

ASSOCIATED AIR-PAK INDUSTRIES BERHAD

[Registration No.: 197601000486 (26441-T)]

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2025

Registered office:

No. 37B, Jalan Basco Kepayang 1

Basco Avenue @ Kepayang

31400 Ipoh, Perak Darul Ridzuan

Principal place of business:

No. 9, Persiaran Rishah 9

Kawasan Perindustrian Silibin

30100 Ipoh, Perak Darul Ridzuan

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ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2025

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ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

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

Principal activities

The principal activity of the Company is engaged in manufacturing of packaging materials. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial results

	Group RM	Company RM
Profit for the financial year	<u>1,058,457</u>	<u>873,655</u>

Reserves and provisions

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

Dividends

Since the end of the last financial year, the Company paid:

	RM
An interim single-tier dividend of RM0.00135 per ordinary share in respect of financial year ended 31 December 2025, declared on 3 March 2025 and paid on 10 March 2025.	<u>244,108</u>

On 27 February 2026, the Company declared a final dividend of RM0.0008 per ordinary share amounting to RM144,657 in respect of the current financial year, payable on 20 March 2026, to shareholders whose names appeared in the record of depositors on 9 March 2026.

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Issue of shares and debentures

There was no issuance of shares or debentures 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.

Directors

The Directors in office during the financial year until the date of this report are:

Authar Singh A/L Mukhtiar Singh*
Chandra Kumar A/L S. Ponnampalam*
Chang Weng Hoe*
Dato' Tay Kian Chuan
P. Sivagnana Kumaran A/L S. Ponnampalam

* *Director of the Company and its subsidiaries*

The Director who held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Seow Hoon Guan
Mohamad Hashim bin Hassan (resigned on 14 October 2025)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

Directors' interests in shares

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Bought	Sold	
Interests in the Company				
Direct interests				
Authar Singh A/L Mukhtiar Sing	7,049,000	-	-	7,049,000
Chang Weng Hoe	4,147,000	-	-	4,147,000
Dato' Tay Kian Chuan	44,215,000	-	-	44,215,000
Deemed interests in the Company				
Dato' Tay Kian Chuan	87,072,000	-	-	87,072,000 [#]
Chandra Kumar A/L S. Ponnampalam	2,720,000	-	-	2,720,000 [*]

Shares held through spouse and child pursuant to Section 59 (11)(c) of the Companies Act 2016 and through Taytin Land Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

* Shares held through child pursuant to Section 59 (11)(c) of the Companies Act 2016

By virtue of Dato' Tay Kian Chuan's interest in the Company, he is deemed to have interest in shares in its related corporations during the financial year to the extent of the Company's interest in accordance with Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the other Director in office at the end of the financial year has any interest in shares in the Company or its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 27 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.

The Directors' remuneration for the Group and the Company as set out in Note 27 to the financial statements are RM980,255 and RM846,122 respectively.

Directors' benefits (Cont'd)

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and insurance costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM950 and RM950 respectively. No indemnity was given to or insurance effected for auditors of the Group and of the Company during the financial year.

Other statutory information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Other statutory information (Cont'd)

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

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

(d) In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the year of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

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Auditors

The Auditors, TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and the Company as set out in Note 23 to the financial statements are RM100,000 and RM60,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 3 April 2026.



AUTHAR SINGH A/L MUKHTIAR
SINGH



CHANDRA KUMAR A/L S.
PONNAMPALAM

IPOH

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ASSOCIATED AIR-PAK INDUSTRIES BERHAD
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STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 17 to 74 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 3 April 2026.



AUTHAR SINGH A/L MUKHTIAR
SINGH



CHANDRA KUMAR A/L S.
PONNAMPALAM

IPOH

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ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

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

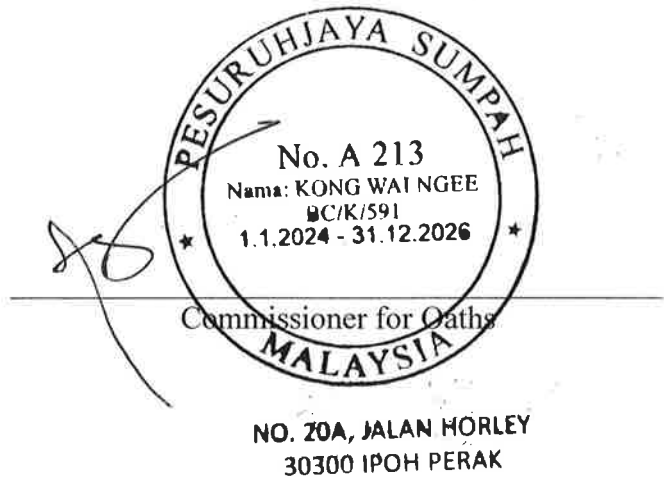
I, Authar Singh A/L Mukhtiar Singh, being the Director primarily responsible for the financial management of Associated Air-Pak Industries Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 17 to 74 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed at Ipoh in the)
State of Perak Darul Ridzuan on)
3 April 2026)



AUTHAR SINGH A/L MUKHTIAR SINGH

Before me,



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ASSOCIATED AIR-PAK INDUSTRIES BERHAD**
[Registration No.: 197601000486 (26441-T)]
(Incorporated in Malaysia)

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants
Unit E-16-2B,
Level 16, Icon Tower (East)
No.1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur.
Tel : +603 9771 4326
Email: tgsaudit@tgs-tw.com
www.tgs-tw.com

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Associated Air-Pak Industries Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, 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 policy information, as set out on pages 17 to 74.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ASSOCIATED AIR-PAK INDUSTRIES BERHAD (CONT'D)**
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Report on the audit of the financial statements (Cont'd)

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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

How we addressed the key audit matters

Inventories valuation

Referring to Note 8 to the financial statements, the Group's and the Company's inventories as at 31 December 2025 amounted to RM9,703,948 and RM9,697,840 respectively.

Inventories valuation is a significant audit risks as inventories may be sold below cost. This could result in an overstatement of the carrying value of the inventories if the cost is higher than the net realisable value.

Attended inventory counts to observe and test check counts of certain items performed by the management.

Tested samples of inventory items to ensure they were stated at the lower of cost and net realisable value.

Discussed with management and obtained an understanding of the processes implemented by the management over the determination of the lower of cost and net realisable value of inventories.

Evaluated management's judgement with regard to the application of inventories written down.

Assessed the completeness and accuracy of the disclosures as required by MFRS 102 *Inventories*.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
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Report on the audit of the financial statements (Cont'd)

Key audit matters (Cont'd)

Key audit matters (Cont'd)

How we addressed the key audit matters (Cont'd)

Goodwill on consolidation

Referring to Note 7 to the financial statements, the Group's goodwill on consolidation as at 31 December 2025 amounted to RM6,366,626 primarily arising from the acquisition of Perspective Mulia Sdn. Bhd.

Goodwill is tested for impairment annually in accordance to MFRS 136 Impairment of Assets. This assessment requires management to estimate future cash flows and determine appropriate discount rates, based on their expectation of future business prospects. Given the inherent uncertainty in forecasting and discounting future cash flows, this represents a significant area of judgement and was therefore a key focus of our audit.

Our audit procedures performed in relation to management's impairment assessment and testing included, among others:

Evaluated the reliability of cash flow forecasts by comparing them against approved budgets, recent performance, and prior years' forecast results, and assessed the supporting evidence for the underlying assumptions.

Performed sensitivity analyses on key inputs, including discount rates and long-term growth rates, to evaluate the impact of reasonably possible changes in assumptions on the carrying value of goodwill as at the reporting date.

Reviewed the reasonableness of key assumptions, particularly revenue growth rates, by benchmarking them against business plans, historical performance, and available market data.

Assessed the adequacy of disclosures in the financial statements to ensure they appropriately describe the key judgements and assumptions underlying the impairment assessment.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ASSOCIATED AIR-PAK INDUSTRIES BERHAD (CONT'D)**
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Report on the audit of the financial statements (Cont'd)

Information other than the financial statements and auditors' report thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ASSOCIATED AIR-PAK INDUSTRIES BERHAD (CONT'D)**
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Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements

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

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

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
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Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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: (Cont'd)

- 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 of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
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Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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 financial 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ASSOCIATED AIR-PAK INDUSTRIES BERHAD (CONT'D)**
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Other matter

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

A handwritten signature in black ink that reads 'TGS TW'.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

A handwritten signature in black ink that reads 'Lian Jat Meang'.

