

**TR Example Group**

***Annual financial reporting - for the year ended***

**31 December 2025**

Generic Company Number XXX XXX XXX  
(Incorporated in Malaysia)

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## Directors' report

The Group is principally engaged in <insert description of the business activities>. Information on the Group's structure is provided in Note [76](#). Information on other related party relationships of the Group is provided in Note [364](#).

ON BEHALF OF THE BOARD

.....  
Director 1

## Statement by Directors

Statutory declaration

### **Independent auditor's report**

[Aud]

Report should be provided by independent auditor appointed by the company.

**Consolidated statement of profit or loss  
for the year ended 31 December 2025**

|                                                                              | Notes     | 2025<br>RM000  | 2024<br>RM000          |
|------------------------------------------------------------------------------|-----------|----------------|------------------------|
|                                                                              |           |                | <u>Restated</u>        |
|                                                                              |           |                | <u>(Note 2.4, 2.5)</u> |
|                                                                              |           |                | <u>Re</u>              |
|                                                                              |           |                | <u>stat</u>            |
|                                                                              |           |                | <u>ed</u>              |
|                                                                              |           |                | <u>(No</u>             |
|                                                                              |           |                | <u>te</u>              |
|                                                                              |           |                | <u>2.4,</u>            |
|                                                                              |           |                | <u>2.5)</u>            |
| <b>Continuing operations</b>                                                 |           |                |                        |
| Revenue from contracts with customers                                        | 4,5       | 179,058        | 159,088                |
| <u>Rental income</u>                                                         | 46        | <u>1,404</u>   | <u>1,377</u>           |
| <b>Revenue</b>                                                               |           | <b>180,462</b> | <b>160,465</b>         |
|                                                                              |           | (136,366)      | (128,386)              |
| Cost of sales                                                                | 5         | 9)             | 7,946)                 |
|                                                                              |           | <b>43,893</b>  | <b>32,079</b>          |
| <b>Gross profit</b>                                                          |           | <b>62</b>      | <b>42</b>              |
| Other <u>individually immaterial</u> operating income                        | 5, 123.1  | 2,435          | 2,548                  |
| <u>Research and development expenses</u>                                     | 3, 132.6  | (2,235)        | (1,034)                |
|                                                                              |           | (14,001)       | (12,964)               |
| Selling <del>and distribution</del> expenses                                 | 3, 5      | 0)             | 5)                     |
| <u>Distribution expenses</u>                                                 | 3, 5      | (4,009)        | (4,041)                |
|                                                                              | 5,        | (18,290)       | (16,111)               |
| Administrative expenses                                                      | 123.98    | 77)            | 20)                    |
| <u>Foreign exchange differences</u>                                          | 132.7     | (302)          | (206)                  |
| Other <u>individually immaterial</u> operating expenses                      | 5, 132.2  | (2,554)        | (353)                  |
|                                                                              |           | <b>11,483</b>  | <b>10,2</b>            |
| <b>Operating profit</b>                                                      |           | <b>16</b>      | <b>9,299</b>           |
| Finance costs                                                                | 12.3      | (1,366)        | (1,268)                |
| Finance income                                                               | 12.4      | 202            | 145                    |
| Other income                                                                 | 12.5      | 98             | 66                     |
| Share of profit of an associate and a joint venture                          | 9, 10, 11 | 671            | 638                    |
| <u>Rental income</u>                                                         | 1998      | 1,404          | 1,377                  |
| <u>Foreign exchange differences on cash and short-term deposits</u>          | 1323.7    | 270            | 254                    |
| <u>Change in fair value of investment properties</u>                         | 1989      | (306)          | (300)                  |
| <u>Other individually immaterial income from investments</u>                 | 13.3      | 243            | 144                    |
| <b>Profit before financing and income taxes</b>                              |           | <b>12,498</b>  | <b>10,174</b>          |
| Interest expenses on loans and borrowings                                    | 2224      | (1,036)        | (1,020)                |
| <u>Interest expenses on other liabilities</u>                                | 1323.4    | (431)          | (341)                  |
| <u>Foreign exchange differences on interest-bearing loans and borrowings</u> | 1332.7    | 57             | 67                     |
| <b>Profit before <u>income tax</u> from continuing operations</b>            |           | <b>11,088</b>  | <b>8,880</b>           |

|                                                                   |     |              |              |
|-------------------------------------------------------------------|-----|--------------|--------------|
| Income tax expense                                                | 145 | (3,092)      | (2,233)      |
| <b>Profit for the year from continuing operations</b>             |     | <b>7,996</b> | <b>6,647</b> |
| <b>Discontinued operations</b>                                    |     |              |              |
| Profit/(loss) after tax for the year from discontinued operations | 143 | 220          | (188)        |
| <b>Profit for the year</b>                                        |     | <b>8,216</b> | <b>6,459</b> |

Report should be provided by independent auditor appointed by the company.

**Consolidated statement of profit or loss  
for the year ended 31 December 2025**

Attributable to:

|                              | <u>2025</u>      | <u>2024</u>                               |
|------------------------------|------------------|-------------------------------------------|
| Equity holders of the parent | 7,928            | 20                                        |
| Non-controlling interests    | <u>Notes 288</u> | <u>\$RM000 \$RM000</u><br>239             |
|                              |                  | <u>Restated</u><br><u>(Note 2.4, 2.5)</u> |
|                              | <b>8,216</b>     | <b>6,459</b>                              |

Report should be provided by independent auditor appointed by the company.

Consolidated statement of profit or loss—  
for the year ended 31 December 2025

|                                                                                          |       | 2025    | 2024        |
|------------------------------------------------------------------------------------------|-------|---------|-------------|
|                                                                                          | Notes | \$RM000 | \$RM000     |
| Earnings per share                                                                       | 16    |         | Restated    |
|                                                                                          |       |         | (Note 2.4,  |
| * — Basic, profit for the year attributable to ordinary equity—<br>holders of the parent |       | €RM0.38 | 2.5)€RM0.33 |

**Consolidated statement of profit or loss (continued)**~~Consolidated statement of comprehensive income~~

for the year ended 31 December 2025

|                                                                                                    | Notes | 2025<br>\$RM000 | 2024<br>\$RM000<br>Restated<br>(Note 2.4,<br>2.5) |
|----------------------------------------------------------------------------------------------------|-------|-----------------|---------------------------------------------------|
| <u>Attributable to:</u>                                                                            |       |                 |                                                   |
| <u>Equity holders of the parent</u>                                                                |       | 7,928           | 6,220                                             |
| <u>Non-controlling interests</u>                                                                   |       | 288             | 239                                               |
|                                                                                                    |       | <u>8,216</u>    | <u>6,459</u>                                      |
| • Earnings per share                                                                               | 167   |                 |                                                   |
| • Basic, profit for the year attributable to ordinary equity holders of the parent                 |       | €RM0.38         | €RM0.33                                           |
| • Diluted, profit for the year attributable to ordinary equity holders of the parent               |       | €RM0.38         | €RM0.32                                           |
| Earnings per share for continuing operations                                                       | 1467  |                 |                                                   |
| • Basic, profit from continuing operations attributable to ordinary equity holders of the parent   |       | €RM0.37         | €RM0.34                                           |
| • Diluted, profit from continuing operations attributable to ordinary equity holders of the parent |       | €RM0.37         | €RM0.33                                           |

