | 1,579,032   |
| Written off                               | (224,428)                              | (170,833)                                     | -                       | -                          | (395,261)   |
| Disposals                                 | -                                      | -   | (143,889)               | -                          | (143,889)   |
| At 31 December                            | 23,269,355                             | 767,761                                       | 323,608                 | -                          | 24,360,724  |
| <b>Carrying amount</b>                    |  |   |                         |                            |             |
| At 31 December                            | 10,884,924                             | 601,628                                       | 363,805                 | -                          | 11,850,357  |

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**9. Property, plant and equipment (continued)**

Included in property, plant and equipment of the Group are the following fully depreciated property, plant and equipment which are still in use:

|                                   | <b>Group</b>      |                   |
|-----------------------------------|-------------------|-------------------|
|                                   | <b>2025</b>       | <b>2024</b>       |
|                                   | <b>RM</b>         | <b>RM</b>         |
| At cost:                          |                   |                   |
| Plant, machinery and tools        | 18,225,935        | 18,450,364        |
| Furniture, fittings and equipment | 510,751           | 661,064           |
| Motor vehicles                    | 117,945           | 117,945           |
|                                   | <u>18,854,631</u> | <u>19,229,373</u> |

**10. Right-of-use assets**

|                                     | <b>Hostels</b> | <b>Leasehold</b> | <b>Buildings</b> | <b>Total</b>     |
|-------------------------------------|----------------|------------------|------------------|------------------|
|                                     | <b>RM</b>      | <b>land</b>      | <b>RM</b>        | <b>RM</b>        |
|                                     |                | <b>RM</b>        |                  |                  |
| <b>Group</b>                        |                |                  |                  |                  |
| <b>2025</b>                         |                |                  |                  |                  |
| <b>Cost</b>                         |                |                  |                  |                  |
| At 1 January                        | 123,536        | 770,999          | 7,732,178        | 8,626,713        |
| Addition                            | 108,896        | -                | 356,597          | 465,493          |
| Disposal                            | (36,453)       | -                | -                | (36,453)         |
| At 31 December                      | <u>195,979</u> | <u>770,999</u>   | <u>8,088,775</u> | <u>9,055,753</u> |
| <b>Accumulated depreciation</b>     |                |                  |                  |                  |
| At 1 January                        | 60,812         | 299,148          | 3,934,917        | 4,294,877        |
| Depreciation for the financial year | 38,378         | 13,790           | 299,004          | 351,172          |
| Disposal                            | (36,453)       | -                | -                | (36,453)         |
| At 31 December                      | <u>62,737</u>  | <u>312,938</u>   | <u>4,233,921</u> | <u>4,609,596</u> |
| <b>Carrying amount</b>              |                |                  |                  |                  |
| At 31 December                      | <u>133,242</u> | <u>458,061</u>   | <u>3,854,854</u> | <u>4,446,157</u> |

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**10. Right-of-use assets (continued)**

|  | Hostels<br>RM  | Leasehold<br>land<br>RM | Buildings<br>RM  | Total<br>RM      |
|--|----------------|-------------------------|------------------|------------------|
| <b>Group<br/>2024<br/>Cost</b>                             |                |                         |                  |                  |
| At 1 January   | 76,325         | 739,000                 | 6,505,423        | 7,320,748        |
| Addition   | 47,211         | 15,999                  | 518,755          | 581,965          |
| Transfer from property,<br>plant and equipment<br>(Note 9) | -              | 16,000                  | 708,000          | 724,000          |
| At 31 December   | <u>123,536</u> | <u>770,999</u>          | <u>7,732,178</u> | <u>8,626,713</u> |
| <b>Accumulated<br/>depreciation</b>                        |                |                         |                  |                  |
| At 1 January   | 15,568         | 286,425                 | 3,685,769        | 3,987,762        |
| Depreciation for the<br>financial year                     | 45,244         | 12,723                  | 249,148          | 307,115          |
| At 31 December   | <u>60,812</u>  | <u>299,148</u>          | <u>3,934,917</u> | <u>4,294,877</u> |
| <b>Carrying amount</b>                                     |                |                         |                  |                  |
| At 31 December   | <u>62,724</u>  | <u>471,851</u>          | <u>3,797,261</u> | <u>4,331,836</u> |

Included under right-of-use assets are:

- (i) The Group leases buildings with contract terms ranging from 2024 to 2030 for five (5) years.
- (ii) Leasehold lands and buildings of the Group consist of industrial factory warehouse with carrying amount of RM4,312,915 (2024: RM4,269,112) have been pledged to bank for banking facilities granted to the subsidiary as disclosed in Note 23 to the financial statements.

**11. Investment in subsidiaries**

|  | Company           |                   |
|--|-------------------|-------------------|
|  | 2025<br>RM        | 2024<br>RM        |
| <b>Unquoted shares, at cost</b>                      |                   |                   |
| At 1 January   | 20,338,786        | 20,338,784        |
| Acquisition of Greater Bay Capital Sdn. Bhd. ("GBC") | -                 | 2                 |
| At 31 December                                       | <u>20,338,786</u> | <u>20,338,786</u> |

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**11. Investment in subsidiaries (continued)**

Details of the subsidiaries are as follows:

| Name of company            | Country of incorporation | Effective interest |           | Principal activities   |
|----------------------------|--------------------------|--------------------|-----------|--|
|                            |                          | 2025<br>%          | 2024<br>% |  |
| APT                        | Malaysia                 | 100                | 100       | Manufacturing and distribution of flexible packaging materials |
| GBC                        | Malaysia                 | 100                | 100       | Investment holding   |
| <b>Subsidiary of APT</b>   |                          |                    |           |  |
| Sino Peak Sdn. Bhd. ("SP") | Malaysia                 | 100                | 100       | Investment holding and provision of management services        |

***Acquisition of GBC***

During the previous financial year, the Company acquired GBC as a wholly-owned subsidiary. GBC has not commenced business since the date of incorporation and the intended principal activity of GBC is that of an investment holding company.