LIAN JAT MEANG
03679/08/2026 J
Chartered Accountant

KUALA LUMPUR
17 April 2026

ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	22,700,294	18,448,409	21,349,545	17,087,895
Investment properties	5	25,609,415	25,225,640	-	-
Investment in subsidiaries	6	-	-	22,810,002	22,810,002
Goodwill on consolidation	7	6,366,626	6,366,626	-	-
		<u>54,676,335</u>	<u>50,040,675</u>	<u>44,159,547</u>	<u>39,897,897</u>
Current assets					
Inventories	8	9,703,948	8,602,734	9,697,840	8,599,952
Trade receivables	9	9,561,407	7,456,991	9,460,553	7,348,185
Other receivables	10	1,692,902	2,860,378	1,618,178	2,250,798
Amount due from a corporate shareholder	11	-	103,128	-	-
Amount due from subsidiaries	12	-	-	2,843,797	3,623,234
Tax recoverable		292,928	240,393	308,675	180,691
Deposits with a licensed bank	13	815,333	550,686	701,447	439,686
Cash and bank balances	14	1,412,701	1,282,050	317,915	1,061,451
		<u>23,479,219</u>	<u>21,096,360</u>	<u>24,948,405</u>	<u>23,503,997</u>
Total assets		<u><u>78,155,554</u></u>	<u><u>71,137,035</u></u>	<u><u>69,107,952</u></u>	<u><u>63,401,894</u></u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	10,507,612	10,507,612	10,507,612	10,507,612
Retained earnings		<u>24,767,969</u>	<u>23,953,620</u>	<u>24,782,622</u>	<u>24,153,075</u>
Total equity		<u><u>35,275,581</u></u>	<u><u>34,461,232</u></u>	<u><u>35,290,234</u></u>	<u><u>34,660,687</u></u>

ASSOCIATED AIR-PAK INDUSTRIES BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (CONT'D)**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES					
Non-current liabilities					
Loans and borrowings	16	12,635,292	12,867,496	8,194,593	9,253,433
Lease liabilities	17	1,143,808	272,082	925,085	207,891
Deferred tax liabilities	18	4,889,887	4,737,794	1,424,887	1,285,794
		<u>18,668,987</u>	<u>17,877,372</u>	<u>10,544,565</u>	<u>10,747,118</u>
Current liabilities					
Loans and borrowings	16	19,940,262	15,725,843	19,332,548	15,309,028
Lease liabilities	17	547,226	410,899	481,759	358,071
Trade payables	19	2,671,327	1,804,223	2,576,661	1,717,624
Other payables	20	1,052,171	857,466	882,185	609,366
		<u>24,210,986</u>	<u>18,798,431</u>	<u>23,273,153</u>	<u>17,994,089</u>
Total liabilities		<u>42,879,973</u>	<u>36,675,803</u>	<u>33,817,718</u>	<u>28,741,207</u>
Total equity and liabilities		<u>78,155,554</u>	<u>71,137,035</u>	<u>69,107,952</u>	<u>63,401,894</u>

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

ASSOCIATED AIR-PAK INDUSTRIES BERHAD

(Incorporated in Malaysia)

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

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	48,225,139	47,505,629	47,947,760	47,209,696
Cost of sales		(42,162,609)	(40,306,331)	(41,947,757)	(40,066,614)
Gross profit		6,062,530	7,199,298	6,000,003	7,143,082
Other income		3,432,526	2,463,759	1,044,459	402,387
Administrative expenses		(4,507,000)	(4,299,884)	(2,888,549)	(2,762,485)
Selling and distribution costs		(1,572,843)	(1,513,062)	(1,572,843)	(1,513,062)
Other expenses		(127,387)	(157,688)	(127,387)	(137,524)
Profit from operations		3,287,826	3,692,423	2,455,683	3,132,398
Finance costs	22	(1,723,087)	(1,641,651)	(1,363,524)	(1,313,536)
Profit before tax	23	1,564,739	2,050,772	1,092,159	1,818,862
Taxation	24	(506,282)	(577,774)	(218,504)	(404,374)
Profit for the financial year, representing total comprehensive income for the financial year		<u>1,058,457</u>	<u>1,472,998</u>	<u>873,655</u>	<u>1,414,488</u>
Earnings per share					
Basic earnings per share (sen):	25	<u>0.59</u>	<u>0.86</u>		
Diluted earnings per share (sen):	25	<u>0.59</u>	<u>0.86</u>		

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

ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	<u>Non-distributable</u>	<u>Distributable</u>	
	<u>Share</u>	<u>Retained</u>	
	<u>capital</u>	<u>earnings</u>	
Note	RM	RM	Total RM
Group			
At 1 January 2024	6,457,612	22,968,839	29,426,451
Profit for the financial year, representing total comprehensive income for the financial year	-	1,472,998	1,472,998
Transactions with owners:			
Issuance of ordinary shares	15 4,050,000	-	4,050,000
Dividends to owners of the Company	26 -	(488,217)	(488,217)
At 31 December 2024	<u>10,507,612</u>	<u>23,953,620</u>	<u>34,461,232</u>
At 1 January 2025	10,507,612	23,953,620	34,461,232
Profit for the financial year, representing total comprehensive income for the financial year	-	1,058,457	1,058,457
Transaction with owners:			
Dividends to owners of the Company	26 -	(244,108)	(244,108)
At 31 December 2025	<u>10,507,612</u>	<u>24,767,969</u>	<u>35,275,581</u>

ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	<u>Non-distributable</u>	<u>Distributable</u>	
	Share capital	Retained earnings	Total
Note	RM	RM	RM
Company			
At 1 January 2024	6,457,612	23,226,804	29,684,416
Profit for the financial year, representing total comprehensive income for the financial year	-	1,414,488	1,414,488
Transactions with owners:			
Issuance of ordinary shares	15 4,050,000	-	4,050,000
Dividends to owners of the Company	26 -	(488,217)	(488,217)
At 31 December 2024	<u>10,507,612</u>	<u>24,153,075</u>	<u>34,660,687</u>
At 1 January 2025	10,507,612	24,153,075	34,660,687
Profit for the financial year, representing total comprehensive income for the financial year	-	873,655	873,655
Transaction with owners:			
Dividends to owners of the Company	26 -	(244,108)	(244,108)
At 31 December 2025	<u>10,507,612</u>	<u>24,782,622</u>	<u>35,290,234</u>

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

ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
Profit before tax		1,564,739	2,050,772	1,092,159	1,818,862
Adjustments for:					
Depreciation of property, plant and equipment		3,268,892	2,808,006	2,965,697	2,517,977
Gain on disposal of property, plant and equipment		(883)	(19,998)	(883)	(19,998)
Gain on disposal of investment properties		(587,986)	-	-	-
Gain on early termination of lease contract		(12,439)	-	(12,439)	-
Interest expenses		1,723,087	1,641,651	1,363,524	1,313,536
Interest income		(17,218)	(11,236)	(147,273)	(151,866)
Fair value (gain)/loss on investment properties		(322,403)	20,164	-	-
Unrealised gain on foreign exchange		(6,795)	(5,452)	(6,795)	(5,452)
Operating profit before working capital changes		5,608,994	6,483,907	5,253,990	5,473,059
Changes in working capital:					
Inventories		(1,101,214)	(639,440)	(1,097,888)	(642,498)
Receivables		(929,910)	(2,177,818)	(1,472,718)	(1,839,481)
Payables		1,061,809	(1,288,319)	1,131,856	(1,402,447)
		(969,315)	(4,105,577)	(1,438,750)	(3,884,426)
Cash generated from operations		4,639,679	2,378,330	3,815,240	1,588,633
Tax paid		(409,386)	(527,535)	(207,395)	(333,472)
Tax refunded		2,662	413,931	-	413,931
Net cash from operating activities		4,232,955	2,264,726	3,607,845	1,669,092

ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from investing activities					
Placements of deposit with a licensed bank with maturity of more than 3 months		(255,742)	(111,000)	(252,856)	-
Interest received		8,313	-	5,427	-
Proceeds from disposal of property, plant and equipment		74,000	20,000	74,000	20,000
Proceeds from disposal of investment properties		980,000	-	-	-
Acquisition of property, plant and equipment	A	(6,037,280)	(2,351,614)	(5,999,850)	(2,289,004)
Acquisition of investment properties		(453,386)	(1,069,580)	-	-
Net cash used in investing activities		<u>(5,684,095)</u>	<u>(3,512,194)</u>	<u>(6,173,279)</u>	<u>(2,269,004)</u>
Cash flows from financing activities					
Placements of deposit pledged with a licensed bank		(8,905)	-	(8,905)	-
Interest received		8,905	-	141,846	140,630
Interest paid		(1,723,087)	(1,641,651)	(1,363,524)	(1,313,536)
Dividends paid		(244,108)	(488,217)	(244,108)	(488,217)
Proceed from issuance of share capital		-	4,050,000	-	4,050,000
Repayment from a corporate shareholder		103,128	-	-	-
Repayment from/(Advance to) subsidiaries		-	-	779,437	(1,335,973)
Repayments of lease liabilities	B	(536,122)	(469,624)	(447,293)	(418,866)
Net drawdown of bankers' acceptance		2,445,046	1,003,565	2,445,046	1,003,565
Drawdown of term loans		6,059,000	2,277,000	4,559,000	2,277,000
Repayments of term loans		(5,773,945)	(3,714,824)	(5,291,480)	(3,335,212)
Net cash from financing activities		<u>329,912</u>	<u>1,016,249</u>	<u>570,019</u>	<u>579,391</u>

ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Net cash decrease in cash and cash equivalents		(1,121,228)	(231,219)	(1,995,415)	(20,521)
Cash and cash equivalents at beginning of the financial year		(2,402,333)	(2,170,725)	(2,622,932)	(2,602,022)
Effect of exchange translation differences		(235)	(389)	(235)	(389)
Cash and cash equivalents at end of the financial year		<u>(3,523,796)</u>	<u>(2,402,333)</u>	<u>(4,618,582)</u>	<u>(2,622,932)</u>
Cash and cash equivalents at end of the financial year comprises:					
Cash and bank balances		1,412,701	1,282,050	317,915	1,061,451
Deposits with a licensed bank		815,333	550,686	701,447	439,686
Bank overdrafts	16	<u>(4,936,497)</u>	<u>(3,684,383)</u>	<u>(4,936,497)</u>	<u>(3,684,383)</u>
		(2,708,463)	(1,851,647)	(3,917,135)	(2,183,246)
Less: Deposit pledged with a licensed bank	13	(338,734)	(329,829)	(338,734)	(329,829)
Less: Deposit with a licensed bank with maturity more than 3 months	13	<u>(476,599)</u>	<u>(220,857)</u>	<u>(362,713)</u>	<u>(109,857)</u>
		<u>(3,523,796)</u>	<u>(2,402,333)</u>	<u>(4,618,582)</u>	<u>(2,622,932)</u>

ASSOCIATED AIR-PAK INDUSTRIES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
A. Acquisition of property, plant and equipment					
Total acquisition of property, plant and equipment		7,805,276	2,419,614	7,511,846	2,289,004
Less: acquisition by means lease arrangements		(1,767,996)	(68,000)	(1,511,996)	-
Total cash used in acquisition of property, plant and equipment		<u>6,037,280</u>	<u>2,351,614</u>	<u>5,999,850</u>	<u>2,289,004</u>
B. Cash outflows for leases as a lessee					
<u>Included in net cash from operating activities:</u>					
Payment relating to short-term leases	23	4,699	22,188	4,699	22,188
Payment relating to low value assets	23	9,263	10,061	9,263	10,061
		<u>13,962</u>	<u>32,249</u>	<u>13,962</u>	<u>32,249</u>
<u>Included in net cash from financing activities:</u>					
Payment of lease liabilities		536,122	469,624	447,293	418,866
Payment on interest of lease liabilities		64,113	31,951	48,142	28,984
		<u>600,235</u>	<u>501,575</u>	<u>495,435</u>	<u>447,850</u>
		<u>614,197</u>	<u>533,824</u>	<u>509,397</u>	<u>480,099</u>

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

ASSOCIATED AIR-PAK INDUSTRIES BERHAD

(Incorporated in Malaysia)

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

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at No. 37B, Jalan Basco Kepayang 1, Basco Avenue @ Kepayang, 31400 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at No. 9, Persiaran Rishah 9, Kawasan Perindustrian Silibin, 30100 Ipoh, Perak Darul Ridzuan.

The principal activity of the Company is engaged in manufacturing of packaging materials. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. Basis of preparation

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the financial statements.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 121 Lack of Exchangeability

The adoption of amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

2. **Basis of preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

Standard issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

2. **Basis of preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

Standard issued but not yet effective (Cont'd)

The initial applications of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) **Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to nearest RM, unless otherwise stated.

(c) **Significant accounting judgements, estimates and assumptions**

The preparation of the Group’s and of the Company’s financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group’s and the Company’s accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group and the Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if they are reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if they are reasonably certain not to be exercised.

The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Judgements (Cont'd)

Determining the lease term of contracts with renewal and termination options -
Group and the Company as lessee (Cont'd)

The Group and the Company include the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment, and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

Deferred tax assets

Deferred tax assets are recognised for all unutilised business losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unutilised business losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group and the Company estimate the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's and the Company's products, the Group and the Company might be required to reduce the value of their inventories.

Determination of transaction prices

The Group and the Company are required to determine the transaction price in respect of each of their contracts with customers. In making such judgement the Group and the Company assess the impact of any variable consideration in the contract due to discounts in the contract.

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2025 for investment properties. For investment properties, a valuation methodology based on sales comparison approach was used. Land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The fair value of buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. **Material accounting policies**

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

(a) **Basis of consolidation**

(i) Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing whether the Company has power over another entity. Subsidiaries are fully consolidated from the date that control commences until the date control ceases.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Inter-company transactions, balances and unrealised gains or losses on transactions between Company and its subsidiaries are eliminated. Unrealised losses are eliminated only if there is no indication of impairment.

(ii) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of new subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises NCIs in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the NCIs' proportionate share of the recognised amounts of acquiree's identifiable net assets.

When the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss recognised in profit or loss.

3. Material accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Business combinations (Cont'd)

The initial accounting for the acquisition of the new subsidiary is incomplete by the end of the reporting period, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amount recognised at that date.

The contingent consideration to be transferred by the Group recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 is measured at fair value with the changes in fair value recognised in profit or loss contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Transaction costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiaries acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired.

3. Material accounting policies (Cont'd)

(b) Property, plant and equipment

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

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other cost directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance cost are recognised in profit or loss as incurred.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and their cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis over its estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land and buildings	2%
Plant, machinery and electrical installation	10%
Workshop tools and equipment	10%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	20%
Renovation	10%
Road construction	10%
Sport equipment	10%
Solar system	10%

3. **Material accounting policies (Cont'd)**

(b) **Property, plant and equipment (Cont'd)**

(iii) Depreciation (Cont'd)

The residual values, useful lives and depreciation method are reviewed at each reporting period and to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(c) **Leases**

(i) Leases and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition exemption

The Group and the Company have elected not to recognise ROU assets and liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Depreciation

The ROU assets under cost model are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU assets or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land and buildings	2%
Motor vehicles	20%
Factory	Over the lease term
Hostel	Over the lease term

3. **Material accounting policies (Cont'd)**

(d) **Investment properties**

Investment properties are properties which are owned 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 measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. 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.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

(e) **Financial instruments**

At the reporting date, the Group carries financial assets at amortised cost on their statements of financial position. The Group's financial assets at amortised cost are trade and other receivables, amount due from a corporate shareholder, deposits with a licensed bank and cash and bank balances. The Company carries only financial assets at amortised cost on its statement of financial position. The Company's financial assets at amortised cost are trade and other receivables, amount due from subsidiaries, deposits with a licensed bank and cash and bank balances.

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on their statements of financial position. The Group's and the Company's financial liabilities at amortised cost include loans and borrowings, trade and other payables.

(f) **Inventories**

Inventories are stated at the lower of cost and net realisable value and determined using weighted average basis. The cost of finished goods consist of direct material, direct labour and an appropriate share of production overhead based on manual capacity.

3. Material accounting policies (Cont'd)

(g) Revenue recognition

(i) Revenue from contracts with customers

The Group recognises revenue from the following major sources:

(a) Rendering of freight services

Revenue from freight services is recognised when the services are rendered.

(b) Sales of goods

The Group produces and sells their goods in markets. Revenue from sales of goods is recognised when control of the products has transferred, being the products are delivered to the customers.

Following delivery of the goods to the customers' specific location, the customers have full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract net of the rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with credit term ranged from cash basis to 180 days, which is consistent with market practice.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3. Material accounting policies (Cont'd)

(g) Revenue recognition (Cont'd)

(iv) Maintenance fee income

Maintenance fee income is recognised on accrual basis using the effective interest method.

(v) Dividend income

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

4. Property, plant and equipment

Group Cost	Leasehold land and buildings RM	Plant, machinery and electrical installation RM	Workshop tools and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Renovation RM	Road construction RM	Sport equipment RM	Factory RM	Hostel RM	Total RM
At 1 January 2024	9,099,099	39,436,934	1,060,396	2,909,131	3,998,226	1,944,700	755,679	17,300	1,591,306	87,543	60,900,314
Additions	-	2,103,854	23,950	84,761	207,049	-	-	-	-	-	2,419,614
Disposals	-	-	-	-	(113,400)	-	-	-	-	(63,654)	(113,400)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	-	(63,654)
At 31 December 2024	9,099,099	41,540,788	1,084,346	2,993,892	4,091,875	1,944,700	755,679	17,300	1,591,306	23,889	63,142,874
Additions	12,640	5,765,167	49,214	183,449	254,500	28,310	-	-	1,413,490	98,506	7,805,276
Disposals	-	(2,953,604)	-	-	-	-	-	-	-	-	(2,953,604)
Early termination of lease contract	-	-	-	-	-	-	-	-	(1,133,424)	(23,889)	(1,157,313)
At 31 December 2025	9,111,739	44,352,351	1,133,560	3,177,341	4,346,375	1,973,010	755,679	17,300	1,871,372	98,506	66,837,233
Accumulated depreciation											
At 1 January 2024	3,138,854	29,903,193	790,149	2,527,221	3,601,142	603,334	755,679	17,299	682,872	43,768	42,063,511
Charge for the financial year	175,087	1,726,132	52,189	87,268	158,239	194,470	-	-	377,483	37,138	2,808,006
Disposals	-	-	-	-	(113,398)	-	-	-	-	-	(113,398)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	(63,654)	(63,654)
At 31 December 2024	3,313,941	31,629,325	842,338	2,614,489	3,645,983	797,804	755,679	17,299	1,060,355	17,252	44,694,465
Charge for the financial year	170,238	2,132,444	46,972	96,226	167,467	195,414	-	-	415,142	44,989	3,268,892
Disposals	-	(2,880,487)	-	-	-	-	-	-	-	-	(2,880,487)
Early termination of lease contract	-	-	-	-	-	-	-	-	(928,678)	(17,253)	(945,931)
At 31 December 2025	3,484,179	30,881,282	889,310	2,710,715	3,813,450	993,218	755,679	17,299	546,819	44,988	44,136,939
Carrying amount											
At 31 December 2025	5,627,560	13,471,069	244,250	466,626	532,925	979,792	-	1	1,324,553	53,518	22,700,294
At 31 December 2024	5,785,158	9,911,463	242,008	379,403	445,892	1,146,896	-	1	530,951	6,637	18,448,409