**Consolidated statement of comprehensive income  
for the year ended 31 December 2025**

|                                                                                                                       |                            | 2025         | 2024                            |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------|--------------|---------------------------------|
|                                                                                                                       | Notes                      | RM000        | RM000<br>Restated<br>(Note 2.5) |
| <b>Profit <del>for the year</del></b>                                                                                 |                            | <b>8,216</b> | <b>6,459</b>                    |
| <b>Other comprehensive income</b>                                                                                     |                            |              |                                 |
| <i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>      |                            |              |                                 |
| Net gain on hedge of a net investment                                                                                 |                            | 195          | -                               |
| Exchange differences on translation of foreign operations                                                             | <del>22419.3,</del><br>24  | (246)        | (117)                           |
| Net gain/(loss) on cash flow hedges                                                                                   | <del>22419.3,</del><br>264 | (618)        | 24                              |
| Net change in costs of hedging                                                                                        | <del>22419.3,</del><br>264 | (22)         | -                               |
| Net loss on debt instruments at fair value through other comprehensive income                                         | <del>22419.3,</del><br>264 | (15)         | (1)                             |
| Share of other comprehensive loss of an associate                                                                     | <del>4011</del>            | (30)         | -                               |
| <del>Income tax effect relating to the components of OCI</del>                                                        |                            | -            | -                               |
| <b>Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods</b>                  |                            | <b>(736)</b> | <b>(94)</b>                     |
| <i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i> |                            |              |                                 |
| Net gain/(loss) on equity instruments designated at fair value through other comprehensive income                     | <del>264</del>             | (18)         | 7                               |
| Remeasurement gain/(loss) on defined benefit plans                                                                    | <del>334</del>             | 257          | (273)                           |
| Revaluation of office properties in <insert country>                                                                  | <del>1875</del>            | 592          | -                               |
| Share of other comprehensive income of an associate                                                                   | <del>110</del>             | 30           | -                               |
| <del>Income tax effect relating to the components of OCI</del>                                                        |                            | -            | -                               |
| <b>Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</b>    |                            | <b>861</b>   | <b>(266)</b>                    |
| <b>Other comprehensive income/(loss) <del>for the year</del>, net of tax</b>                                          |                            | <b>125</b>   | <b>(360)</b>                    |
| <b>Total comprehensive income <del>for the year</del>, net of tax</b>                                                 |                            | <b>8,341</b> | <b>6,099</b>                    |
| Attributable to:                                                                                                      |                            |              |                                 |
| Equity holders of the parent                                                                                          |                            | 8,053        | 5,860                           |
| Non-controlling interests                                                                                             |                            | 288          | 239                             |
|                                                                                                                       |                            | <b>8,341</b> | <b>6,099</b>                    |

**Consolidated statement of financial position  
as at 31 December 2025**

|                                                              |           |                |                                 | As at 1<br>January<br>2024      |
|--------------------------------------------------------------|-----------|----------------|---------------------------------|---------------------------------|
|                                                              |           | 2025           | 2024                            |                                 |
|                                                              | Notes     | RM000          | RM000<br>Restated<br>(Note 2.5) | RM000<br>Restated<br>(Note 2.5) |
| <b>Assets</b>                                                |           |                |                                 |                                 |
| <b>Non-current assets</b>                                    |           |                |                                 |                                 |
| Property, plant and equipment                                | 5, 1875   | 32,979         | 24,329                          | 18,940                          |
| Investment properties                                        | 5, 19846  | 8,893          | 7,983                           | 7,091                           |
|                                                              | 5, 1      |                |                                 |                                 |
| Intangible assets and goodwill                               | 201917    | 6,0193,738     | 2,2112,464                      | 1,9952,114                      |
| Goodwill                                                     | 201920    | 2,281          | 250                             | 119                             |
| Right-of-use assets                                          | 5, 3230   | 2,908          | 2,732                           | 2,915                           |
|                                                              | 19, 10, 1 |                |                                 |                                 |
| Investment in an associate and a joint venture               | 11        | 3,187          | 2,516                           | 1,878                           |
| Non-current Other-individually immaterial financial assets   | 2249      | 3,761          | 2,816                           | 2,273                           |
| Deferred tax assets                                          | 154       | 389            | 365                             | 321                             |
| Non-current trade and other receivables                      |           | -              | -                               | -                               |
| Non-current contract assets                                  |           | -              | -                               | -                               |
| Other non-current assets                                     |           | -              | -                               | -                               |
|                                                              |           | <b>58,136</b>  | <b>43,202</b>                   | <b>35,532</b>                   |
| <b>Current assets</b>                                        |           |                |                                 |                                 |
| Inventories                                                  | 23220     | 26,027         | 23,830                          | 24,296                          |
| Right of return assets                                       | 4         | 1,124          | 929                             | 856                             |
|                                                              | 4, 224, 1 |                |                                 |                                 |
| Trade receivables                                            | 234       | 25,672         | 22,290                          | 25,537                          |
|                                                              | 4, 224, 1 |                |                                 |                                 |
| Contract assets                                              | 234       | 4,541          | 5,180                           | 3,450                           |
| Prepayments                                                  | 242       | 244            | 165                             | 226                             |
| Other-individually immaterial Other-current financial assets | 224019    | 551            | 153                             | 137                             |
| Cash and short-term deposits                                 | 235       | 17,528         | 14,916                          | 11,066                          |
|                                                              |           | <b>75,687</b>  | <b>67,463</b>                   | <b>65,568</b>                   |
| Assets held for sale                                         | 143       | 13,554         | -                               | -                               |
|                                                              |           | <b>89,241</b>  | <b>67,463</b>                   | <b>65,568</b>                   |
| <b>Total assets</b>                                          |           | <b>147,377</b> | <b>110,665</b>                  | <b>101,100</b>                  |
| <b>Equity and liabilities</b>                                |           |                |                                 |                                 |

**Consolidated statement of financial position (continued)**  
**as at 31 December 2025**

|                                                                                  |            | 2025          | 2024                              | As at 1<br>January<br>2024        |
|----------------------------------------------------------------------------------|------------|---------------|-----------------------------------|-----------------------------------|
|                                                                                  | Notes      | \$RM000       | \$RM000<br>Restated<br>(Note 2.5) | \$RM000<br>Restated<br>(Note 2.5) |
| <b>Equity</b>                                                                    |            |               |                                   |                                   |
| Issued capital                                                                   | 264        | 26,668        | 19,468                            | 19,468                            |
| Treasury shares                                                                  | 264        | (508)         | (654)                             | (854)                             |
| <del>Other-individually immaterial</del> Other capital reserves                  | 264        | 1,171         | 864                               | 566                               |
| Retained earnings                                                                |            | 31,622        | 25,929                            | 21,582                            |
| <del>Other-individually immaterial</del> Other components of equity              |            | (642)         | (505)                             | (418)                             |
| Reserves of a disposal group held for sale                                       | 143        | 46            | -                                 | -                                 |
| <b>Equity attributable to equity holders of the parent</b>                       |            | <b>58,357</b> | <b>45,102</b>                     | <b>40,344</b>                     |
| Non-controlling interests                                                        |            | 2,410         | 740                               | 208                               |
| <b>Total equity</b>                                                              |            | <b>60,767</b> | <b>45,842</b>                     | <b>40,552</b>                     |
| <b>Non-current liabilities</b>                                                   |            |               |                                   |                                   |
| Interest-bearing loans and borrowing                                             | 22419      | 22,147        | 23,313                            | 21,358                            |
| <del>Other-individually immaterial</del> Other non-current financial liabilities | 42249      | 806           | -                                 | -                                 |
| <del>Decommissioning P</del> Provisions                                          | 286        | 1,898         | 1,221                             | 49                                |
| <del>Restructuring provisions</del>                                              | 28         | 547           | -                                 | -                                 |
| <del>Other-individually immaterial</del> provisions                              | 28         | 130           | 19                                | 15                                |
| Government grants                                                                | 297        | 3,300         | 1,400                             | 1,300                             |
| Contract liabilities                                                             | 4, 2308    | 2,962         | 888                               | 692                               |
| Net employee defined benefit liabilities                                         | 334        | 3,050         | 2,977                             | 2,526                             |
| Deferred tax liabilities                                                         | 154        | 2,454         | 607                               | 780                               |
| <del>Non-current trade and other payables</del>                                  |            | -             | -                                 | -                                 |
|                                                                                  |            | <b>36,617</b> | <b>29,204</b>                     | <b>26,671</b>                     |
| <b>Current liabilities</b>                                                       |            |               |                                   |                                   |
| Trade and other and related party payables                                       | 3129       | 16,969        | 20,023                            | 18,248                            |
| Contract liabilities                                                             | 4, 3028    | 2,880         | 2,486                             | 1,836                             |
| Refund liabilities                                                               | 4          | 6,242         | 5,844                             | 3,796                             |
| Interest-bearing loans and borrowings                                            | 224249     | 2,832         | 3,142                             | 4,834                             |
| <del>Other-individually immaterial</del> Other current financial liabilities     | 422429     | 2,953         | 254                               | 303                               |
| <del>Dividends payable</del>                                                     | 27         | 410           | -                                 | -                                 |
| <del>Restructuring provisions</del>                                              | 28         | 305           | -                                 | -                                 |
| <del>Other-individually immaterial</del> provisions                              | 28         | 617           | 156                               | 85                                |
| Government grants                                                                | 297        | 149           | 151                               | 150                               |
| Income tax payable                                                               |            | 3,511         | 3,563                             | 4,625                             |
| <del>Provisions</del>                                                            | 26         | 922           | 456                               | 85                                |
| <del>Dividends payable</del>                                                     | 25         | 410           | -                                 | -                                 |
| <del>Other current liabilities</del>                                             |            | -             | -                                 | -                                 |
|                                                                                  |            | <b>36,868</b> | <b>35,619</b>                     | <b>33,877</b>                     |
| Liabilities directly associated with the assets held for sale                    | 143, 242.6 | 13,125        | -                                 | -                                 |
|                                                                                  |            | <b>49,993</b> | <b>35,619</b>                     | <b>33,877</b>                     |
| <b>Total liabilities</b>                                                         |            | <b>86,610</b> | <b>64,823</b>                     | <b>60,548</b>                     |