**12. Investment properties**

| Building<br>Cost                | Group      |            |
|---------------------------------|------------|------------|
|                                 | 2025<br>RM | 2024<br>RM |
| At 1 January/31 December        | 19,872,336 | 19,872,336 |
| <b>Accumulated depreciation</b> |            |            |
| At 1 January                    | 111,360    | 69,012     |
| Charge for the financial year   | 42,348     | 42,348     |
| At 31 December                  | 153,708    | 111,360    |
| <b>Carrying amount</b>          |            |            |
| At 31 December                  | 19,718,628 | 19,760,976 |

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**13. Inventories**

|  | <b>Group</b>      |                   |
|--|-------------------|-------------------|
|  | <b>2025</b>       | <b>2024</b>       |
|  | <b>RM</b>         | <b>RM</b>         |
| <b>At cost:</b>                              |                   |                   |
| Raw materials                                | 3,622,018         | 3,105,816         |
| Work-in-progress                             | 815,283           | 623,559           |
| Consumables                                  | 207,720           | 195,844           |
| Goods in transit                             | 616               | 506               |
|  | <u>4,645,637</u>  | <u>3,925,725</u>  |
| <b>Recognised in profit or loss</b>          |                   |                   |
| Inventories recognised as cost of production | 22,252,711        | 19,929,715        |
| Inventories written off                      | 103,613           | 29,503            |
|  | <u>22,356,324</u> | <u>20,059,218</u> |

**14. Contract assets**

|                 | <b>Group</b>     |                  |
|-----------------|------------------|------------------|
|                 | <b>2025</b>      | <b>2024</b>      |
|                 | <b>RM</b>        | <b>RM</b>        |
| Contract assets | <u>1,196,935</u> | <u>1,076,380</u> |

The contract assets primarily related to the Groups' rights to consideration for work completed but not yet billed at the reporting date.

**15. Other investments**

|  |             | <b>Group</b>   |                  | <b>Company</b> |             |
|--|-------------|----------------|------------------|----------------|-------------|
|  | <b>Note</b> | <b>2025</b>    | <b>2024</b>      | <b>2025</b>    | <b>2024</b> |
|  |             | <b>RM</b>      | <b>RM</b>        | <b>RM</b>      | <b>RM</b>   |
| <b>At fair value through profit or loss:</b> |             |                |                  |                |             |
| Investment in quoted shares                  | (a)         | 291,209        | 1,138,584        | -              | -           |
| <b>At cost:</b>                              |             |                |                  |                |             |
| Funds held with investment bank              | (b)         | 205,643        | -                | 205,643        | -           |
|  |             | <u>496,852</u> | <u>1,138,584</u> | <u>205,643</u> | <u>-</u>    |

(a) The investment in quoted shares represent investment in quoted shares and is classified as fair value through profit or loss. As at the reporting date, the fair value of this investment is equivalent to its carrying value.

(b) Funds placed with an investment bank represent funds earmarked for the purpose of acquiring treasury shares.

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**16. Trade receivables**

|                       | <b>Group</b> |             |
|-----------------------|--------------|-------------|
|                       | <b>2025</b>  | <b>2024</b> |
|                       | <b>RM</b>    | <b>RM</b>   |
| Trade receivables     | 8,619,372    | 7,476,565   |
| Less: Impairment loss |              |             |
| At 1 January          | (35,833)     | (35,833)    |
| Reversal              | 27,020       | -           |
| At 31 December        | (8,813)      | (35,833)    |
|                       | 8,610,559    | 7,440,732   |

The Group's normal trade credit term ranges from 30 to 90 days (2024: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The trade receivables are non-interest bearing and recognised at their original invoice amounts which represent their fair values on initial recognition.

**17. Non-trade receivables, deposits and prepayments**

|                       | <b>Group</b> |             | <b>Company</b> |             |
|-----------------------|--------------|-------------|----------------|-------------|
|                       | <b>2025</b>  | <b>2024</b> | <b>2025</b>    | <b>2024</b> |
|                       | <b>RM</b>    | <b>RM</b>   | <b>RM</b>      | <b>RM</b>   |
| Non-trade receivables | 1,111        | 11,811      | -              | -           |
| Deposits              | 284,051      | 30,725      | 4,500          | 4,500       |
| Prepayments           | 361,330      | 461,273     | 2,333          | 2,333       |
|                       | 646,492      | 503,809     | 6,833          | 6,833       |

Included in non-trade receivables of the Group are staff loans of RM1,111 (2024: RM3,630) which bear interest at 3.00% (2024: 3.00%) per annum.

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**18. Fixed deposits with licensed banks**

The deposits placed with licensed banks of the Group bear interest rates ranging from 1.95% to 2.60% (2024: 2.25% to 2.60%) per annum and have a maturity period range at 90 to 365 days (2024: 90 to 365 days).

Included in fixed deposits with licensed banks of the Group is RM464,535 (2024: RM418,324) pledged to a financial institution for a term loan facility and to secure the term loans of the Group as disclosed in Note 23 to the financial statements.

**19. Share capital**

|                          | <b>Group and Company</b>         |             |             |             |
|--------------------------|----------------------------------|-------------|-------------|-------------|
|                          | <b>2025</b>                      | <b>2024</b> | <b>2025</b> | <b>2024</b> |
|                          | <b>Number of ordinary shares</b> |             | <b>RM</b>   | <b>RM</b>   |
| Issued and fully paid:   |                                  |             |             |             |
| At 1 January/31 December | 81,355,138                       | 81,355,138  | 20,338,786  | 20,338,786  |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares are carrying one (1) vote per share without restriction and rank equally with regards to the Company's residual interests.

**20. Treasury shares**

|  | <b>Group and Company</b>         |             |             |             |
|--|----------------------------------|-------------|-------------|-------------|
|  | <b>2025</b>                      | <b>2024</b> | <b>2025</b> | <b>2024</b> |
|  | <b>Number of ordinary shares</b> |             | <b>RM</b>   | <b>RM</b>   |
| At 1 January                               | -                                | -           | -           | -           |
| Shares purchased during the financial year | 2,021,500                        | -           | 1,196,442   | -           |
| At 31 December                             | 2,021,500                        | -           | 1,196,442   | -           |

- (i) As at 31 December 2025, the number of outstanding ordinary shares in issue after deducting the treasury shares was 79,333,638 (2024: 81,355,138);
- (ii) During the financial year, the Company repurchased a total of 2,021,500 ordinary shares (2024: NIL) of its issued ordinary shares from the open market on Bursa Malaysia for RM1,196,442 (2024: RMNIL). The average price paid for the shares repurchased was approximately RM0.59 per share; and
- (iii) The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 113 subsection 5 (b) of Companies Act, 2016 in Malaysia. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended. None of the treasury shares repurchased had been sold or cancelled as at 31 December 2025.

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**21. Retained profits**

Under the single tier system introduced by the Finance Act, 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained profits can be distributed to shareholders as tax exempt dividends.