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

Company	Leasehold land and buildings RM	Plant, machinery and electrical installation RM	Workshop tools and equipment RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Factory RM	Hostel RM	Total RM
Cost								
At 1 January 2024	9,099,099	39,436,934	1,016,115	2,846,609	1,911,083	1,591,306	87,543	55,988,689
Additions	-	2,103,854	11,982	84,761	88,407	-	-	2,289,004
Disposals	-	-	-	-	(113,400)	-	-	(113,400)
Expiration of lease contract	-	-	-	-	-	-	(63,654)	(63,654)
At 31 December 2024	9,099,099	41,540,788	1,028,097	2,931,370	1,886,090	1,591,306	23,889	58,100,639
Additions	12,640	5,765,167	44,124	168,419	9,500	1,413,490	98,506	7,511,846
Disposals	-	(2,953,604)	-	-	-	-	-	(2,953,604)
Early termination of lease contract	-	-	-	-	-	(1,133,424)	(23,889)	(1,157,313)
At 31 December 2025	9,111,739	44,352,351	1,072,221	3,099,789	1,895,590	1,871,372	98,506	61,501,568
Accumulated depreciation								
At 1 January 2024	3,138,854	29,903,193	756,694	2,473,012	1,673,426	682,872	43,768	38,671,819
Charge for the financial year	175,087	1,726,132	49,431	83,297	69,409	377,483	37,138	2,517,977
Disposals	-	-	-	-	(113,398)	-	-	(113,398)
Expiration of lease contract	-	-	-	-	-	-	(63,654)	(63,654)
At 31 December 2024	3,313,941	31,629,325	806,125	2,556,309	1,629,437	1,060,355	17,252	41,012,744
Charge for the financial year	170,238	2,132,444	43,699	88,634	70,551	415,142	44,989	2,965,697
Disposals	-	(2,880,487)	-	-	-	-	-	(2,880,487)
Early termination of lease contract	-	-	-	-	-	(928,678)	(17,253)	(945,931)
At 31 December 2025	3,484,179	30,881,282	849,824	2,644,943	1,699,988	546,819	44,988	40,152,023
Carrying amount								
At 31 December 2025	5,627,560	13,471,069	222,397	454,846	195,602	1,324,553	53,518	21,349,545
At 31 December 2024	5,785,158	9,911,463	221,972	375,061	256,653	530,951	6,637	17,087,895

4. **Property, plant and equipment (Cont'd)**

- (a) Included in net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Leasehold land and buildings	5,627,560	5,785,158	5,627,560	5,785,158
Motor vehicles	289,333	121,118	-	-
Factory	1,324,553	530,951	1,324,553	530,951
Hostel	53,518	6,637	53,518	6,637
	<u>7,294,964</u>	<u>6,443,864</u>	<u>7,005,631</u>	<u>6,322,746</u>

- (b) Depreciation charge of right-of-use assets are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Leasehold land and buildings	170,238	175,087	170,238	175,087
Motor vehicles	76,785	46,162	-	-
Factory	415,142	377,483	415,142	377,483
Hostel	44,989	37,138	44,989	37,138
	<u>707,154</u>	<u>635,870</u>	<u>630,369</u>	<u>589,708</u>

- (c) Additions of property, plant and equipment under lease arrangement are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Leasehold land and buildings	12,640	-	12,640	-
Motor vehicles	245,000	91,142	-	-
Factory	1,413,490	-	1,413,490	-
Hostel	98,506	-	98,506	-
	<u>1,769,636</u>	<u>91,142</u>	<u>1,524,636</u>	<u>-</u>

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

- (d) Property, plant and equipment pledged to licensed bank and financial institution as security for the related term loans are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Leasehold land and buildings	3,993,252	4,001,716	3,993,252	4,001,716
Plant, machinery and electrical installation	6,365,184	1,955,284	6,365,184	1,955,284
	<u>10,358,436</u>	<u>5,957,000</u>	<u>10,358,436</u>	<u>5,957,000</u>

- (e) Motor vehicles of the Group and of the Company with net book value of RM6 and RM4 (2024: RM6 and RM4) are held in trust by third parties, certain Directors of the Company and a company in which Directors have interest.

5. Investment properties

	Group		Total RM
	Freehold land RM	Freehold buildings RM	
Fair value			
At 1 January 2024	11,176,224	13,000,000	24,176,224
Addition	1,069,580	-	1,069,580
Change in fair value recognised in profit or loss	<u>(20,164)</u>	<u>-</u>	<u>(20,164)</u>
At 31 December 2024	12,225,640	13,000,000	25,225,640
Addition	453,386	-	453,386
Disposal	<u>(392,014)</u>	<u>-</u>	<u>(392,014)</u>
Change in fair value recognised in profit or loss	322,403	-	322,403
At 31 December 2025	<u>12,609,415</u>	<u>13,000,000</u>	<u>25,609,415</u>

- (a) Fair value basis of investment properties

The fair value of the investment properties of the Group were estimated based on independent valuer's assessment of the current prices in an active market for the respective properties within each vicinity carried out as at the reporting period end.

There has been no change to the valuation technique during the financial year.

5. Investment properties (Cont'd)

(a) Fair value basis of investment properties (Cont'd)

Fair value measurements of the investment properties were categories as follows:

	Group	
	2025 RM	2024 RM
Level 2		
Recurring fair value measurements:		
Freehold land	12,609,415	12,225,640
Freehold buildings	13,000,000	13,000,000
	25,609,415	25,225,640

Level 2 fair value

Level 2 fair value of land and buildings have been generally derived by using sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property site. The most significant input into this valuation approach is price per square foot of comparable properties.

(b) Income and expenses recognised in profit or loss

	Group	
	2025 RM	2024 RM
Rental income	(1,776,000)	(1,776,000)
Direct operating expenses	483,067	462,582
	(1,292,933)	(1,313,418)

(c) Investment property of the Group with fair value of RM19,500,000 (2024: RM19,500,000) is pledged to licensed bank and financial institution as security for the related term loan.

6. Investment in subsidiaries

	Company	
	2025 RM	2024 RM
In Malaysia		
At cost		
Unquoted shares	23,103,774	23,103,774
Less: Accumulated impairment loss	(293,772)	(293,772)
	22,810,002	22,810,002

6. Investment in subsidiaries (Cont'd)

Movements in the accumulated impairment losses as follows:

	Company	
	2025	2024
	RM	RM
At beginning/end of the financial year	<u>293,772</u>	<u>293,772</u>

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
Wan-Harris Sdn. Bhd.	Malaysia	100	100	Provision of transportation services.
Perspektif Mulia Sdn. Bhd.	Malaysia	100	100	Buying, selling, renting and operating of self-owned or lease real estate - non-residential buildings.
A-API Land Sdn. Bhd.	Malaysia	100	100	Investment holding.

7. Goodwill on consolidation

	Group	
	2025	2024
	RM	RM
At beginning/end of the financial year	<u>6,366,626</u>	<u>6,366,626</u>

The carrying amounts of goodwill allocated to the Group's cash generating units ("CGU") are as follows:

	Group	
	2025	2024
	RM	RM
Perspektif Mulia Sdn. Bhd.	<u>6,366,626</u>	<u>6,366,626</u>

7. Goodwill on consolidation (Cont'd)

(a) Recoverable amount on value in use

For the purpose of impairment testing, the recoverable amount of goodwill at the end of financial year was determined based on a value-in-use calculation by discounting the future cash flows generated from the continuing use of cash generated unit (“CGU”) and was based on the following assumptions:

- (i) Pre-tax cash flow projection based on the most recent financial budgets covering a five (2024: five) years period;
- (ii) The anticipated annual revenue growth rate used in the cash flow budgets and plans of the CGU assumed to have 9% (2024: 9%) increase on tenancy agreement for every renewal period; and
- (iii) Pre-tax discount rate of 6.60% (2024: 7.23%) per annum has been applied in determining the recoverable amount of the CGU. The discount rate was based estimated on the Group’s weighted average cost of capital.

The value assigned to the key assumptions represent management’s assessment of future trends in the industry and are based on both external sources and internal sources.

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materiality exceed their recoverable amount.

(b) Sensitivity to changes in assumptions

The management believes that no reasonably possible change in the key assumptions on which management has based on its determination of the CGU’s recoverable amount would not cause the CGU’s carrying amount to exceed its recoverable amount.