Total equity and liabilities

147,377    110,665    101,100

7

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Director 1

Consolidated statement of changes in equity  
for the year ended 31 December 2025

|                                                                    | Attributable to the equity holders of the parent |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|--------------------------------------------------------------------|--------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------|----------------------|-------------------------------|-------------------------------|-------------------------------------------------------------------------|-----------------------------------------------|
|                                                                    | Issued<br>capital<br>(Note 26)                   | Treasury<br>shares<br>(Note 246) | Other-<br>individually<br>immaterial<br>Other<br>capital<br>reserves<br>(Note 246) | Retained<br>earnings | Cash flow<br>hedge<br>reserve | Cost of<br>hedging<br>reserve | Fair value<br>reserve of<br>financial<br>assets at translation<br>FVOCI | Foreign<br>currency<br>translation<br>reserve |
|                                                                    | \$                                               |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 0                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 0 RM000\$00                                      |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 0 0                                              | \$RM000                          | \$RM000                                                                            | \$RM000              | \$RM000                       | \$RM000                       | \$RM000                                                                 | \$RM000                                       |
|                                                                    | 4                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 9                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 3                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 8                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
| <b>As at 1 January 2025</b>                                        | 8 19,46880                                       | (654)                            | 864                                                                                | 25,929               | (70)                          | -                             | 9                                                                       | (444)                                         |
| Effect of adoption of <del>IFRS</del> MFRS XX                      | - --                                             | -                                | -                                                                                  | -                    | -                             | -                             | -                                                                       | -                                             |
|                                                                    | 4                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 9                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 3                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 8                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
| <b>As at 1 January 2025 as restated</b>                            | 8 -80                                            | (654)                            | 864                                                                                | 25,929               | (70)                          | -                             | 9                                                                       | (444)                                         |
| Profit for the period                                              | - --                                             | -                                | -                                                                                  | 7,928                | -                             | -                             | -                                                                       | -                                             |
| Other comprehensive income (Note 264)                              | - --                                             | -                                | -                                                                                  | 257                  | (618)                         | (22)                          | (363)                                                                   | (51)                                          |
| <b>Total comprehensive income</b>                                  | - --                                             | -                                | -                                                                                  | 8,185                | (618)                         | (22)                          | (633)                                                                   | (51)                                          |
| Depreciation transfer for office properties in<br><insert country> | - --                                             | -                                | -                                                                                  | 80                   | -                             | -                             | -                                                                       | -                                             |
| Discontinued operations (Note 143)                                 | - 7,200-                                         | -                                | -                                                                                  | -                    | -                             | -                             | (46)                                                                    | -                                             |
|                                                                    | 2                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 3                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 5                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
|                                                                    | 0                                                |                                  |                                                                                    |                      |                               |                               |                                                                         |                                               |
| Issue of share capital (Note 264)                                  | 0 -4,703                                         | -                                | -                                                                                  | -                    | -                             | -                             | -                                                                       | -                                             |
| Exercise of options (Note 264)                                     | - -29                                            | 146                              | -                                                                                  | -                    | -                             | -                             | -                                                                       | -                                             |
| Share based payments (Note 324)                                    | - --                                             | -                                | 307                                                                                | -                    | -                             | -                             | -                                                                       | -                                             |

Transaction costs related to issue of share

|                                                                          |   |                       |              |              |               |              |             |             |              |
|--------------------------------------------------------------------------|---|-----------------------|--------------|--------------|---------------|--------------|-------------|-------------|--------------|
| <del>capital Transaction costs (Note 87)</del>                           | - | <del>-(32)</del>      | -            | -            | -             | -            | -           | -           | -            |
| Cash dividends (Note 9, 8, 257)                                          | - | --                    | -            | -            | (2,389)       | -            | -           | -           | -            |
| <del>Dividends (Note 8, 9, 257)</del>                                    | - | --                    | -            | -            | -             | -            | -           | -           | -            |
| Transfer of fair value reserve of equity instruments designated at FVOCI | - | --                    | -            | -            | 7             | -            | -           | (7)         | -            |
| Transfer of cash flow hedge reserve to inventories                       | - | --                    | -            | -            | -             | 126          | 2           | -           | -            |
| Acquisition of a subsidiary (Note 78)                                    | - | <u>26,668</u>         | -            | -            | -             | -            | -           | -           | -            |
|                                                                          |   | <u>Issued capital</u> |              |              |               |              |             |             |              |
| <del>Purchase of treasury shares</del>                                   | - | <del>(Note 26)-</del> | -            | -            | -             | -            | -           | -           | -            |
| Acquisition of non-controlling interests (Note 87)                       | - | --                    | -            | -            | (190)         | -            | -           | -           | -            |
| <u>At 31 December 2025</u>                                               |   | <u>26,668</u>         | <u>(508)</u> | <u>1,171</u> | <u>31,622</u> | <u>(562)</u> | <u>(20)</u> | <u>(77)</u> | <u>(495)</u> |

**Consolidated statement of changes in equity (continued)**  
for the year ended 31 December 2025

**As at 1 January 2025**

Effect of adoption of ~~IFRS~~ MFRS XX

~~Adjustment on correction of error (net of tax) (Note 2.5)~~

**As at 1 January 2025 as restated**

Profit for the period

Other comprehensive income (Note 264)

**Total comprehensive income**

Depreciation transfer for office properties in <insert country>

Discontinued operations (Note 143)

Issue of share capital (Note 264)

Exercise of options (Note 264)

Share based payments (Note 324)

~~Transaction costs related to issue of share capital~~ ~~Transaction costs~~ (Note 87)

~~Cash dividends~~ Dividends (Note 9, 275)

~~Dividends (Note 9, 275)~~

Transfer of fair value reserve of equity instruments designated at FVOCI

Transfer of cash flow hedge reserve to inventories

Acquisition of a subsidiary (Note 87)

~~Purchase of treasury shares~~

Acquisition of non-controlling interests (Note 87)