**22. Provision for staff gratuity**

|                                     | <b>Group</b> |             |
|-------------------------------------|--------------|-------------|
|                                     | <b>2025</b>  | <b>2024</b> |
|                                     | <b>RM</b>    | <b>RM</b>   |
| At 1 January                        | 580,596      | 525,944     |
| Provision during the financial year | 54,973       | 54,652      |
| Payment                             | (134,537)    | -           |
|                                     | 501,032      | 580,596     |
| Add: Amortised cost                 |              |             |
| At 1 January                        | 324,510      | 364,824     |
| Addition/(Reversal)                 | 9,231        | (40,314)    |
| At 31 December                      | 333,741      | 324,510     |
| At 31 December                      | 834,773      | 905,106     |

The discount rates applied in the computation of the present value of retirement gratuities ranges from 3.00% to 3.49% (2024: 3.62% to 3.82%) per annum.

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**23. Borrowings**

|                     |             | <b>Group</b>             |                          |
|---------------------|-------------|--------------------------|--------------------------|
|                     | <b>Note</b> | <b>2025<br/>RM</b>       | <b>2024<br/>RM</b>       |
| <b>Current</b>      |             |                          |                          |
| Term loans          | (a)         | 1,044,893                | 972,553                  |
| Hire purchase       | (b)         | 117,024                  | 47,640                   |
| Bankers' acceptance | (c)         | 5,536,000                | 5,765,000                |
|                     |             | <u>6,697,917</u>         | <u>6,785,193</u>         |
| <b>Non-current</b>  |             |                          |                          |
| Term loans          | (a)         | 12,463,317               | 13,152,280               |
| Hire purchase       | (b)         | 302,262                  | 125,085                  |
|                     |             | <u>12,765,579</u>        | <u>13,277,365</u>        |
| Total borrowings    |             | <u><u>19,463,496</u></u> | <u><u>20,062,558</u></u> |

The maturity structure of the borrowings can be analysed as follows:

|   | <b>Group</b>       |                    |
|---|--------------------|--------------------|
|   | <b>2025<br/>RM</b> | <b>2024<br/>RM</b> |
| Repayable within one (1) year               | 6,697,917          | 6,785,193          |
| Repayable between two (2) to five (5) years | 12,765,579         | 13,277,365         |
|   | <u>19,463,496</u>  | <u>20,062,558</u>  |

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**23. Borrowings (continued)**

**(a) Term loan**

***Term loan 1***

Term loan 1 of the Group bears interest ranging from 5.19% to 5.65% (2024: 5.19% to 5.65%) per annum and is secured by way of:

- (i) Legal charges over the industrial factory warehouse of the Group as disclosed in Note 10 to the financial statements;
- (ii) Jointly and severally guaranteed by certain Directors of the Group; and
- (iii) First party fixed deposits of RM298,671 (2024: RM256,659). Interest on the fixed deposit is to be capitalised and pledged as additional security throughout the tenor of banking facility as disclosed in Note 18 to the financial statements.

***Term loan 2***

Term loan 2 of the Group bears interest ranging from 3.93% to 4.35% (2024: 4.24% to 4.35%) per annum and is secured by way of:

- (i) First party legal charge over the Group's investment property as disclosed in Note 12 to the financial statements;
- (ii) First party fixed deposits of RM165,864 (2024: RM161,665). Interest on the fixed deposit is to be capitalised and pledged as additional security throughout the tenor of banking facility as disclosed in Note 18 to the financial statements;
- (iii) Personal guarantee by the former shareholder of the Group;
- (iv) Corporate guarantee by the Subsidiary; and
- (v) Assignment of all the rights, titles, benefits and interests in respect of the rental proceeds from investment property in favour of the bank.

**(b) Hire purchase**

The Group has entered into hire purchase agreements for the financing of motor vehicles, which bear interest rates ranging from 2.33% to 2.52% (2024: 2.52%) per annum, with a repayment tenure of 60 months.

**(c) Bankers' acceptance**

The bankers' acceptance of the Group bears interest at the rates ranging from 4.24% to 4.95% (2024: 4.54% to 4.61%) per annum and are secured by way of legal charge over the Group's long term leasehold land and buildings (Note 10).

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**24. Lease liabilities**

The following table summarises the carrying amount of the Group's right-of-use assets and the movements during the year:

|                                       | <b>Group</b> |             |
|---------------------------------------|--------------|-------------|
|                                       | <b>2025</b>  | <b>2024</b> |
|                                       | <b>RM</b>    | <b>RM</b>   |
| Representing:                         |              |             |
| Current liabilities                   | 29,588       | 32,206      |
| Non-current liabilities               | 105,708      | 32,168      |
|                                       | 135,296      | 64,374      |
| <b>Recognised in profit or loss:</b>  |              |             |
| Interest expense on lease liabilities | 3,626        | 4,074       |

- (i) The total cash outflow for leases for the financial year ended 31 December 2025 is RM41,600 (2024: RM48,300);
- (ii) The lease liabilities bear interest ranging from 3.93% to 5.61% (2024: 4.77% to 5.61%) per annum; and
- (iii) The lease liabilities payable are as follows:

|                                     | <b>Group</b> |             |
|-------------------------------------|--------------|-------------|
|                                     | <b>2025</b>  | <b>2024</b> |
|                                     | <b>RM</b>    | <b>RM</b>   |
| Present value of lease liabilities: |              |             |
| Repayable within one year           | 29,588       | 32,206      |
| Repayable between one to two years  | 105,708      | 32,168      |
|                                     | 135,296      | 64,374      |

**25. Trade payables**

The normal trade credit terms granted to the Group ranges from 30 to 90 days (2024: 30 to 90 days).

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**26. Non-trade payables and accruals**

|                    | <b>Group</b>     |                  | <b>Company</b> |               |
|--------------------|------------------|------------------|----------------|---------------|
|                    | <b>2025</b>      | <b>2024</b>      | <b>2025</b>    | <b>2024</b>   |
|                    | <b>RM</b>        | <b>RM</b>        | <b>RM</b>      | <b>RM</b>     |
| Non-trade payables | 919,495          | 433,020          | -              | -             |
| Deposits received  | 251,750          | 248,550          | -              | -             |
| Accruals           | 1,373,394        | 1,281,285        | 14,001         | 13,501        |
|                    | <u>2,544,639</u> | <u>1,962,855</u> | <u>14,001</u>  | <u>13,501</u> |

**27. Amount due to a subsidiary**

The amount due to a subsidiary represents non-trade, unsecured, interest-free advances and is repayable on demand.

Significant related party transactions are disclosed in Note 30 to the financial statements.

**28. Amount due to Directors**

The amount due to Directors represent Director fees and are unsecured, interest-free and usually settled within one (1) year.

Significant related party transactions are disclosed in Note 30 to the financial statements.