8. Inventories

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Consumable stores	29,426	32,518	23,318	29,736
Raw materials	5,383,404	5,120,323	5,383,404	5,120,323
Finished goods	4,291,118	3,449,893	4,291,118	3,449,893
	<u>9,703,948</u>	<u>8,602,734</u>	<u>9,697,840</u>	<u>8,599,952</u>
Recognised in profit or loss				
Inventories recognised as cost of sales	<u>26,107,522</u>	<u>25,536,323</u>	<u>26,096,103</u>	<u>25,523,715</u>

9. Trade receivables

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables	9,595,221	7,490,805	9,487,357	7,374,989
Less: Allowance for expected credit losses (“ECLs”)	(33,814)	(33,814)	(26,804)	(26,804)
	<u>9,561,407</u>	<u>7,456,991</u>	<u>9,460,553</u>	<u>7,348,185</u>

Trade receivables are non-interest bearing and are generally on cash term to 90 days (2024: cash term to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group and of the Company is an amount of RM22,160 and RM22,160 (2024: RM131,363 and RM131,252) due from a company in which a Director of a subsidiary has interest.

Movements in the allowance for ECLs are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At beginning/end of the financial year	<u>33,814</u>	<u>33,814</u>	<u>26,804</u>	<u>26,804</u>

The foreign currency profile of trade receivables are as follows:

	Group and Company	
	2025 RM	2024 RM
United States Dollar (“USD”)	63,569	178,864
Singapore Dollar (“SGD”)	<u>733,117</u>	<u>798,927</u>

9. Trade receivables (Cont'd)

The following table provide information about the exposure to credit risk and allowance for ECLs for trade receivables:

	Gross carrying amount RM	ECLs RM	Carrying amount RM
Group			
2025			
Not past due	5,813,055	(8,746)	5,804,309
Past due:			
Less than 30 days	2,745,077	(7,800)	2,737,277
31 to 60 days	792,846	(7,341)	785,505
61 to 90 days	211,882	(2,725)	209,157
More than 90 days	32,361	(7,202)	25,159
	<u>9,595,221</u>	<u>(33,814)</u>	<u>9,561,407</u>
2024			
Not past due	4,095,400	(8,746)	4,086,654
Past due:			
Less than 30 days	1,920,447	(7,800)	1,912,647
31 to 60 days	936,708	(7,341)	929,367
61 to 90 days	392,185	(2,725)	389,460
More than 90 days	146,065	(7,202)	138,863
	<u>7,490,805</u>	<u>(33,814)</u>	<u>7,456,991</u>
Company			
2025			
Not past due	5,777,452	(8,746)	5,768,706
Past due:			
Less than 30 days	2,723,278	(7,800)	2,715,478
31 to 60 days	773,242	(7,341)	765,901
61 to 90 days	198,620	(2,725)	195,895
More than 90 days	14,765	(192)	14,573
	<u>9,487,357</u>	<u>(26,804)</u>	<u>9,460,553</u>
2024			
Not past due	4,064,916	(8,746)	4,056,170
Past due:			
Less than 30 days	1,892,469	(7,800)	1,884,669
31 to 60 days	916,762	(7,341)	909,421
61 to 90 days	376,577	(2,725)	373,852
More than 90 days	124,265	(192)	124,073
	<u>7,374,989</u>	<u>(26,804)</u>	<u>7,348,185</u>

10. **Other receivables**

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-trade receivables	91,721	559,238	91,721	4,238
Deposits	178,844	1,074,765	145,764	1,047,685
Prepayments	641,482	672,644	600,638	652,744
Prepayment for listing expenses	677,202	441,770	677,202	441,770
Advance to staffs	93,470	104,350	92,670	96,750
Interest receivable	10,183	7,611	10,183	7,611
	<u>1,692,902</u>	<u>2,860,378</u>	<u>1,618,178</u>	<u>2,250,798</u>

Non-trade receivables are unsecured, non-interest bearing and repayable on demand.

Included in the deposits of the Group and the Company are an amount of RM37,305 (2024: RM952,416) paid for purchase of plant and machinery.

The foreign currency profile of other receivables are as follows:

	Group and Company	
	2025	2024
	RM	RM
USD	<u>184,450</u>	<u>670,449</u>

11. **Amount due from a corporate shareholder**

Amount due from a corporate shareholder is non-trade related, unsecured, non-interest bearing and repayable on demand.

12. **Amount due from subsidiaries**

Amount due from subsidiaries are non-trade in nature, unsecured, interest bearing of 4.63% (2024: 4.63%) and repayable on demand.

13. **Deposits with a licensed bank**

The interest rate of the deposits with a licensed bank of the Group and of the Company ranged from 2.10% to 2.60% (2024: 2.60% to 2.70%) per annum. The maturity of the deposits with a licensed bank are at 12 months (2024: 12 months).

Deposits with a licensed bank amounted to RM338,734 (2024: RM329,829) is pledged as securities for bank borrowings granted to the Group and the Company.

13. Deposits with a licensed bank (Cont'd)

Deposits with a licensed bank more than 3 months to maturity of the Group and of the Company are amounting to RM476,599 and RM362,713 (2024: RM220,857 and RM109,857).

14. Cash and bank balances

The foreign currency profile of cash and bank balances are as follows:

	Group and Company	
	2025	2024
	RM	RM
USD	3,794	4,112
SGD	100	40
British Pound Sterling ("GBP")	483	422
Euro Dollar ("EUR")	260	184
Australian Dollar ("AUD")	578	528
Thai Baht Dollar ("THB")	1,588	1,653
Hong Kong Dollar ("HKD")	476	458

15. Share capital

	Note	Number of ordinary shares		Amount	
		2025 Units	2024 Units	2025 RM	2024 RM
Issued and fully paid:					
At beginning of the financial year		180,821,000	4,947,612	10,507,612	6,457,612
Share split	(a)	-	153,373,388	-	-
Issuance of shares	(b)	-	22,500,000	-	4,050,000
At end of the financial year		<u>180,821,000</u>	<u>180,821,000</u>	<u>10,507,612</u>	<u>10,507,612</u>

In the previous financial year:

- (a) The share capital of the Company has been subdivided, by way of subdividing every 1 existing share into 32 ordinary shares. Arising from the subdivision of shares, the resultant number of ordinary shares in issue was increased from 4,947,612 to 158,321,000. The paid-up capital of the Company remains unchanged at RM6,457,612; and
- (b) The Company issued 22,500,000 new ordinary shares of RM0.18 each at RM4,050,000 for a total cash consideration of RM4,050,000.

The new ordinary shares issued in the previous financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

15. Share capital (Cont'd)

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings for the Company. All ordinary shares rank equally with regards to the Company's residual assets.

16. Loans and borrowings

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Secured				
Term loans	17,160,323	16,875,268	12,111,910	12,844,390
Bankers' acceptance	10,478,734	8,033,688	10,478,734	8,033,688
Bank overdrafts	4,936,497	3,684,383	4,936,497	3,684,383
	<u>32,575,554</u>	<u>28,593,339</u>	<u>27,527,141</u>	<u>24,562,461</u>
Non-current				
Term loans	<u>12,635,292</u>	<u>12,867,496</u>	<u>8,194,593</u>	<u>9,253,433</u>
Current				
Term loans	4,525,031	4,007,772	3,917,317	3,590,957
Bankers' acceptance	10,478,734	8,033,688	10,478,734	8,033,688
Bank overdrafts	4,936,497	3,684,383	4,936,497	3,684,383
	<u>19,940,262</u>	<u>15,725,843</u>	<u>19,332,548</u>	<u>15,309,028</u>
	<u>32,575,554</u>	<u>28,593,339</u>	<u>27,527,141</u>	<u>24,562,461</u>

The loans and borrowings are secured by the following:

- (a) cash collateral;
- (b) facility agreements;
- (c) deed of assignment of contract proceed;
- (d) guaranteed by Syarikat Jaminan Pembiayaan Perniagaan ("SJPP");
- (e) pledged fixed deposits with interest capitalised;
- (f) first party legal charge over the Group's property, plant and equipment as disclosed in Note 4 to the financial statements;
- (g) first party legal charge over the Group's and the Company's investment properties as disclosed in Note 5 to the financial statements;
- (h) fixed and floating charged on all assets of a subsidiary;
- (i) jointly and severally guaranteed by certain Directors of the Group and of the Company and third parties; and
- (j) corporate guarantee by the Company and a corporate shareholder.

16. Loans and borrowings (Cont'd)

The repayment terms of the loans and borrowings are as follows:

- (a) The term loans are repayable by 60 months to 120 months (2024: 60 months to 120 months).
- (b) The bankers' acceptances are repayable within 146 days (2024: 38 days to 175 days)
- (c) Bank overdrafts are repayable on demand.