**At 31 December 2025**

| Attributable to the equity holders of the parent |                                         |                          |                           |                          |
|--------------------------------------------------|-----------------------------------------|--------------------------|---------------------------|--------------------------|
| Asset revaluation surplus                        | Reserve of disposal group held for sale | Total                    | Non-controlling interests | Total equity             |
| \$RM000                                          | \$RM000                                 | \$RM000                  | \$RM000                   | \$RM000                  |
| -                                                | -                                       | 45,102                   | 740                       | 45,842                   |
| -                                                | -                                       | -                        | -                         | -                        |
| -                                                | -                                       | -                        | -                         | -                        |
| -                                                | -                                       | 45,102                   | 740                       | 45,842                   |
| -                                                | -                                       | 7,928                    | 288                       | 8,216                    |
| <del>596</del> <u>226</u>                        | -                                       | 125                      | -                         | 125                      |
| <del>625</del> <u>622</u>                        | -                                       | 8,053                    | 288                       | 8,341                    |
| (80)                                             | -                                       | -                        | -                         | -                        |
| -                                                | 46                                      | -                        | -                         | -                        |
| -                                                | -                                       | 7,203                    | -                         | 7,203                    |
| -                                                | -                                       | <del>146</del> <u>75</u> | -                         | <del>175</del> <u>46</u> |
| -                                                | -                                       | 307                      | -                         | 307                      |
| -                                                | -                                       | <del>(32)</del>          | -                         | <del>(32)</del>          |
| -                                                | -                                       | (2,389)                  | (30)                      | (2,419)                  |
| -                                                | -                                       | -                        | -                         | -                        |
| -                                                | -                                       | -                        | -                         | -                        |
| -                                                | -                                       | 128                      | -                         | 128                      |
| -                                                | -                                       | -                        | 1,547                     | 1,547                    |
| -                                                | -                                       | -                        | -                         | -                        |
| -                                                | -                                       | (190)                    | (135)                     | (325)                    |
| <u>542</u>                                       | <u>46</u>                               | <u>58,357</u>            | <u>2,410</u>              | <u>60,767</u>            |

**Consolidated statement of changes in equity (continued)  
for the year ended 31 December 2025**

|                                                                       | Attributable to the equity holders of the parent |                                |                                  |                                            |                      |                               |                               |                                                             |                                               |
|-----------------------------------------------------------------------|--------------------------------------------------|--------------------------------|----------------------------------|--------------------------------------------|----------------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-----------------------------------------------|
|                                                                       | Issued<br>capital<br>(Note 246)                  | Share<br>premium<br>(Note 246) | Treasury<br>shares<br>(Note 246) | Other<br>capital<br>reserves<br>(Note 246) | Retained<br>earnings | Cash-flow<br>hedge<br>reserve | Cost-of<br>hedging<br>reserve | Fair-value<br>reserve of<br>financial<br>assets at<br>FVOCI | Foreign<br>currency<br>translation<br>reserve |
|                                                                       | \$RM000                                          | \$RM000                        | \$RM000                          | \$RM000                                    | \$RM000              | \$RM000                       | \$RM000                       | \$RM000                                                     | \$RM000                                       |
| Non-controlling interests arising on a business combination (Note 87) | -                                                | -                              | -                                | -                                          | -                    | -                             | -                             | -                                                           | -                                             |
| <b>At 31 December 2025</b>                                            | <b>21,888</b>                                    | <b>4,780</b>                   | <b>(508)</b>                     | <b>1,171</b>                               | <b>31,622</b>        | <b>(562)</b>                  | <b>(20)</b>                   | <b>(7107)</b>                                               | <b>(495)</b>                                  |

|                                                                       | Attributable to the equity holders of the parent |                                                  |               |                                  |                 |
|-----------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|---------------|----------------------------------|-----------------|
|                                                                       | Asset<br>revaluation<br>surplus                  | Reserve of<br>disposal<br>group held<br>for sale | Total         | Non-<br>controlling<br>interests | Total<br>equity |
|                                                                       | \$RM000                                          | \$RM000                                          | \$RM000       | \$RM000                          | \$RM000         |
| Non-controlling interests arising on a business combination (Note 87) | -                                                | -                                                | -             | -                                | -               |
| <b>At 31 December 2025</b>                                            | <b>5142</b>                                      | <b>46</b>                                        | <b>58,357</b> | <b>2,410</b>                     | <b>60,767</b>   |

Consolidated statement of changes in equity (continued)  
for the year ended 31 December 2025

|                                                              | Attributable to the equity holders of the parent |                                 |                                                                                   |                      |                               |                               |                                                             |                                               |
|--------------------------------------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------|----------------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-----------------------------------------------|
|                                                              | Issued<br>capital<br>(Note<br>26)                | Treasury<br>shares<br>(Note 24) | Other-<br>individually<br>immaterial<br>Other<br>capital<br>reserves<br>(Note 24) | Retained<br>earnings | Cash flow<br>hedge<br>reserve | Cost of<br>hedging<br>reserve | Fair value<br>reserve of<br>financial<br>assets at<br>FVOCI | Foreign<br>currency<br>translation<br>reserve |
|                                                              | \$RM000                                          | \$RM000                         | \$RM000                                                                           | \$RM000              | \$RM000                       | \$RM000                       | \$RM000                                                     | \$RM000                                       |
| As at 1 January 2024                                         | 19,468                                           | (85774)                         | 566                                                                               | 22,282               | (94)                          | -                             | 3                                                           | (327)                                         |
| Effect of adoption of IFRS XX                                | -                                                | -                               | -                                                                                 | -                    | -                             | -                             | -                                                           | -                                             |
| Adjustment on correction of error (net of tax)<br>(Note 2.5) | 19,468                                           | -                               | -                                                                                 | (700)                | -                             | -                             | -                                                           | -                                             |

|                                                           |   |               |                |            |               |             |   |          |              |
|-----------------------------------------------------------|---|---------------|----------------|------------|---------------|-------------|---|----------|--------------|
|                                                           | 1 |               |                |            |               |             |   |          |              |
|                                                           | 9 |               |                |            |               |             |   |          |              |
|                                                           | 7 |               |                |            |               |             |   |          |              |
|                                                           | 4 |               |                |            |               |             |   |          |              |
|                                                           | 8 |               |                |            |               |             |   |          |              |
| <b>As at 1 January 2024 (restated)</b>                    | 8 | --            | <b>(85774)</b> | <b>566</b> | <b>21,582</b> | <b>(94)</b> | - | <b>3</b> | <b>(327)</b> |
| Profit for the period                                     | - | --            | -              | -          | 6,220         | -           | - | -        | -            |
| Other comprehensive income (Note 264)                     | - | --            | -              | -          | (273)         | 24          | - | 6        | (117)        |
| <b>Total comprehensive income</b>                         | - | --            | -              | -          | <b>5,947</b>  | <b>24</b>   | - | <b>6</b> | <b>(117)</b> |
| <del>Depreciation transfer for office properties in</del> | - | --            | -              | -          | -             | -           | - | -        | -            |
| <del>&lt;insert country&gt;</del>                         | - | --            | -              | -          | -             | -           | - | -        | -            |
| <del>Discontinued operations (Note 134)</del>             | - | --            | -              | -          | -             | -           | - | -        | -            |
| <del>Issue of share capital (Note 264)</del>              | - | <b>19,388</b> | -              | -          | -             | -           | - | -        | -            |
| Exercise of options (Note 264)                            | - | -80           | 4200           | -          | -             | -           | - | -        | -            |
| Share based payments (Note 324)                           | - | --            | -              | 298        | -             | -           | - | -        | -            |
| <del>Transaction costs (Note 87)</del>                    | - | <b>19,388</b> | -              | -          | -             | -           | - | -        | -            |
| Cash dividends (Note 9, 275)                              | - | --            | -              | -          | -(1,600)      | -           | - | -        | -            |
| <b>At 31 December 2024</b>                                |   | <b>19,468</b> | <b>(654)</b>   | <b>864</b> | <b>25,929</b> | <b>(70)</b> | - | <b>9</b> | <b>(444)</b> |

**Consolidated statement of changes in equity (continued)**  
for the year ended 31 December 2024

**As at 1 January 2024**

~~Effect of adoption of IFRS XX~~

Adjustment on correction of error (net of tax) (Note 2.5)

**As at 1 January 2024 (restated)**

Profit for the period

Other comprehensive income (Note 246)

**Total comprehensive income**

~~Depreciation transfer for office properties in <insert country>~~

~~Discontinued operations (Note 143)~~

~~Issue of share capital (Note 264)~~

Exercise of options (Note 264)

Share based payments (Note 324)