**29. Leases commitments**

**Leases as lessor**

The Group leases out its investment properties (Note 12). The future aggregate minimum lease receivables under non-cancellable leases are as follows:

|                           | <b>Group</b>     |                |
|---------------------------|------------------|----------------|
|                           | <b>2025</b>      | <b>2024</b>    |
|                           | <b>RM</b>        | <b>RM</b>      |
| Within one year           | 480,000          | 428,000        |
| Between two to five years | 640,000          | -              |
|                           | <u>1,120,000</u> | <u>428,000</u> |

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**30. Significant related party transactions**

(a) Identities of related parties:

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

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Entities in which directors have substantial financial interest; and
- (iii) Key management personnel of the Group and of the Company, comprise persons having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with its related parties during the financial year.

|                          | <b>Group</b> |             | <b>Company</b> |             |
|--------------------------|--------------|-------------|----------------|-------------|
|                          | <b>2025</b>  | <b>2024</b> | <b>2025</b>    | <b>2024</b> |
|                          | <b>RM</b>    | <b>RM</b>   | <b>RM</b>      | <b>RM</b>   |
| <b>With a subsidiary</b> |              |             |                |             |
| Advances from            | -            | -           | (2,053,509)    | (335,516)   |

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**30. Significant related party transactions (continued)**

(c) Compensation of Key Management Personnel

|                                | <b>Group</b>             |                          | <b>Company</b>           |                          |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                | <b>2025</b><br><b>RM</b> | <b>2024</b><br><b>RM</b> | <b>2025</b><br><b>RM</b> | <b>2024</b><br><b>RM</b> |
| <b>Executive</b>               |                          |                          |                          |                          |
| Directors' remuneration        | 705,506                  | 653,081                  | -                        | -                        |
| Directors' fee                 |                          |                          |                          |                          |
| - current year                 | 72,000                   | 78,000                   | 72,000                   | 72,000                   |
| - overprovision in prior years | (12,000)                 | -                        | -                        | -                        |
|                                | 60,000                   | 78,000                   | 72,000                   | 72,000                   |
|                                | 765,506                  | 731,081                  | 72,000                   | 72,000                   |
| <b>Non-executive</b>           |                          |                          |                          |                          |
| Directors' remuneration        | 75,900                   | 72,100                   | 75,900                   | 72,100                   |
| Directors' fee                 | 252,000                  | 252,000                  | 252,000                  | 252,000                  |
|                                | 327,900                  | 324,100                  | 327,900                  | 324,100                  |
| <b>Total compensation</b>      | 1,093,406                | 1,055,181                | 399,900                  | 396,100                  |

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**31. Operating segments**

Operating segments are presented in respect of the Group's business segments. The primary format, business segment is based on the Group's management and internal reporting structure. Inter-segment transactions were carried out on terms and conditions not materially different from those obtainable in transactions with independent third parties.

**(a) Business segments**

The Group comprises the following main business segments:

| <b>Segment</b>                     | <b>Description</b>   |
|------------------------------------|--|
| (i) Manufacturing and distribution | - Manufacturing and distribution of flexible packaging materials |
| (ii) Rental income                 | - Rental income from investment properties                       |

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss for the financial year, in certain respects as set out below and is measured differently from operating profit or loss in the consolidated financial statements.

**Geographical information**

The Group mainly operates in Malaysia (the Group's home country).

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**31. Operating segments (continued)**

**(a) Business segments**

|  | Manufacturing<br>and<br>distribution<br>RM | Rental<br>income<br>RM | Others<br>RM | Elimination<br>RM | Consolidated<br>RM |
|--|--|------------------------|--------------|-------------------|--------------------|
| <b>Group</b>                                   |  |                        |              |                   |                    |
| <b>2025</b>                                    |  |                        |              |                   |                    |
| Revenue  | 37,276,505                                 | 748,000                | -            | -                 | 38,024,505         |
| <b>Results</b>                                 |  |                        |              |                   |                    |
| Segment profit before interest and<br>taxation | 1,355,694                                  | 654,058                | (658,069)    | -                 | 1,351,683          |
| Interest expense                               | (491,002)                                  | (413,901)              | -            | -                 | (904,903)          |
| Tax expense                                    | (7,182)                                    | (80,146)               | -            | -                 | (87,328)           |
| Consolidated profit for the financial year     |  |                        |              |                   | 359,452            |

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|   |  |  |                                 |                      |                           |                            |  |  |
|---|--|--|---------------------------------|----------------------|---------------------------|----------------------------|--|--|
| <b>31. Operating segments (continued)</b> |  |  |                                 |                      |                           |                            |  |  |
| <b>(a) Business segments (continued)</b>  |  |  |                                 |                      |                           |                            |  |  |
|   | <b>Group<br/>2025</b>                            | <b>Manufacturing<br/>and<br/>distribution<br/>RM</b> | <b>Rental<br/>income<br/>RM</b> | <b>Others<br/>RM</b> | <b>Elimination<br/>RM</b> | <b>Consolidated<br/>RM</b> |  |  |
|   | Depreciation of property, plant and<br>equipment | 1,925,927  | -                               | -                    | -                         | 1,925,927                  |  |  |
|   | Depreciation of investment properties            | -  | 42,348                          | -                    | -                         | 42,348                     |  |  |
|   | Depreciation of right-of-use assets              | 351,172  | -                               | -                    | -                         | 351,172                    |  |  |
|   | <b>ASSETS</b>                                    |  |                                 |                      |                           |                            |  |  |
|   | Segment assets                                   | 45,907,676   | 19,982,171                      | 20,552,125           | (32,535,124)              | 53,906,848                 |  |  |
|   | <b>LIABILITIES</b>                               |  |                                 |                      |                           |                            |  |  |
|   | Segment liabilities                              | (16,093,638)   | (9,949,918)                     | (2,816,526)          | 2,476,338                 | (26,383,744)               |  |  |

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**31. Operating segments (continued)**

**(a) Business segments**

|  | Manufacturing<br>and<br>distribution<br>RM | Rental<br>income<br>RM | Others<br>RM | Elimination<br>RM | Consolidated<br>RM |
|--|--|------------------------|--------------|-------------------|--------------------|
| <b>Group<br/>2024</b>                          |  |                        |              |                   |                    |
| Revenue  | 32,738,422                                 | 708,000                | -            | -                 | 33,446,422         |
| <b>Results</b>                                 |  |                        |              |                   |                    |
| Segment profit before interest and<br>taxation | 722,908                                    | 593,688                | (627,310)    | -                 | 689,286            |
| Interest expense                               | (400,562)                                  | (433,022)              | -            | -                 | (833,584)          |
| Tax expense                                    | -  | (47,393)               | -            | -                 | (47,393)           |
| Consolidated loss for the financial year       |  |                        |              |                   | (191,691)          |