The average effective interest rates per annum are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Term loans	1.90 - 12.24	2.96 - 7.70	1.90 - 12.24	2.96 - 7.69
Bankers' acceptance	3.51 - 4.55	3.90 - 4.65	3.51 - 4.55	3.90 - 4.65
Bank overdrafts	6.45 - 6.95	6.70 - 7.20	6.45 - 6.95	6.70 - 7.20

17. Lease liabilities

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current	1,143,808	272,082	925,085	207,891
Current	547,226	410,899	481,759	358,071
	<u>1,691,034</u>	<u>682,981</u>	<u>1,406,844</u>	<u>565,962</u>

The maturity analysis of lease liabilities at the end of the reporting year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Within 1 year	607,036	434,836	522,892	377,300
Between 1 - 5 years	1,207,478	282,426	961,200	211,100
	<u>1,814,514</u>	<u>717,262</u>	<u>1,484,092</u>	<u>588,400</u>
Less: Future finance charges	<u>(123,480)</u>	<u>(34,281)</u>	<u>(77,248)</u>	<u>(22,438)</u>
Present value of lease liabilities	<u>1,691,034</u>	<u>682,981</u>	<u>1,406,844</u>	<u>565,962</u>

The Group and the Company lease various properties and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

18. Deferred tax liabilities

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
At beginning of the financial year	4,737,794	4,642,577	1,285,794	1,193,577
Recognised in profit or loss	152,093	95,217	139,093	92,217
At end of financial year	<u>4,889,887</u>	<u>4,737,794</u>	<u>1,424,887</u>	<u>1,285,794</u>

The components and movement of deferred tax liabilities and assets are made up of temporary differences arising from:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Property, plant and equipment	1,563,713	1,316,351	1,554,713	1,304,351
Provision	(6,433)	(6,433)	(6,433)	(6,433)
Investment properties	3,456,000	3,440,000	-	-
Unutilised capital allowances	(98,778)	-	(98,778)	-
Unabsorbed Green Investment Tax Allowance	(24,615)	(12,124)	(24,615)	(12,124)
	<u>4,889,887</u>	<u>4,737,794</u>	<u>1,424,887</u>	<u>1,285,794</u>

19. Trade payables

The normal trade credit terms granted to the Group and the Company ranged from 30 to 90 days (2024: 30 to 90 days) depending on the term of the contracts.

20. Other payables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-trade payables	480,386	389,848	430,337	226,190
Accruals	526,721	416,218	428,552	350,302
Sales and service tax payable	45,064	51,400	23,296	32,874
	<u>1,052,171</u>	<u>857,466</u>	<u>882,185</u>	<u>609,366</u>

20. **Other payables (Cont'd)**

Included in the non-trade payables of the Group amounting to RM27,835 (2024: RM27,021) are amount due to a Director of a subsidiary.

21. **Revenue**

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue from contracts with customers:				
- Sales of goods	47,947,760	47,209,696	47,947,760	47,209,696
- Transportation charges	277,379	295,933	-	-
	<u>48,225,139</u>	<u>47,505,629</u>	<u>47,947,760</u>	<u>47,209,696</u>
Timing of revenue recognition:				
- At a point of time	<u>48,225,139</u>	<u>47,505,629</u>	<u>47,947,760</u>	<u>47,209,696</u>

22. **Finance costs**

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Interest expenses on:				
- Lease liabilities	64,113	31,951	48,142	28,984
- Bankers' acceptance	349,219	319,429	349,219	319,429
- Term loans	1,043,565	1,124,943	699,973	799,795
- Bank overdrafts	266,190	165,328	266,190	165,328
	<u>1,723,087</u>	<u>1,641,651</u>	<u>1,363,524</u>	<u>1,313,536</u>

23. Profit before tax

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration	100,000	90,000	60,000	50,000
Depreciation of property, plant and equipment	3,268,892	2,808,006	2,965,697	2,517,977
Gain on disposal of property, plant and equipment	(883)	(19,998)	(883)	(19,998)
Gain on disposal of investment properties	(587,986)	-	-	-
Gain on modification of lease contract	(12,439)	-	(12,439)	-
Interest income from:				
- deposits pledged with a licensed bank	(8,905)	(8,251)	(8,905)	(8,251)
- deposits with a licensed bank with maturity of more than 3 months	(8,313)	(2,985)	(5,427)	(2,985)
- subsidiaries	-	-	(132,941)	(140,630)
Foreign exchange on:				
- realised loss	127,387	137,524	127,387	137,524
- unrealised gain	(6,795)	(5,452)	(6,795)	(5,452)
Fair value (gain)/loss on investment properties	(322,403)	20,164	-	-
Lease expenses related to:				
- short-term leases (a)	4,699	22,188	4,699	22,188
- low value assets (a)	9,263	10,061	9,263	10,061
Rental income	(1,875,000)	(1,820,920)	(125,600)	(70,400)
Maintenance fee income	(444,000)	(444,000)	-	-

- (a) The Group and the Company lease a number of properties and machineries with contract terms of not more than one year/with value not more than RM20,000. These leases are short term-term and/or leases of low value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

24. Taxation

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Tax expenses recognised in profit or loss				
<u>Current tax</u>				
- Current financial year	311,983	303,612	68,514	130,575
- Under provision in prior financial year	42,206	178,945	10,897	181,582
	<u>354,189</u>	<u>482,557</u>	<u>79,411</u>	<u>312,157</u>
<u>Deferred tax</u>				
- Origination and reversal of temporary differences	137,775	113,239	124,775	106,239
- Under/(Over) provision in prior financial year	14,318	(18,022)	14,318	(14,022)
	<u>152,093</u>	<u>95,217</u>	<u>139,093</u>	<u>92,217</u>
	<u>506,282</u>	<u>577,774</u>	<u>218,504</u>	<u>404,374</u>

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	<u>1,564,739</u>	<u>2,050,772</u>	<u>1,092,159</u>	<u>1,818,862</u>
At Malaysian statutory tax rate of 24% (2024: 24%)	375,537	492,185	262,118	436,527
Expenses not deductible for tax purposes	236,451	275,028	151,973	158,127
Income not subject to tax	(101,210)	(59,971)	(220,802)	(53,164)
Income tax exemption under Green Investment Tax Allowance	-	(304,676)	-	(304,676)
Movement of deferred tax assets not recognised	(61,020)	14,285	-	-
Under provision of tax expense in prior financial years	42,206	178,945	10,897	181,582
Over provision of deferred tax in prior financial year	14,318	(18,022)	14,318	(14,022)
	<u>506,282</u>	<u>577,774</u>	<u>218,504</u>	<u>404,374</u>

24. **Taxation (Cont'd)**

Unrecognised deferred tax assets

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

	Group	
	2025	2024
	RM	RM
Property, plant and equipment	(75,374)	(5,959)
Provision	7,010	7,010
Investment properties	-	250,750
Unutilised business losses	360,297	360,297
Unabsorbed capital allowance	84,251	11,335
	<u>376,184</u>	<u>623,433</u>

The expiry of the unutilised business losses is as follows:

	Group	
	2025	2024
	RM	RM
Year of assessment 2028	301,464	301,464
Year of assessment 2034	58,833	58,833
	<u>360,297</u>	<u>360,297</u>

In accordance with the provision of Finance Act 2018, the unutilised business losses could be carried forward for a maximum of seven consecutive years of assessment. Any balance of the unutilised business losses at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in the subsidiaries that have a recent history of losses.

25. Earnings per share

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period as follows:

	Group	
	2025	2024
	RM	RM
Profit attributable to owners of Company	<u>1,058,457</u>	<u>1,472,998</u>
Weighted average number of ordinary shares in issue (units)	<u>180,821,000</u>	<u>171,759,356</u>
Basic earnings per ordinary shares (in sen)	<u>0.59</u>	<u>0.86</u>

(b) Diluted earnings per share

Diluted losses per ordinary share equals basic earnings per ordinary share because there is no potentially dilutive instruments in existence as at the end of each reporting year.

26. Dividends

	Group and Company	
	2025	2024
	RM	RM
Dividends recognised as distribution to owners of the Company:		
An interim single-tier of RM0.00135 per ordinary share in respect of financial year ended 31 December 2025, declared on 3 March 2025 and paid on 10 March 2025	244,108	-
An interim single-tier of RM0.0027 per ordinary share in respect of financial year ended 31 December 2024, declared on 19 June 2024 and paid on 24 June 2024	-	488,217
	<u>244,108</u>	<u>488,217</u>

On 27 February 2026, the Company declared a final dividend of RM0.0008 per ordinary share amounting to RM144,657 in respect of the current financial year, payable on 20 March 2026, to shareholders whose names appeared in the record of depositors on 9 March 2026.