~~Transaction costs (Note 87)~~

~~Cash dividends (Note 9, 275)~~

~~Non-controlling interests arising on a business combination (Note 8)~~

**At 31 December 2024**

**Attributable to the equity holders of the parent**

|  | Asset revaluation surplus | Reserve of disposal group held for sale | Total    | Non-controlling interests | Total equity |
|--|---------------------------|-----------------------------------------|----------|---------------------------|--------------|
|  | \$RM000                   | \$RM000                                 | \$RM000  | \$RM000                   | \$RM000      |
|  | -                         | -                                       | 41,044   | 208                       | 41,252       |
|  | -                         | -                                       | -        | -                         | -            |
|  | -                         | -                                       | (700)    | -                         | (700)        |
|  | -                         | -                                       | 40,344   | 208                       | 40,552       |
|  | -                         | -                                       | 6,220    | 239                       | 6,459        |
|  | -                         | -                                       | (360)    | -                         | (360)        |
|  | -                         | -                                       | 5,860    | 239                       | 6,099        |
|  | -                         | -                                       | -        | -                         | -            |
|  | -                         | -                                       | -        | -                         | -            |
|  | -                         | -                                       | -        | -                         | -            |
|  | -                         | -                                       | 200      | -                         | 200          |
|  | -                         | -                                       | 298      | -                         | 298          |
|  | -                         | -                                       | -        | -                         | -            |
|  | -                         | -                                       | -(1,600) | -(49)                     | -(1,649)     |
|  | -                         | -                                       | -        | 342                       | 342          |
|  | -                         | -                                       | 45,102   | 740                       | 45,842       |

**Consolidated statement of changes in equity (continued)**  
**for the year ended 31 December 2024**

|                                                                                | Attributable to the equity holders of the parent |                                |                                  |                                                                                    |                      |                               |                               |                                                             |                                               |
|--------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------|----------------------------------|------------------------------------------------------------------------------------|----------------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-----------------------------------------------|
|                                                                                | Issued<br>capital<br>(Note 264)                  | Share<br>premium<br>(Note 264) | Treasury<br>shares<br>(Note 264) | Other-<br>individually<br>immaterial<br>Other<br>capital<br>reserves<br>(Note 264) | Retained<br>earnings | Cash-flow<br>hedge<br>reserve | Cost-of<br>hedging<br>reserve | Fair-value<br>reserve of<br>financial<br>assets-at<br>FVOCI | Foreign<br>currency<br>translation<br>reserve |
|                                                                                | \$RM000                                          | \$RM000                        | \$RM000                          | \$RM000                                                                            | \$RM000              | \$RM000                       | \$RM000                       | \$RM000                                                     | \$RM000                                       |
| Dividends (Note 9, 275)                                                        | -                                                | -                              | -                                | -                                                                                  | (1,600)              | -                             | -                             | -                                                           | -                                             |
| Transfer of fair value reserve of<br>equity instruments designated at<br>FVOCI | -                                                | -                              | -                                | -                                                                                  | -                    | -                             | -                             | -                                                           | -                                             |
| Transfer of cash flow hedge reserve<br>to inventories                          | -                                                | -                              | -                                | -                                                                                  | -                    | -                             | -                             | -                                                           | -                                             |
| Acquisition of a subsidiary (Note 87)                                          | -                                                | -                              | -                                | -                                                                                  | -                    | -                             | -                             | -                                                           | -                                             |
| Purchase of treasury shares                                                    | -                                                | -                              | -                                | -                                                                                  | -                    | -                             | -                             | -                                                           | -                                             |
| Acquisition of non-controlling<br>interests (Note 87)                          | -                                                | -                              | -                                | -                                                                                  | -                    | -                             | -                             | -                                                           | -                                             |
| Non-controlling interests arising on a<br>business combination (Note 87)       | -                                                | -                              | -                                | -                                                                                  | -                    | -                             | -                             | -                                                           | -                                             |
| Increase through other contributions<br>by owners, equity                      | -                                                | -                              | -                                | -                                                                                  | -                    | -                             | -                             | -                                                           | -                                             |

**Consolidated statement of changes in equity (continued)  
for the year ended 31 December 2024**

|                                                                          |
|--------------------------------------------------------------------------|
| Dividends (Note 9, 275)                                                  |
| Transfer of fair value reserve of equity instruments designated at FVOCI |
| Transfer of cash flow hedge reserve to inventories                       |
| Acquisition of a subsidiary (Note 87)                                    |
| Purchase of treasury shares                                              |
| Acquisition of non-controlling interests (Note 87)                       |
| Non-controlling interests arising on a business combination (Note 87)    |
| Increase through other contributions by owners, equity                   |

**Attributable to the equity holders of the parent**

| <b>Asset revaluation surplus</b> | <b>Reserve of disposal group held for sale</b> | <b>Total</b>   | <b>Non-controlling interests</b> | <b>Total equity</b> |
|----------------------------------|------------------------------------------------|----------------|----------------------------------|---------------------|
| <b>\$RM000</b>                   | <b>\$RM000</b>                                 | <b>\$RM000</b> | <b>\$RM000</b>                   | <b>\$RM000</b>      |
| -                                | -                                              | (1,600)        | (49)                             | (1,649)             |
| -                                | -                                              | -              | -                                | -                   |
| -                                | -                                              | -              | -                                | -                   |
| -                                | -                                              | -              | -                                | -                   |
| -                                | -                                              | -              | -                                | -                   |
| -                                | -                                              | -              | 342                              | 342                 |
| -                                | -                                              | -              | -                                | -                   |

**Consolidated statement of changes in equity (continued)  
for the year ended 31 December 2024**

|                            | Attributable to the equity holders of the parent |                                |                                  |                                                                                       |                          |                               |                               |                                                             |                                               |
|----------------------------|--------------------------------------------------|--------------------------------|----------------------------------|---------------------------------------------------------------------------------------|--------------------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-----------------------------------------------|
|                            | Issued<br>capital<br>(Note 264)                  | Share<br>premium<br>(Note 264) | Treasury<br>shares<br>(Note 264) | Other-<br>individual<br>y<br>immaterial<br>Other<br>capital<br>reserves<br>(Note 264) | Retained<br>earnings     | Cash-flow<br>hedge<br>reserve | Cost-of<br>hedging<br>reserve | Fair value<br>reserve of<br>financial<br>assets at<br>FVOCI | Foreign<br>currency<br>translation<br>reserve |
| <b>At 31 December 2024</b> | <b>\$RM000</b><br>19,388                         | <b>\$RM000</b><br>80           | <b>\$RM000</b><br>(654)          | <b>\$RM000</b><br>864                                                                 | <b>\$RM000</b><br>25,929 | <b>\$RM000</b><br>(70)        | <b>\$RM000</b><br>-           | <b>\$RM000</b><br>9                                         | <b>\$RM000</b><br>(444)                       |

|                            | Attributable to the equity holders of the parent |                                                  |                          |                                  |                          |
|----------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------|----------------------------------|--------------------------|
|                            | Asset<br>revaluation<br>surplus                  | Reserve of<br>disposal<br>group held<br>for sale | Total                    | Non-<br>controlling<br>interests | Total<br>equity          |
| <b>At 31 December 2024</b> | <b>\$RM000</b><br>-                              | <b>\$RM000</b><br>-                              | <b>\$RM000</b><br>45,102 | <b>\$RM000</b><br>740            | <b>\$RM000</b><br>45,842 |