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|            |  |  |                                 |                      |                           |                            |  |
|------------|--|--|---------------------------------|----------------------|---------------------------|----------------------------|--|
| <b>31.</b> | <b>Operating segments (continued)</b>            |  |                                 |                      |                           |                            |  |
|            | <b>(a) Business segments (continued)</b>         |  |                                 |                      |                           |                            |  |
|            |  | <b>Manufacturing<br/>and<br/>distribution<br/>RM</b> | <b>Rental<br/>income<br/>RM</b> | <b>Others<br/>RM</b> | <b>Elimination<br/>RM</b> | <b>Consolidated<br/>RM</b> |  |
|            | <b>Group<br/>2024</b>                            |  |                                 |                      |                           |                            |  |
|            | Depreciation of property, plant and<br>equipment | 1,579,032  | -                               | -                    | -                         | 1,579,032                  |  |
|            | Depreciation of investment properties            | -  | 42,348                          | -                    | -                         | 42,348                     |  |
|            | Depreciation of right-of-use assets              | 307,115  | -                               | -                    | -                         | 307,115                    |  |
|            | <b>ASSETS</b>                                    |  |                                 |                      |                           |                            |  |
|            | Segment assets                                   | 44,836,309   | 20,109,487                      | 20,346,541           | (30,515,090)              | 54,777,247                 |  |
|            | <b>LIABILITIES</b>                               |  |                                 |                      |                           |                            |  |
|            | Segment liabilities                              | (15,879,781)   | (10,237,244)                    | (756,432)            | 456,304                   | (26,417,153)               |  |

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**31. Operating segments (continued)**

**(b) Geographical segments**

Revenue information based on the geographical location of customers are as follows:

|  | <b>Manufacturing<br/>and<br/>distribution<br/>RM</b> | <b>Rental<br/>income<br/>RM</b> | <b>Total<br/>RM</b> |
|--|--|---------------------------------|---------------------|
| <b>Group</b>                           |  |                                 |                     |
| <b>2025</b>                            |  |                                 |                     |
| <b>By primary geographical market:</b> |  |                                 |                     |
| Malaysia                               | 36,809,956   | 748,000                         | 37,557,956          |
| Mauritius                              | 233,471  | -                               | 233,471             |
| Brunei                                 | 233,078  | -                               | 233,078             |
|  | <u>37,276,505</u>                                    | <u>748,000</u>                  | <u>38,024,505</u>   |
| <b>Major goods or services</b>         |  |                                 |                     |
| Packaging materials                    | 37,276,505   | -                               | 37,276,505          |
| Rental income                          | -  | 748,000                         | 748,000             |
|  | <u>37,276,505</u>                                    | <u>748,000</u>                  | <u>38,024,505</u>   |
| <b>2024</b>                            |  |                                 |                     |
| <b>By primary geographical market:</b> |  |                                 |                     |
| Malaysia                               | 31,944,404   | 708,000                         | 32,652,404          |
| Mauritius                              | 520,205  | -                               | 520,205             |
| Brunei                                 | 273,813  | -                               | 273,813             |
|  | <u>32,738,422</u>                                    | <u>708,000</u>                  | <u>33,446,422</u>   |
| <b>Major goods or services</b>         |  |                                 |                     |
| Packaging materials                    | 32,738,422   | -                               | 32,738,422          |
| Rental income                          | -  | 708,000                         | 708,000             |
|  | <u>32,738,422</u>                                    | <u>708,000</u>                  | <u>33,446,422</u>   |

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**32. Contingent liability**

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2025</b>  | <b>2024</b> |
|  | <b>RM</b>    | <b>RM</b>   |
| Bank guarantee given by financial institution to third party | 301,591      | 300,359     |

**33. Capital commitments**

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2025</b>  | <b>2024</b> |
|  | <b>RM</b>    | <b>RM</b>   |
| Capital expenditure not provided for in the financial statements are as follows: |              |             |
| <b>Property, plant and equipment</b>   |              |             |
| Authorised and contracted for  | 182,900      | -           |

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**34. Financial instruments**

**Categories of financial instruments**

- (a) Fair value through profit or loss (“FVTPL”);  
(b) Financial assets measured at amortised cost (“AC”); and  
(c) Financial liabilities measured at amortised cost (“AC”).

| <b>Group</b>  | <b>Carrying<br/>amount<br/>RM</b> | <b>FVTPL<br/>RM</b> | <b>AC<br/>RM</b>  |
|---|-----------------------------------|---------------------|-------------------|
| <b>2025</b>   |                                   |                     |                   |
| <b>Financial assets</b>                                   |                                   |                     |                   |
| Other investments   | 496,852                           | 291,209             | 205,643           |
| Trade receivables   | 8,610,559                         | -                   | 8,610,559         |
| Non-trade receivables and deposits (excluding prepayment) | 285,162                           | -                   | 285,162           |
| Fixed deposits with licensed banks                        | 464,535                           | -                   | 464,535           |
| Cash and bank balances                                    | 1,942,930                         | -                   | 1,942,930         |
|   | <u>11,800,038</u>                 | <u>291,209</u>      | <u>11,508,829</u> |
| <b>Financial liabilities</b>                              |                                   |                     |                   |
| Trade payables  | 3,055,570                         | -                   | 3,055,570         |
| Non-trade payables and accruals                           | 2,544,639                         | -                   | 2,544,639         |
| Amount due to Directors                                   | 324,000                           | -                   | 324,000           |
| Borrowings  | 19,463,496                        | -                   | 19,463,496        |
|   | <u>25,387,705</u>                 | <u>-</u>            | <u>25,387,705</u> |
| <b>2024</b>   |                                   |                     |                   |
| <b>Financial assets</b>                                   |                                   |                     |                   |
| Other investments   | 1,138,584                         | 1,138,584           | -                 |
| Trade receivables   | 7,440,732                         | -                   | 7,440,732         |
| Non-trade receivables and deposits (excluding prepayment) | 42,536                            | -                   | 42,536            |
| Fixed deposits with licensed banks                        | 418,324                           | -                   | 418,324           |
| Cash and bank balances                                    | 3,963,417                         | -                   | 3,963,417         |
|   | <u>13,003,593</u>                 | <u>1,138,584</u>    | <u>11,865,009</u> |

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**34. Financial instruments (continued)**