27. Staff costs

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries and other emoluments	10,190,274	9,666,178	9,220,400	8,720,639
Defined contribution plans	717,046	684,580	655,351	624,079
Social security contributions	164,514	142,515	153,283	131,670
	<u>11,071,834</u>	<u>10,493,273</u>	<u>10,029,034</u>	<u>9,476,388</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Director of the Group and of the Company during the financial year as below:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries and other emoluments	577,428	445,428	451,428	445,428
Directors' fees	309,400	315,100	307,200	312,900
Defined contribution plans	89,856	84,816	84,816	84,816
Social security contributions	3,571	2,341	2,678	2,341
	<u>980,255</u>	<u>847,685</u>	<u>846,122</u>	<u>845,485</u>

28. Reconciliation of liabilities arising from financing activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Group				At 31.12.2025 RM
	At 1.1.2025 RM	Drawdown RM	Repayment RM	Others RM	
Lease liabilities	682,981	1,767,996	(536,122)	(223,821)	1,691,034
Term loans	16,875,268	6,059,000	(5,773,945)	-	17,160,323
Bankers' acceptance	8,033,688	36,382,796	(33,937,750)	-	10,478,734
	<u>25,591,937</u>	<u>44,209,792</u>	<u>(40,247,817)</u>	<u>-</u>	<u>29,330,091</u>
	Group				At 31.12.2024 RM
	At 1.1.2024 RM	Drawdown RM	Repayment RM	Others RM	
Lease liabilities	1,084,605	68,000	(469,624)	-	682,981
Term loans	18,313,092	2,277,000	(3,714,824)	-	16,875,268
Bankers' acceptance	7,030,123	33,263,047	(32,259,482)	-	8,033,688
	<u>26,427,820</u>	<u>35,608,047</u>	<u>(36,443,930)</u>	<u>-</u>	<u>25,591,937</u>

28. Reconciliation of liabilities arising from financing activities (Cont'd)

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	Company				At 31.12.2025 RM
	At 1.1.2025 RM	Drawdown RM	Repayment RM	Others RM	
	Lease liabilities	565,962	1,511,996	(447,293)	
Term loans	12,844,390	4,559,000	(5,291,480)	-	12,111,910
Bankers' acceptance	8,033,688	36,382,796	(33,937,750)	-	10,478,734
	<u>21,444,040</u>	<u>42,453,792</u>	<u>(39,676,523)</u>	<u>(223,821)</u>	<u>23,997,488</u>
	At 1.1.2024 RM	Drawdown RM	Repayment RM	Others RM	At 31.12.2024 RM
Lease liabilities	984,828	-	(418,866)	-	565,962
Term loans	13,902,602	2,277,000	(3,335,212)	-	12,844,390
Bankers' acceptance	7,030,123	33,263,047	(32,259,482)	-	8,033,688
	<u>21,917,553</u>	<u>35,540,047</u>	<u>(36,013,560)</u>	<u>-</u>	<u>21,444,040</u>

29. Related party disclosures**(a) Identifying related parties**

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control or joint 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 Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

29. **Related party disclosures (Cont'd)**

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Transactions with a company in which a Director of a subsidiary has interest:				
Disposal of plant and machinery	74,000	-	74,000	-
Sales	<u>(102,556)</u>	<u>(356,200)</u>	<u>(100,966)</u>	<u>(344,961)</u>
Transactions with subsidiaries:				
Interest received	-	-	(132,941)	(140,630)
Rental income	-	-	(26,200)	(26,200)
Transportation services paid	<u>-</u>	<u>-</u>	<u>1,996,528</u>	<u>1,692,972</u>

(c) Compensation of key management personnel

Remuneration of key management personnel which same as Directors' remuneration are disclosed in Note 27 to the financial statements.

30. **Operating segments**

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

Manufacturing : Manufacturing of packaging materials.

Investment holding : Property investment and rental of property.

Other non-reportable segments which are below the quantitative thresholds for determining reportable segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is valued based on profit on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

30. Operating segments (Cont'd)

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

	Note	Manufacturing RM	Investment holding RM	Eliminations RM	Consolidation RM
Group					
2025					
Business segments					
Revenue from external customer		48,225,139	-	-	48,225,139
Inter-segment revenue	A	1,996,528	-	(1,996,528)	-
Total revenue		<u>50,221,667</u>	<u>-</u>	<u>(1,996,528)</u>	<u>48,225,139</u>
Results					
Finance income		147,273	2,886	(132,941)	17,218
Finance costs		(1,385,801)	(470,227)	132,941	(1,723,087)
Depreciation of property, plant and equipment		(2,999,782)	(269,110)	-	(3,268,892)
Other non-cash items	B	20,117	910,389	-	930,506
Segment profit	C	<u>2,279,602</u>	<u>1,591,006</u>	<u>(600,000)</u>	<u>3,270,608</u>
Assets					
Additions to non-current assets		7,756,846	48,430	-	7,805,276
Segment assets	D	<u>69,244,235</u>	<u>28,152,156</u>	<u>(19,533,765)</u>	<u>77,862,626</u>
Liabilities					
Segment liabilities	E	<u>33,018,872</u>	<u>8,053,438</u>	<u>(3,082,224)</u>	<u>37,990,086</u>
2024					
Business segments					
Revenue from external customer		47,505,629	-	-	47,505,629
Inter-segment revenue	A	1,692,972	-	(1,692,972)	-
Total revenue		<u>49,198,601</u>	<u>-</u>	<u>(1,692,972)</u>	<u>47,505,629</u>
Results					
Finance income		151,866	-	(140,630)	11,236
Finance costs		(1,326,005)	(456,276)	140,630	(1,641,651)
Depreciation of property, plant and equipment		(2,545,712)	(262,294)	-	(2,808,006)
Other non-cash items	B	25,450	(20,164)	-	5,286
Segment profit	C	<u>2,989,629</u>	<u>691,558</u>	<u>-</u>	<u>3,681,187</u>
Assets					
Additions to non-current assets		2,316,504	103,110	-	2,419,614
Segment assets	D	<u>63,447,851</u>	<u>27,608,655</u>	<u>(20,159,864)</u>	<u>70,896,642</u>
Liabilities					
Segment liabilities	E	<u>27,814,945</u>	<u>7,828,725</u>	<u>(3,705,661)</u>	<u>31,938,009</u>

30. **Operating segments (Cont'd)**

Adjustments and eliminations

A. Inter-segment revenues are eliminated on consolidation.

B. Other material non-cash items consist of the following as presented in the respective notes to the financial statements:

	Group	
	2025	2024
	RM	RM
Gain on disposal of property, plant and equipment	883	19,998
Gain on disposal of investment properties	587,986	-
Gain on modification of lease contract	12,439	-
Fair value gain/(loss) on investment properties	322,403	(20,164)
Unrealised gain on foreign exchange	6,795	5,452
	<u>930,506</u>	<u>5,286</u>

C. The following item is deducted from segment profit to arrive at profit before tax reported in the consolidated statements of profit or loss and other comprehensive income.

	2025	2024
	RM	RM
Segment profit	3,270,608	3,681,187
Finance income	17,218	11,236
Finance costs	(1,723,087)	(1,641,651)
Profit before tax	<u>1,564,739</u>	<u>2,050,772</u>

D. The following items are added to segment assets to arrive at total assets reported in the consolidated statements of financial position.

	2025	2024
	RM	RM
Segment assets	77,862,626	70,896,642
Tax recoverable	292,928	240,393
Total assets	<u>78,155,554</u>	<u>71,137,035</u>

30. **Operating segments (Cont'd)**

Adjustments and eliminations (Cont'd)

E. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position.

	2025	2024
	RM	RM
Segment liabilities	37,990,086	31,938,009
Deferred tax liabilities	4,889,887	4,737,794
Total liabilities	<u>42,879,973</u>	<u>36,675,803</u>

Geographic information

Non-current assets information based on the geographical location of assets are as follows:

	2025	2024
	RM	RM
Malaysia	<u>54,676,335</u>	<u>50,040,675</u>

Non-current assets for this purpose consist of property, plant and equipment, investment properties and goodwill on consolidation.

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

	2025	2024
	RM	RM
Malaysia	43,631,235	44,214,212
Australia	30,696	-
Indonesia	60,513	-
Singapore	3,674,003	540,415
Thailand	519,944	2,751,002
United Stated	31,369	-
	<u>47,947,760</u>	<u>47,505,629</u>

Major customer

The following is major customer with revenue equal or more than 10% of the Group's total revenue:

	2025	2024
	RM	RM
Customer A	<u>10,076,564</u>	<u>11,343,261</u>

31. **Financial instruments**

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis at amortised cost.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
At amortised cost				
Financial assets				
Trade receivables	9,561,407	7,456,991	9,460,553	7,348,185
Other receivables	336,913	793,548	303,033	203,868
Amount due from a corporate shareholder	-	103,128	-	-
Amount due from subsidiaries	-	-	2,843,797	3,623,234
Deposits with a licensed bank	815,333	550,686	701,447	439,686
Cash and bank balances	1,412,701	1,282,050	317,915	1,061,451
	<u>12,126,354</u>	<u>10,186,403</u>	<u>13,626,745</u>	<u>12,676,424</u>
At amortised cost				
Financial liabilities				
Loans and borrowings	32,575,554	28,593,339	27,527,141	24,562,461
Trade payables	2,671,327	1,804,223	2,576,661	1,717,624
Other payables	1,007,107	806,066	858,889	576,492
	<u>36,253,988</u>	<u>31,203,628</u>	<u>30,962,691</u>	<u>26,856,577</u>

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

31. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligations. The Group's exposure to credit risk arises principally from trade and other receivables, amount due from a corporate shareholder, deposits with a licensed bank and cash and bank balances. The Company's exposure to credit risk arises principally from trade and other receivables, amount due from subsidiaries, deposits with a licensed bank and cash and bank balances. There are no significant changes as compared to previous financial year.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides advances to subsidiaries. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries. The company monitors on an ongoing basis the result of the subsidiaries and repayments made by the subsidiaries.

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

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

The carrying amounts of the financial assets recorded on the statements of financial position as at the reporting date represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions for banking facilities.

There are no significant changes as compared to previous financial year.

At the end of the financial year, the Group and the Company has 1 and 1 (2024: 1 and 1) customer that owed the Group and the Company more than 10% each and accounted for approximately 20% and 20% (2024: 15% and 15%) of the trade receivables outstanding.

31. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirement and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2025					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Trade payables	2,671,327	-	-	2,671,327	2,671,327
Other payables	1,007,107	-	-	1,007,107	1,007,107
Term loans	4,996,528	10,275,428	3,264,538	18,536,494	17,160,323
Bankers' acceptance	10,478,734	-	-	10,478,734	10,478,734
Bank overdrafts	4,936,497	-	-	4,936,497	4,936,497
Lease liabilities	607,036	1,207,478	-	1,814,514	1,691,034
	<u>24,697,229</u>	<u>11,482,906</u>	<u>3,264,538</u>	<u>39,444,673</u>	<u>37,945,022</u>
Corporate guarantee*	474,000	-	-	474,000	-

31. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group (Cont'd)					
2024					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Trade payables	1,804,223	-	-	1,804,223	1,804,223
Other payables	806,066	-	-	806,066	806,066
Term loans	4,604,641	11,102,881	2,746,433	18,453,955	16,875,268
Bankers' acceptance	8,033,688	-	-	8,033,688	8,033,688
Bank overdrafts	3,684,383	-	-	3,684,383	3,684,383
Lease liabilities	434,836	282,426	-	717,262	682,981
	<u>19,367,837</u>	<u>11,385,307</u>	<u>2,746,433</u>	<u>33,499,577</u>	<u>31,886,609</u>
Corporate guarantee*	474,000	-	-	474,000	-
Company					
2025					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Trade payables	2,576,661	-	-	2,576,661	2,576,661
Other payables	858,889	-	-	858,889	858,889
Term loans	4,388,814	7,422,164	1,677,103	13,488,081	12,111,910
Bankers' acceptance	10,478,734	-	-	10,478,734	10,478,734
Bank overdrafts	4,936,497	-	-	4,936,497	4,936,497
Lease liabilities	522,892	961,200	-	1,484,092	1,406,844
	<u>23,762,487</u>	<u>8,383,364</u>	<u>1,677,103</u>	<u>33,822,954</u>	<u>32,369,535</u>
Corporate guarantee*	4,974,000	-	-	4,974,000	-

31. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company (Cont'd)					
2024					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Trade payables	1,717,624	-	-	1,717,624	1,717,624
Other payables	576,492	-	-	576,492	576,492
Term loans	4,187,826	9,027,720	1,207,531	14,423,077	12,844,390
Bankers' acceptance	8,033,688	-	-	8,033,688	8,033,688
Bank overdrafts	3,684,383	-	-	3,684,383	3,684,383
Lease liabilities	377,300	211,100	-	588,400	565,962
	<u>18,577,313</u>	<u>9,238,820</u>	<u>1,207,531</u>	<u>29,023,664</u>	<u>27,422,539</u>
Corporate guarantee*	4,974,000	-	-	4,974,000	-

* Based on the maximum amount that can be called for under the financial guarantee contract.

The Group and the Company provide secured financial guarantee to a utility company in respect of utilities usage granted to the Group and monitors on an ongoing basis on the utility's usage and repayment to the utility company. At end of the reporting period, there was no indication that the Group and the Company would default on payment.

The Company also provides corporate guarantee to a bank in respect of credit facility granted to a subsidiary and monitors on an ongoing basis the performance of the subsidiary. At end of the financial year, there was no indication that the subsidiary would default on repayment.

Corporate guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary defaulting on their credit facility is remote.

(iii) Market risk

(a) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group and of the Company. The currencies giving rise to this risk are USD, GBP, EUR, AUD, THB, HKD and SGD.

31. **Financial instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(iii) **Market risk (Cont'd)**(a) **Foreign currency risk (Cont'd)**

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets at the end of the reporting period are as follows:

	Group and Company Denominated in						
	USD RM	GBP RM	EUR RM	AUD RM	THB RM	HKD RM	SGD RM
2025							
Trade							
receivables	63,569	-	-	-	-	-	733,117
Other							
receivables	184,450	-	-	-	-	-	-
Cash and bank							
balances	3,794	483	260	578	1,588	476	100
	<u>251,813</u>	<u>483</u>	<u>260</u>	<u>578</u>	<u>1,588</u>	<u>476</u>	<u>733,217</u>
2024							
Trade							
receivables	178,864	-	-	-	-	-	798,927
Other							
receivables	670,449	-	-	-	-	-	-
Cash and bank							
balances	4,112	422	184	528	1,653	458	40
	<u>853,425</u>	<u>422</u>	<u>184</u>	<u>528</u>	<u>1,653</u>	<u>458</u>	<u>798,967</u>

31. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and of the Company's profit before tax for the financial year to a reasonably possible change in the USD, GBP, EUR, AUD, THB, HKD and SGD exchange rates against the functional currencies of the Group and of the Company, with all other variables held constant.

Change in currency rate		Effect on profit before tax	
		2025 RM	2024 RM
USD	Strengthened 1% (2024: 1%)	2,518	8,534
	Weakened 1% (2024: 1%)	(2,518)	(8,534)
GBP	Strengthened 1% (2024: 1%)	5	4
	Weakened 1% (2024: 1%)	(5)	(4)
EUR	Strengthened 1% (2024: 1%)	3	2
	Weakened 1% (2024: 1%)	(3)	(2)
AUD	Strengthened 1% (2024: 1%)	6	5
	Weakened 1% (2024: 1%)	(6)	(5)
THB	Strengthened 1% (2024: 1%)	16	17
	Weakened 1% (2024: 1%)	(16)	(17)
HKD	Strengthened 1% (2024: 1%)	5	5
	Weakened 1% (2024: 1%)	(5)	(5)
SGD	Strengthened 1% (2024: 1%)	7,332	7,990
	Weakened 1% (2024: 1%)	(7,332)	(7,990)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with a licensed bank and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

31. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year was:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed rate instruments				
<u>Financial assets</u>				
Amount due from subsidiaries	-	-	2,843,797	3,623,234
Deposits with a licensed bank	815,333	550,686	701,447	439,686
	<u>815,333</u>	<u>550,686</u>	<u>3,545,244</u>	<u>4,062,920</u>
<u>Financial liabilities</u>				
Lease liabilities	(1,691,034)	(682,981)	(1,406,844)	(565,962)
Bankers' acceptance	(10,478,734)	(8,033,688)	(10,478,734)	(8,033,688)
	<u>(12,169,768)</u>	<u>(8,716,669)</u>	<u>(11,885,578)</u>	<u>(8,599,650)</u>
Net financial liabilities	<u>(11,354,435)</u>	<u>(8,165,983)</u>	<u>(8,340,334)</u>	<u>(4,536,730)</u>
Floating rate instrument				
<u>Financial liabilities</u>				
Bank overdrafts	(4,936,497)	(3,684,383)	(4,936,497)	(3,684,383)
Term loans	(17,160,323)	(16,875,268)	(12,111,910)	(12,844,390)
	<u>(22,096,820)</u>	<u>(20,559,651)</u>	<u>(17,048,407)</u>	<u>(16,528,773)</u>

Interest rate risk sensitivity analysisFair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

31. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's and the Company's profit before tax by RM220,968 and RM170,484 (2024: RM205,597 and RM165,288), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

32. **Corporate guarantee**

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Corporate guarantee				
Guarantee given to a utility company in respect of utilities usage granted to the Group	474,000	474,000	474,000	474,000
Guarantee given to financial institutions for financing facilities granted to a subsidiary	-	-	4,500,000	4,500,000
	<u>474,000</u>	<u>474,000</u>	<u>4,974,000</u>	<u>4,974,000</u>

33. **Capital commitment**

	Group and Company	
	2025	2024
	RM	RM
Capital expenditure		
Authorised and contracted for:		
- Property, plant and equipment	<u>184,450</u>	<u>3,449,876</u>

34. Fair value of non-financial instruments

The following table summarise the methods used in determining the fair value of non-financial assets of the Group on a recurring basis at 31 December 2025 and 31 December 2024:

Non-financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025 RM	2024 RM				
Investment properties	25,609,415	25,225,640	Level 2	<u>Freehold land and buildings</u> Comparisons approach which reflects recent market transactions for similar properties.	<u>Freehold land and buildings</u> Adjustment for factors such as plot size, location, encumbrances and current use.	<u>Freehold land and buildings</u> The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as starting point for valuation.

35. Capital management

The Group’s and the Company’s objective when managing capital are to safeguard the Group’s and the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

35. Capital management (Cont'd)

The Group and the Company monitors capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting year are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total loans and borrowings	32,575,554	28,593,339	27,527,141	24,562,461
Lease liabilities	1,691,034	682,981	1,406,844	565,962
Less: Deposits with a licensed bank	(815,333)	(550,686)	(701,447)	(439,686)
Cash and bank balances	(1,412,701)	(1,282,050)	(317,915)	(1,061,451)
Net debts	<u>32,038,554</u>	<u>27,443,584</u>	<u>27,914,623</u>	<u>23,627,286</u>
Total equity	<u>35,275,581</u>	<u>34,461,232</u>	<u>35,290,234</u>	<u>34,660,687</u>
Gearing ratio (times)	<u>0.91</u>	<u>0.80</u>	<u>0.79</u>	<u>0.68</u>

There were no changes in the Group's and the Company's approach to capital management during the financial year.

36. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 3 April 2026.