**Consolidated statement of cash flows  
for the year ended 31 December 2025**

|                                                                                                          |           | 2025          | 2024                              |
|----------------------------------------------------------------------------------------------------------|-----------|---------------|-----------------------------------|
|                                                                                                          | Notes     | \$RM000       | \$RM000<br>Restated<br>(Note 2.5) |
| <b>Operating activities</b>                                                                              |           |               |                                   |
| <del>Profit before tax</del> <u>Operating profit</u> from continuing operations                          |           | 41,088        | 10,216                            |
| <del>Operating profit</del> <u>Profit/(loss) before tax</u> from discontinued operations                 | 143       | 213           | 848                               |
| <del>Operating profit</del> <u>Profit before tax</u>                                                     |           | 41,301        | 11,064                            |
| Adjustments to reconcile <u>operating profit before tax</u> to net cash flows:                           |           |               |                                   |
| Depreciation and impairment of property, plant and equipment and right-of-use assets                     | 1875, 302 | 4,341         | 3,794                             |
| Amortisation and impairment of intangible assets and impairment of goodwill                              | 2019      | 17            |                                   |
| Equipment received from customers                                                                        | 158       | 76            |                                   |
| Share-based payment expense                                                                              | 332       |               |                                   |
| <del>Decrease in fair value of investment properties</del>                                               | 46        |               |                                   |
| Net foreign exchange differences                                                                         | 132.7     | (95)          | 365                               |
| Gain on disposal of property, plant and equipment                                                        | 132.1     | (532)         | (2,007)                           |
| Fair value adjustment of a contingent consideration                                                      | 87        | 358           | -                                 |
| <del>Finance income</del>                                                                                | 42.4      | (202)         | (145)                             |
| <del>Finance costs</del>                                                                                 | 42.3      | 4,366         | 4,268                             |
| <del>Other income</del>                                                                                  | 42.5      | (98)          | (66)                              |
|                                                                                                          | 123.1,    |               |                                   |
| Net loss on derivative instruments at fair value through profit or loss                                  | 132.2     | 652           | -                                 |
| <del>Share of profit of an associate and a joint venture</del>                                           | 9, 10     | (671)         | (638)                             |
|                                                                                                          | 28, 29,   |               |                                   |
| Movements in provisions, pensions and government grants                                                  | 33        | (815)         | (65)                              |
| Working capital changes:                                                                                 |           |               |                                   |
| <del>Decrease/(increase) (Increase)/decrease</del> in trade receivables, contract assets and prepayments |           | (7,102)       | 2,431                             |
| Decrease in inventories and right of return assets                                                       |           | 1,129         | 1,111                             |
| Increase in trade and other payables, contract liabilities and refund liabilities                        |           | 4,514         | 3,775                             |
|                                                                                                          |           | 44,726        | 13,322                            |
| <del>Interest received</del> <u>Rental income received on investment properties</u>                      | 189       | 1,404         | 250                               |
| <del>Interest paid</del>                                                                                 |           | (1,067)       | (1,173)                           |
| Income tax paid                                                                                          |           | (2,935)       | (3,999)                           |
| <b>Net cash flows from operating activities</b>                                                          |           | <b>40,974</b> | <b>11,791</b>                     |
| <b>Investing activities</b>                                                                              |           |               |                                   |
| Proceeds from sale of property, plant and equipment                                                      |           | 1,990         | 2,319                             |
| Purchase of property, plant and equipment                                                                | 1875      | (10,167)      | (7,581)                           |
| Purchase of investment properties                                                                        | 1986      | (1,216)       | (1,192)                           |
| Purchase of financial instruments                                                                        |           | (272)         | (225)                             |
| Proceeds from sale of financial instruments                                                              |           | 328           | 145                               |
| Development expenditures                                                                                 | 2019      | 17            |                                   |
| Acquisition of a subsidiary, net of cash acquired                                                        | 87        | 230           | (1,450)                           |
| <del>Investment in associates and joint venture</del>                                                    |           | -             | -                                 |
| Receipt of government grants                                                                             | 278       | 2,951         | 642                               |
| <u>Interest received</u>                                                                                 |           | 250           | 221                               |

Net cash flows used in investing activities

(6,743)6,493 (7,511732)

**Consolidated statement of cash flows (continued)  
for the year ended 31 December 2025**

|                                                           |                | <b>2025</b>     | <b>2024</b>                    |
|-----------------------------------------------------------|----------------|-----------------|--------------------------------|
|                                                           | <b>Notes</b>   | <b>\$RM'000</b> | <b>\$RM'000</b>                |
|                                                           |                |                 | <b>Restated<br/>(Note 2.5)</b> |
| <b>Financing activities</b>                               |                |                 |                                |
| <del>Proceeds from issuance of shares</del>               | <del>26</del>  | -               | -                              |
| <del>Other components of equity</del>                     |                | -               | -                              |
| <del>Purchase of treasury shares</del>                    |                | -               | -                              |
| Proceeds from exercise of share options                   | 26             | 17,543          | 200                            |
| Acquisition of non-controlling interests                  | 87             | (325)           | -                              |
| <del>Transaction costs on issue of shares</del>           | <del>246</del> | <del>(32)</del> | -                              |
|                                                           | <u>224.6</u>   |                 |                                |
| Payment of principal portion of lease liabilities         | 302            | (406)           | (341)                          |
| Proceeds from borrowings                                  | 242.6          | 5,649           | 4,871                          |
| Repayment of borrowings                                   | 224.6          | (2,032)         | (4,250)                        |
| <u>Interest paid</u>                                      |                | <u>(1,067)</u>  | <u>(1,173)</u>                 |
| Dividends paid to equity holders of the parent            | 275            | (1,979)         | (1,600)                        |
| Dividends paid to non-controlling interests               |                | (30)            | (49)                           |
|                                                           |                |                 | <u>(1,169)</u>                 |
| <b>Net cash flows from/(used in) financing activities</b> |                | <b>(47)</b>     | <b>(2,342)</b>                 |
| <b>Net increase in cash and cash equivalents</b>          |                | <b>5,251</b>    | <b>3,624</b>                   |
| Net foreign exchange difference                           |                | 339             | 326                            |
| Cash and cash equivalents at 1 January                    |                | 12,266          | 8,316                          |
| <b>Cash and cash equivalents at 31 December</b>           | <b>253</b>     | <b>17,856</b>   | <b>12,266</b>                  |

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## Notes to consolidated financial statements (continued) for the year ended 31 December 2025

### 1 Corporate information

The consolidated financial statements of TR Example Group and its subsidiaries (collectively, the Group) for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on XX XXXX 20XX. TR Example Group (the Company or the parent) is a limited company incorporated and domiciled in <insert country>. The registered office is located at <Registered office's address>. The principal place of business is located at <address>.

The Group is principally engaged in <insert description of the business activities>. Information on the Group's structure is provided in Note 67. Information on other related party relationships of the Group is provided in Note 346.

### 2 Accounting policies

#### 2.1 Basis of preparation

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

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, certain office properties (classified as property, plant and equipment), derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The consolidated financial statements are presented in Malaysian Ringgit and all values are rounded to the nearest thousand (RM000), except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at 1 January 2024 is presented in these consolidated financial statements due to the retrospective correction of an error. See Note 2.5

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.2 Basis of consolidation (continued)**

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

**2.3 Summary of accounting policies**

**a) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in "Administrative expenses".

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**a) Business combinations and goodwill (continued)**

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

**b) Investment in associates and joint ventures**

The group holds an interest in a joint venture, <insert company> and an interest in an associate, <insert company>.

The financial statements of <insert company> and <insert company> are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**b) Investment in associates and joint ventures (continued)**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss ~~in the investing category outside operating profit~~ and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**c) Fair value measurement**

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**c) Fair value measurement (continued)**

The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. The Valuation Committee is comprised of the head of the investment properties segment, heads of the Group's internal mergers and acquisitions team, the head of the risk management department, chief finance officers and the managers of each property.

External valuers are involved for valuation of significant assets, such as investment properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee and the Group's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

|                                                                            |                                                                            |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| • Disclosures for valuation methods, significant estimates and assumptions | Notes 3, <del>1587</del> , <del>1689</del> and <del>2240</del> <u>19.4</u> |
| • Quantitative disclosures of fair value measurement hierarchy             | Note <del>142</del>                                                        |
| • Investment in non-listed equity shares (discontinued operations)         | Note <del>143</del>                                                        |
| • Property, plant and equipment under revaluation model                    | Note <del>1587</del>                                                       |
| • Investment properties                                                    | Note <del>1698</del>                                                       |
| • Financial instruments (including those carried at amortised cost)        | Note <del>422</del> <u>109.4</u>                                           |

- Contingent consideration

Note

120921.4

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**d) Revenue from contracts with customers**

The Group is in the business of <insert description of the business>. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the procurement services below, because it typically controls the goods or services before transferring them to the customer.