**Categories of financial instruments (continued)**

|                                 | Carrying<br>amount<br>RM | FVTPL<br>RM | AC<br>RM          |
|---------------------------------|--------------------------|-------------|-------------------|
| <b>Group</b>                    |                          |             |                   |
| <b>2024</b>                     |                          |             |                   |
| <b>Financial liabilities</b>    |                          |             |                   |
| Trade payables                  | 3,098,260                | -           | 3,098,260         |
| Non-trade payables and accruals | 1,962,855                | -           | 1,962,855         |
| Amount due to Directors         | 324,000                  | -           | 324,000           |
| Borrowings                      | 20,062,558               | -           | 20,062,558        |
|                                 | <u>25,447,673</u>        | <u>-</u>    | <u>25,447,673</u> |
| <b>Company</b>                  |                          |             |                   |
| <b>2025</b>                     |                          |             |                   |
| <b>Financial assets</b>         |                          |             |                   |
| Other investments               | 205,643                  | -           | 205,643           |
| Deposits                        | 4,500                    | -           | 4,500             |
| Cash and bank balances          | 860                      | -           | 860               |
|                                 | <u>211,003</u>           | <u>-</u>    | <u>211,003</u>    |
| <b>Financial liabilities</b>    |                          |             |                   |
| Non-trade payables and accruals | 14,001                   | -           | 14,001            |
| Amount due to a subsidiary      | 2,449,881                | -           | 2,449,881         |
| Amount due to Directors         | 324,000                  | -           | 324,000           |
|                                 | <u>2,787,882</u>         | <u>-</u>    | <u>2,787,882</u>  |
| <b>2024</b>                     |                          |             |                   |
| <b>Financial assets</b>         |                          |             |                   |
| Deposits                        | 4,500                    | -           | 4,500             |
| Cash and bank balances          | 920                      | -           | 920               |
|                                 | <u>5,420</u>             | <u>-</u>    | <u>5,420</u>      |
| <b>Financial liabilities</b>    |                          |             |                   |
| Non-trade payables and accruals | 13,501                   | -           | 13,501            |
| Amount due to a subsidiary      | 396,372                  | -           | 396,372           |
| Amount due to Directors         | 324,000                  | -           | 324,000           |
|                                 | <u>733,873</u>           | <u>-</u>    | <u>733,873</u>    |

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**34. Financial instruments (continued)**

**Categories of financial instruments (continued)**

**Net gains and (losses) arising from financial instruments**

|   | <b>Group</b>     |                  | <b>Company</b> |             |
|---|------------------|------------------|----------------|-------------|
|   | <b>2025</b>      | <b>2024</b>      | <b>2025</b>    | <b>2024</b> |
|   | <b>RM</b>        | <b>RM</b>        | <b>RM</b>      | <b>RM</b>   |
| <b>Fair value through profit or loss</b>                        |                  |                  |                |             |
| Fair value gain on other investments                            | 166,417          | 179,887          | -              | -           |
| <b>Financial assets measured at amortised cost</b>              |                  |                  |                |             |
| Interest income   | 17,196           | 21,357           | 2,085          | -           |
| Reversal of impairment on trade receivables                     | 27,020           | -                | -              | -           |
| Realised gain on foreign exchange                               | 69,540           | 65,993           | -              | -           |
| Unrealised gain foreign exchange                                | 549              | -                | -              | -           |
|   | <u>114,305</u>   | <u>87,350</u>    | <u>2,085</u>   | <u>-</u>    |
| <b>Financial liabilities measured at amortised cost</b>         |                  |                  |                |             |
| (Addition)/Reversal of amortised cost of provision for gratuity | (9,231)          | 40,314           | -              | -           |
| Interest expense  | (901,277)        | (829,510)        | -              | -           |
|   | <u>(910,508)</u> | <u>(789,196)</u> | <u>-</u>       | <u>-</u>    |
|   | <u>(629,786)</u> | <u>(521,959)</u> | <u>2,085</u>   | <u>-</u>    |

**Financial risk management objectives and policies**

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

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its credit risk, market risk, foreign currency risk, interest rate risk and liquidity risk.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**34. Financial instruments (continued)**

**Financial risk management objectives and policies (continued)**

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

**Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from the individual characteristics of each customer.

**Trade receivables**

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay amounts subject to the write-off. Nevertheless, trade receivables and contract asset that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 10 (2024: 10) major customers which constituted approximately 65% (2024: 71%) of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:

|           | <b>Group</b> |             |
|-----------|--------------|-------------|
|           | <b>2025</b>  | <b>2024</b> |
|           | <b>RM</b>    | <b>RM</b>   |
| Malaysia  | 8,547,134    | 7,127,093   |
| Mauritius | -            | 251,054     |
| Brunei    | 63,425       | 62,585      |
|           | 8,610,559    | 7,440,732   |

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**34. Financial instruments (continued)**

**Financial risk management objectives and policies (continued)**

**Credit risk (continued)**

**Trade receivables (continued)**

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting period is as follows:

|                        | <b>Gross<br/>carrying<br/>amount<br/>RM</b> | <b>Loss<br/>allowances<br/>RM</b> | <b>Net<br/>carrying<br/>amount<br/>RM</b> |
|------------------------|---|-----------------------------------|---|
| <b>Group</b>           |   |                                   |   |
| <b>2025</b>            |   |                                   |   |
| Not past due:          | 5,454,265                                   | -                                 | 5,454,265                                 |
| Past due:              |   |                                   |   |
| - less than 3 months   | 2,908,130                                   | -                                 | 2,908,130                                 |
| - more than 3 months   | 256,977                                     | (8,813)                           | 248,164                                   |
|                        | <u>8,619,372</u>                            | <u>(8,813)</u>                    | <u>8,610,559</u>                          |
| <b>2024</b>            |   |                                   |   |
| Not past due:          | 3,014,747                                   | -                                 | 3,014,747                                 |
| Past due:              |   |                                   |   |
| - less than 3 months   | 4,219,649                                   | -                                 | 4,219,649                                 |
| - more than 3 months   | 238,024                                     | (31,688)                          | 206,336                                   |
|                        | <u>7,472,420</u>                            | <u>(31,688)</u>                   | <u>7,440,732</u>                          |
| <b>Credit impaired</b> |   |                                   |   |
| Individually impaired  | 4,145                                       | (4,145)                           | -   |
|                        | <u>7,476,565</u>                            | <u>(35,833)</u>                   | <u>7,440,732</u>                          |

**Cash and cash equivalents**

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

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**34. Financial instruments (continued)**

**Financial risk management objectives and policies (continued)**

**Credit risk (continued)**

**Deposits**

Credit risks on deposits are mainly arising from deposits paid for hostel buildings rented. These deposits will be refunded at the end of each lease terms. The Group and the Company manage the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's and the Company's financial position or cash flows.

**Foreign currency risk**

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is Brunei Dollar ("BND"), European Euro ("EUR"), US Dollar ("USD"), and Japanese Yen ("JPY"). The exposure of foreign currency risk is monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency is as follows:

|                              | <b>BND<br/>RM</b> | <b>EUR<br/>RM</b> | <b>USD<br/>RM</b> | <b>JPY<br/>RM</b> | <b>Total<br/>RM</b> |
|------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| <b>Group<br/>2025</b>        |                   |                   |                   |                   |                     |
| <b>Financial asset</b>       |                   |                   |                   |                   |                     |
| Trade receivables            | 63,425            | -                 | -                 | -                 | 63,425              |
| <b>Financial liabilities</b> |                   |                   |                   |                   |                     |
| Trade payables               | -                 | -                 | (179,605)         | -                 | (179,605)           |
| Non-trade payables           | -                 | -                 | -                 | (19,241)          | (19,241)            |
|                              | -                 | -                 | (179,605)         | (19,241)          | (198,846)           |
| Net currency exposure        | 63,425            | -                 | (179,605)         | (19,241)          | (135,421)           |

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**34. Financial instruments (continued)**

**Financial risk management objectives and policies (continued)**

**Foreign currency risk (continued)**

|                              | BND<br>RM | EUR<br>RM | USD<br>RM | JPY<br>RM | Total<br>RM |
|------------------------------|-----------|-----------|-----------|-----------|-------------|
| <b>Group</b>                 |           |           |           |           |             |
| <b>2024</b>                  |           |           |           |           |             |
| <b>Financial asset</b>       |           |           |           |           |             |
| Trade receivables            | 62,585    | -         | 251,054   | -         | 313,639     |
| <b>Financial liabilities</b> |           |           |           |           |             |
| Trade payables               | -         | -         | (208,044) | -         | (208,044)   |
| Non-trade payables           | -         | (6,885)   | -         | (7,771)   | (14,656)    |
|                              | -         | (6,885)   | (208,044) | (7,771)   | (222,700)   |
| Net currency exposure        | 62,585    | (6,885)   | 43,010    | (7,771)   | 90,939      |

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

|  | Group                   |                          |
|--|-------------------------|--------------------------|
|  | 2025<br>RM              | 2024<br>RM               |
|  | Increase/<br>(Decrease) | Increase/<br>((Decrease) |
| <b>Effect on profit/(loss) after tax</b> |                         |                          |
| <b>BND/RM</b>                            |                         |                          |
| Strengthened by 5% (2024:5%)             | 2,410                   | 2,378                    |
| Weakened by 5% (2024:5%)                 | (2,410)                 | (2,378)                  |
| <b>EUR/RM</b>                            |                         |                          |
| Strengthened by 5% (2024:5%)             | -                       | (262)                    |
| Weakened by 5% (2024:5%)                 | -                       | 262                      |
| <b>USD/RM</b>                            |                         |                          |
| Strengthened by 5% (2024:5%)             | (6,825)                 | 1,634                    |
| Weakened by 5% (2024:5%)                 | 6,825                   | (1,634)                  |
| <b>JPY/RM</b>                            |                         |                          |
| Strengthened by 5% (2024:5%)             | (731)                   | (295)                    |
| Weakened by 5% (2024:5%)                 | 731                     | 295                      |

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**34. Financial instruments (continued)**

**Financial risk management objectives and policies (continued)**

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-earning financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

The Group's primary interest rate risk relates to interest earning from fixed deposits with licensed banks and other investments.

*Effective interest rates and repricing analysis*

The following table shows information on the Group's exposure to interest rate risk.

|                                  | Effective<br>interest<br>rate per<br>annum<br>% | Less<br>than<br>one year<br>RM | Between<br>one and<br>five years<br>RM | Total<br>RM  |
|----------------------------------|---|--------------------------------|--|--------------|
| <b>Group 2025</b>                |   |                                |  |              |
| <b>Financial asset</b>           |   |                                |  |              |
| Fixed deposit with licensed bank | 1.95 - 2.60                                     | 464,535                        | -                                      | 464,535      |
| <b>Financial liabilities</b>     |   |                                |  |              |
| Term loans                       | 3.93 - 5.65                                     | (1,044,893)                    | (12,463,317)                           | (13,508,210) |
| Hire purchase                    | 2.33 - 2.52                                     | (117,024)                      | (302,262)                              | (419,286)    |
| Bankers' acceptance              | 4.24 - 4.95                                     | (5,536,000)                    | -                                      | (5,536,000)  |
| Lease liabilities                | 3.93 - 5.61                                     | (29,588)                       | (105,708)                              | (135,296)    |
|                                  |   | (6,727,505)                    | (12,871,287)                           | (19,598,792) |
|                                  |   | (6,262,970)                    | (12,871,287)                           | (19,134,257) |
| <b>2024</b>                      |   |                                |  |              |
| <b>Financial asset</b>           |   |                                |  |              |
| Fixed deposit with licensed bank | 2.25 - 2.60                                     | 418,324                        | -                                      | 418,324      |
| <b>Financial liabilities</b>     |   |                                |  |              |
| Term loans                       | 4.24 - 5.65                                     | (972,553)                      | (13,152,280)                           | (14,124,833) |
| Hire purchase                    | 2.52  | (47,640)                       | (125,085)                              | (172,725)    |
| Bankers' acceptance              | 4.54 - 4.61                                     | (5,765,000)                    | -                                      | (5,765,000)  |
| Lease liabilities                | 4.77 - 5.61                                     | (32,206)                       | (32,168)                               | (64,374)     |
|                                  |   | (6,817,399)                    | (13,309,533)                           | (20,126,932) |
|                                  |   | (6,399,075)                    | (13,309,533)                           | (19,708,608) |

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**34. Financial instruments (continued)**

**Financial risk management objectives and policies (continued)**

**Interest rate risk (continued)**

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

|  | Group                   |                         |
|--|-------------------------|-------------------------|
|  | 2025                    | 2024                    |
|  | Increase/<br>(Decrease) | Increase/<br>(Decrease) |
|  | RM                      | RM                      |
| <b>Effects on profit/(loss) after taxation</b> |                         |                         |
| Increase of 10 basis points                    | (14,542)                | (14,979)                |
| Decrease of 10 basis points                    | 14,542                  | 14,979                  |

**Liquidity risk**

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the reporting period based on undiscounted contractual payments:

|                                 | Carrying<br>amount<br>RM | Contractual<br>cash<br>flows<br>RM | Within<br>1 year<br>RM | More than<br>1 year<br>RM |
|---------------------------------|--------------------------|------------------------------------|------------------------|---------------------------|
| <b>Group</b>                    |                          |                                    |                        |                           |
| <b>2025</b>                     |                          |                                    |                        |                           |
| Trade payables                  | 3,055,570                | 3,055,570                          | 3,055,570              | -                         |
| Non-trade payables and accruals | 2,544,639                | 2,544,639                          | 2,544,639              | -                         |
| Amount due to Directors         | 324,000                  | 324,000                            | 324,000                | -                         |
| Borrowings                      | 19,463,496               | 24,806,269                         | 7,653,807              | 17,152,462                |
| Lease liabilities               | 135,296                  | 148,100                            | 34,799                 | 113,301                   |
| Provision for gratuity          | 834,773                  | 834,773                            | -                      | 834,773                   |
|                                 | <u>26,357,774</u>        | <u>31,713,351</u>                  | <u>13,612,815</u>      | <u>18,100,536</u>         |