**Sale of <insert description of products sold>**

Revenue from sale of <insert description of products sold> is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The normal credit term is XX to XX days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of <insert description of products sold>, the Group considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

**(i) Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of <insert description of products sold>, provide customers with a right to return the goods within a specified period. The Group also provides retrospective volume rebates to certain customers once the quantity of <insert description of products sold>, purchased during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration.

***Rights of return***

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**d) Revenue from contracts with customers (continued)**

**Sale of <insert description of products sold> (continued)**

*Volume rebates*

The Group applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future rebates (i.e., the amount not included in the transaction price).

The disclosures of significant estimates and assumptions relating to the estimation of variable consideration for returns and volume rebates are provided in Note 3.

**(ii) Significant financing component**

The Group receives advance payments from customers for the sale of <insert description of products sold> with a manufacturing lead time of <insert lead time if applicable> after signing the contract and receipt of payment. There is a significant financing component for these contracts considering the length of time between the customers' payment and the transfer of the equipment, as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

**(iii) Non-cash consideration**

The Group receives <inputs that might be used in manufacturing of goods sold> from certain customers to be used in manufacturing <insert description of products sold> to be sold to them. The fair value of such non-cash consideration received from the customer is included in the transaction price and measured when the Group obtains control of the equipment.

The Group estimates the fair value of the non-cash consideration by reference to its market price. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the <insert description of products sold>.

**Warranty obligations**

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for as warranty provisions. Refer to the accounting policy on warranty provisions in section (v) Provisions.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**d) Revenue from contracts with customers (continued)**

**Warranty obligations (continued)**

The Group also provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of <insert description of products sold>. Contracts for bundled sales of equipment and service-type warranty comprise two performance obligations because the equipment and service-type warranty are both sold on a stand-alone basis and are distinct within the context of the contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

**Loyalty points programme**

The Group has a loyalty points programme, <name of the programme>, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

The disclosures of significant estimates and assumptions relating to the estimation of the stand-alone selling price of the loyalty points are provided in Note 3.

**Installation services**

The Group provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. The installation services do not significantly customise or modify the <insert description of products sold>.

Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the equipment and installation services are both sold on a stand-alone basis and are distinct within the context of the contract. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The Group recognises revenue from installation services over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an input method in measuring progress of the installation services because there is a direct relationship between the Group's effort (i.e., based on the labour hours incurred) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**d) Revenue from contracts with customers (continued)**

**Procurement services**

The Group has contracts with customers to acquire, on their behalf, <insert description of products sold> produced by foreign suppliers. Under these contracts, the Group provides procurement services (i.e., coordinating the selection of suitable suppliers and managing the ordering and delivery of the imported equipment). The Group does not have control of the equipment before it is being transferred to the customer. The Group is acting as an agent and recognises revenue at the net amount that is retained for these arrangements. Revenue is recognised at a point in time (i.e., upon receipt of the customer of the equipment) because this is when the customer benefits from the Group's procurement services.

**Contract assets**

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

**Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

**Assets and liabilities arising from rights of return**

***Right of return assets***

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**d) Revenue from contracts with customers (continued)**

**Assets and liabilities arising from rights of return (continued)**

***Refund liabilities***

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return and volume rebates. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

**Cost to obtain a contract**

The Group pays sales commission to its employees for each contract that they obtain for bundled sales of equipment and installation services. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of employee benefits.

**e) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

**f) Taxes**

***Current income tax***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

***Deferred tax***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**f) Taxes (continued)**

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**f) Taxes (continued)**

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

***Sales tax***

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**g) Foreign currencies**

The Group's consolidated financial statements are presented in Malaysian Ringgit, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

***(i) Transactions and balances***

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**g) Foreign currencies (continued)**

Foreign exchange differences recognised in profit or loss are classified in the same category in the statement of profit or loss as the income or expense on the item that gave rise to the foreign exchange difference. Where this involves undue cost or effort, the Group classifies them under operating activities.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

**(ii) Group companies**

On consolidation, the assets and liabilities of foreign operations are translated into Malaysian Ringgit at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

In accordance with IFRS/MFRS 10, intragroup monetary assets or liabilities between the parent and its subsidiaries that do not constitute part of the net investment in a foreign operation are eliminated in full upon consolidation. However, any foreign exchange differences arising from such balances continue to be recognised in the consolidated statement of profit or loss. The Group classifies these foreign exchange differences under the default category of operating activities within the statement of profit or loss.

**h) Non-current assets held for sale and discontinued operations**

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

~~Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.~~

~~Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.~~

~~Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.~~

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**h) Non-current assets held for sale and discontinued operations (continued)**

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately in Note 143. The Group includes proceeds from disposal in cash flows from discontinued operations.

Additional disclosures are provided in Note 143. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

**i) Cash dividend**

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of <insert country>, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**j) Property, plant and equipment**

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (Note 3) and provisions (Note 286) for further information about the recognised decommissioning provision.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

Office properties in <insert country> are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the statement of profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**j) Property, plant and equipment (continued)**

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

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

|                                         |                |
|-----------------------------------------|----------------|
| • Buildings                             | 15 to 20 years |
| • Plant, machinery and equipment        | 5 to 15 years  |
| • Office properties in <insert country> | 15 to 20 years |

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**k) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

***(i) Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, and decommissioning obligations, if any less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

|                                      |               |
|--------------------------------------|---------------|
| • Plant and machinery                | 3 to 15 years |
| • Motor vehicles and other equipment | 3 to 5 years  |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**k) Leases (continued)**

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (r) Impairment of non-financial assets

**(ii) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note [22419.2](#)).

**(iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of ~~12XX~~ months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense within in the operating category in the statement of profit or loss, on a straight-line basis over the lease term.

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**l) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**m) Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the <insert applicable valuation standards board/council>.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

**n) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**n) Intangible assets (continued)**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

***Research and development costs***

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

***Patents and licences***

The Group made upfront payments to acquire patents and licences. The patents have been granted for a period of XX years by the relevant government agency with the option of renewal at the end of this period. Licences for the use of intellectual property are granted for periods ranging between five and ten years depending on the specific licences. The licences may be renewed at little or no cost to the Group. As a result, those licences are assessed as having an indefinite useful life.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**n) Intangible assets (continued)**

A summary of the policies applied to the Group's intangible assets is, as follows:

|                                         | <b>Licences</b> | <b>Patents</b>                                                   | <b>Development costs</b>                                                                             |
|-----------------------------------------|-----------------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <b>Useful lives</b>                     | Indefinite      | Finite (XX years)                                                | Finite (XX-XX years)                                                                                 |
| <b>Amortisation method used</b>         | No amortisation | Amortised on a straight-line basis over the period of the patent | Amortised on a straight-line basis over the period of expected future sales from the related project |
| <b>Internally generated or acquired</b> | Acquired        | Acquired                                                         | Internally generated                                                                                 |

**o) Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (d) Revenue from contracts with customers

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**o) Financial instruments – initial recognition and subsequent measurement (continued)**

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

***Financial assets at amortised cost (debt instruments)***

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

***Financial assets at fair value through OCI (debt instruments)***

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**o) Financial instruments – initial recognition and subsequent measurement (continued)**

***Financial assets designated at fair value through OCI (equity instruments)***

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under ~~IAS 32~~ **IFRS 132** *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Having considered the disaggregation principles under ~~IFRS~~ **IFRS** 18, the Group has concluded that separate presentation of realised and unrealised components does not provide materially useful information to users of the financial statements. Accordingly, gain and losses on financial assets at fair value through profit or loss are presented on an aggregated basis, and no separate line item or note disclosure is provided.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-

through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**o) Financial instruments – initial recognition and subsequent measurement (continued)**

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment**

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- |                                                |                                       |
|------------------------------------------------|---------------------------------------|
| • Disclosures for significant assumptions      | Note 3                                |
| • Debt instruments at fair value through OCI   | Note <del>19</del> <u>21</u> <u>2</u> |
| • Trade receivables, including contract assets | Note <del>22</del> <u>11</u> <u>9</u> |

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next XX-months (a XX-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than XX days past due.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**o) Financial instruments – initial recognition and subsequent measurement (continued)**