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**34. Financial instruments (continued)**

**Financial risk management objectives and policies (continued)**

**Liquidity risk (continued)**

*Maturity analysis (continued)*

|                                 | Carrying<br>amount<br>RM | Contractual<br>cash<br>flows<br>RM | Within<br>1 year<br>RM | More than<br>1 year<br>RM |
|---------------------------------|--------------------------|------------------------------------|------------------------|---------------------------|
| <b>Group</b>                    |                          |                                    |                        |                           |
| <b>2024</b>                     |                          |                                    |                        |                           |
| Trade payables                  | 3,098,260                | 3,098,260                          | 3,098,260              | -                         |
| Non-trade payables and accruals | 1,962,855                | 1,962,855                          | 1,962,855              | -                         |
| Amount due to Directors         | 324,000                  | 324,000                            | 324,000                | -                         |
| Borrowings                      | 20,062,558               | 25,502,727                         | 7,423,016              | 18,079,711                |
| Lease liabilities               | 64,374                   | 82,450                             | 12,750                 | 69,700                    |
| Provision for gratuity          | 905,106                  | 905,106                            | -                      | 905,106                   |
|                                 | <u>26,417,153</u>        | <u>31,875,398</u>                  | <u>12,820,881</u>      | <u>19,054,517</u>         |
| <b>Company</b>                  |                          |                                    |                        |                           |
| <b>2025</b>                     |                          |                                    |                        |                           |
| Non-trade payables and accruals | 14,001                   | 14,001                             | 14,001                 | -                         |
| Amount due to a subsidiary      | 2,449,881                | 2,449,881                          | 2,449,881              | -                         |
| Amount due to Directors         | 324,000                  | 324,000                            | 324,000                | -                         |
|                                 | <u>2,787,882</u>         | <u>2,787,882</u>                   | <u>2,787,882</u>       | <u>-</u>                  |
| <b>2024</b>                     |                          |                                    |                        |                           |
| Non-trade payables and accruals | 13,501                   | 13,501                             | 13,501                 | -                         |
| Amount due to a subsidiary      | 396,372                  | 396,372                            | 396,372                | -                         |
| Amount due to Directors         | 324,000                  | 324,000                            | 324,000                | -                         |
|                                 | <u>733,873</u>           | <u>733,873</u>                     | <u>733,873</u>         | <u>-</u>                  |

It is not expected the cash flows included in the maturity analysis could occur significantly earlier, or at significant different amount.

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**34. Financial instruments (continued)**

**Financial risk management objectives and policies (continued)**

**Fair values**

The following summarises the methods used to determine the fair values of the financial instruments:

- (i) The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of other investments is equivalent to the carrying value as at the end of the reporting period.
- (iii) The fair value of lease liability is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

The aggregate fair values and the carrying amounts of the financial asset carried on the statement of financial position as at 31 December are as below:

|                         | 2025                  |                  | 2024                  |                  |
|-------------------------|-----------------------|------------------|-----------------------|------------------|
|                         | Carrying amount<br>RM | Fair value<br>RM | Carrying amount<br>RM | Fair value<br>RM |
| <b>Group</b>            |                       |                  |                       |                  |
| <b>Financial asset:</b> |                       |                  |                       |                  |
| Other investments       | 291,209               | 291,209          | 1,138,584             | 1,138,584        |

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Input for the assets or liabilities that are not based on observable market data (unobservable inputs).

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**34. Financial instruments (continued)**

**Financial risk management objectives and policies (continued)**

**Fair values (continued)**

The Group does not have any financial liabilities carried at fair value or any financial instruments classified as Level 1 and Level 2 as at reporting date.

|                        | Level 1<br>RM    | Level 2<br>RM | Level 3<br>RM | Total<br>RM      |
|------------------------|------------------|---------------|---------------|------------------|
| <b>Group</b>           |                  |               |               |                  |
| <b>2025</b>            |                  |               |               |                  |
| <b>Financial asset</b> |                  |               |               |                  |
| Other investments      | 291,209          | -             | -             | 291,209          |
|                        | <u>291,209</u>   | <u>-</u>      | <u>-</u>      | <u>291,209</u>   |
| <b>2024</b>            |                  |               |               |                  |
| <b>Financial asset</b> |                  |               |               |                  |
| Other investments      | 1,138,584        | -             | -             | 1,138,584        |
|                        | <u>1,138,584</u> | <u>-</u>      | <u>-</u>      | <u>1,138,584</u> |

**35. Capital management**

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group and the Company manages its capital structure and makes adjustments to it in response to changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2025.

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**35. Capital management (continued)**

|   | Group       |             | Company    |            |
|---|-------------|-------------|------------|------------|
|   | 2025<br>RM  | 2024<br>RM  | 2025<br>RM | 2024<br>RM |
| Total debts                                 |             |             |            |            |
| - Borrowings                                | 19,463,496  | 20,062,558  | -          | -          |
| Less: Cash and bank<br>balances             | (1,942,930) | (3,963,417) | (860)      | (920)      |
| Less: Fixed deposits with<br>licensed banks | (464,535)   | (418,324)   | -          | -          |
| Net debt                                    | 17,056,031  | 15,680,817  | (860)      | (920)      |
| Total equity                                | 27,523,104  | 28,360,094  | 17,764,240 | 19,612,666 |
| Total capital                               | 44,579,135  | 44,040,911  | 17,763,380 | 19,611,746 |
| Gearing ratio (times)                       | 61.97       | 55.29       | NA         | NA         |

Under the requirements of Bursa Malaysia Practice Note 19, the Group is required to maintain a shareholders' equity equal to or not less than the 25% of the issued and paid up capital (excluding treasury shares). The Group has complied with this requirement for the financial year ended 31 December 2025.

There are no other external capital requirements imposed on the Group.

**36. General information**

The Company is incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

The Company is principally engaged to provide management services and investment holding.

The principal activities of its subsidiaries are set out in Note 11 to the financial statements.

The registered office of the Company is located at 12<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Lot 2, Jalan P/2A, Kawasan MIEL, Bangi Industrial Estate, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue by the Board of Directors on 10 April 2026.