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the <insert Credit Rating Agency name> and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a XX-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the <insert Credit Rating Agency name> both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

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

**(ii) Financial liabilities**

**Initial recognition, measurement and presentation**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

The Group classifies financial liabilities that arise from supplier finance arrangement within Trade and other payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in Trade and other payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**o) Financial instruments – initial recognition and subsequent measurement (continued)**

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

***Financial liabilities at amortised cost (loans and borrowings)***

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as 'Interest expenses on loans and borrowings' ~~finance costs~~ in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 22 ~~19~~.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

***(iii) Offsetting financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**p) Derivative financial instruments and hedge accounting**

***Initial recognition and subsequent measurement***

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

***Fair value hedges***

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss ~~as other expense~~. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss ~~as other expense~~. As the Group uses interest rate swap agreements to hedge exposure to interest rate fluctuations on its secured loan, the changes in the fair value of the hedging instrument and hedged item are classified within the financing category in the statement of profit or loss within 'Interest expenses on loans and borrowings'.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**p) Derivative financial instruments and hedge accounting (continued)**

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

**Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised as other individually immaterial operating expense and the ineffective portion relating to commodity contracts is recognised in other individually immaterial operating income or expenses. Refer to Note 22149.3 for more details.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**p) Derivative financial instruments and hedge accounting (continued)**

***Hedges of a net investment***

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. Refer to Note 22 ~~19~~ 19.3 for more details.

**q) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

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

Cost of sales comprises unallocated production overheads, abnormal costs, and the cost of inventories that have been sold. The Group also presents inventory write-downs, impairment of property, plant and equipment as part of cost of sales.

**r) Impairment of non-financial assets**

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- |                                                        |                                       |
|--------------------------------------------------------|---------------------------------------|
| • Disclosures for significant assumptions              | Note 3                                |
| • Property, plant and equipment                        | Note <u>15</u> <del>7</del> <u>8</u>  |
| • Intangible assets                                    | Note <u>47</u> <del>9</del> <u>20</u> |
| • Goodwill and intangible assets with indefinite lives | Note <u>21</u> <del>0</del> <u>18</u> |

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those

from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**r) Impairment of non-financial assets (continued)**

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at XX XXXX and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are also tested for impairment annually as at XX XXXX at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Group assesses where climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts. See Note ~~210XX~~ for further discussion of the impact of climate-related risks on the value in use.

**s) Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**s) Cash and short-term deposits (continued)**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**t) Convertible preference shares**

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**u) Treasury shares**

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised directly in equity.

**v) Provisions**

**General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expenses on other liabilities ~~a finance cost~~.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**v) Provisions (continued)**

***Warranty provisions***

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

***Restructuring provisions***

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when: (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

***Decommissioning liability***

The Group records a provision for decommissioning costs to remediate the environmental damage of a manufacturing facility for the production of <insert product>. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset.

The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as ~~a-interest expenses on other liabilities~~**finance cost**. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. The impact of climate-related matters, such as changes in environmental regulations and other relevant legislation, is considered by the Group in estimating the decommissioning liability on the manufacturing facility. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

***Greenhouse gas emissions***

The Group receives free emission rights in certain countries. The rights are received on an annual basis and, in return, the Group is required to remit rights equal to its actual emissions. The Group has adopted the net liability approach to the emission rights granted. The Group recognises the received emission rights at the nominal amount (i.e., nil). The Group recognises a provision as emissions are made. As the Group intends to keep the emission rights received to settle its emission liability, the Group takes into consideration the value of received emission rights on a first-in first-out basis when measuring a provision. Therefore, until the emission limit is exceeded, there is no impact on the statement of financial position and the statement of profit or loss. The emission costs are recognised as other operating expenses. Where emission rights are purchased from other parties, the cost of obtaining the allowances determine the measurement of the provision.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**v) Provisions (continued)**

***Onerous contracts***

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

***Waste* [<insert description>](#)**

The Group is a provider of [<include specifications, if needed>](#) equipment that falls under the [<insert governance on waste>](#) on [<insert description>](#). The [<insert governance on waste>](#) distinguishes between waste management of equipment sold to private households prior to a date, as determined by each Member State (historical waste), and waste management of equipment sold to private households after that date (new waste). A provision for the expected costs of management of historical waste is recognised when the Group participates in the market during the measurement period, as determined by each Member State, and the costs can be reliably measured. These costs are recognised as other operating expenses in the statement of profit or loss.

With respect to new waste, a provision for the expected costs is recognised when products that fall within the directive are sold and the disposal costs can be reliably measured. Derecognition takes place when the obligation expires, is settled or is transferred. These costs are recognised as part of costs of sales.

With respect to equipment sold to entities other than private households, a provision is recognised when the Group becomes responsible for the costs of this waste management, with the costs recognised as other operating expenses or cost of sales, as appropriate.

***Contingent liabilities recognised in a business combination***

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

**w) Pensions and other post-employment benefits**

The Group operates a defined benefit pension plan in [<insert country>](#), which requires contributions to be made to a separately administered fund. The Group also provides certain additional post employment healthcare benefits to employees in the [<insert country>](#). These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

2 Accounting policies (continued)

2.3 Summary of accounting policies (continued)

w) Pensions and other post-employment benefits (continued)

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling expenses' and distribution expenses' in the consolidated statement of profit or loss ~~(by function):~~.

The net interest expense or income on the Group's defined benefit pension plan, which is not capitalised to the cost of an asset, is recognised as 'interest expenses on other liabilities' in the statement of profit or loss.

|   |                                                                                                                                                                                                                                            |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| • | <del>Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements</del>                                                                                                |
| • | <del>The net interest expense or income on the Group's defined benefit pension plan, which is not capitalised to the cost of an asset, is recognised as 'interest expenses on other liabilities' in the statement of profit or loss.</del> |

x) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Employees working in the business development group are granted share appreciation rights, which are settled in cash (cash-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 304.

That cost is recognised in employee benefits expense (Note 132.75), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.3 Summary of accounting policies (continued)**

**x) Share-based payments (continued)**

**Equity-settled transactions (continued)**

~~Service and non-market performance conditions are not taken into account when determining the grant-date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant-date fair value.~~ Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 167).

**Cash-settled transactions**

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense (see Note 132.75). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model, further details of which are given in Note 349. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

**y) Events after the reporting period**

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements.

The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

**z) Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary

shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.4 Changes in accounting policies and disclosures**

**Revaluation of office properties in <insert country> (property, plant and equipment)**

The Group re-assessed its accounting for property, plant and equipment with respect to measurement of a certain class of property, plant and equipment after initial recognition. The Group had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

On 1 January 2025, the Group elected to change the method of accounting for office properties in <insert country> classified as property, plant and equipment, as the Group believes that the revaluation model provides more relevant information to the users of its financial statements as it is more aligned to practices adopted by its competitors. In addition, available valuation techniques provide reliable estimates of the office properties' fair value. The Group applied the revaluation model prospectively.

After initial recognition, office properties in <insert country> are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. For details refer to Note 1875.

**New and amended standards and interpretations**

The Group applied for the first-time the amendments to IAS-MFRS 121, which are effective for annual periods beginning on or after 1 January 2025 and has early adopted IFRSMFRS 18 and related consequential amendments, which is effective for annual periods beginning on or after 1 January 2027. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Lack of exchangeability – Amendments to IAS-MFRS 121**

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS-24MFRS 121 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's financial statements.

**IFRSMFRS 18 Presentation and Disclosure in Financial Statements**

The Group early adopted IFRSMFRS 18, which supersedes IAS-4MFRS 101 and made consequential amendments to other standards. IFRSMFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of management-defined performance measures (Note 1656), disclosure about the nature of operating expense (Note 1332.5) when entities present at least one line item by function, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, consequential amendments have been made to ~~IAS 7~~~~MFRS 107~~, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards, including IAS 8 and IAS 33.

The statement of profit or loss under IAS 1 for the year ended 31 December 2024 reconciles to the statement of profit or loss under IFRS 18, as follows:

## **Notes to consolidated financial statements (continued)**

### **for the year ended 31 December 2025**

## **2 Accounting policies (continued)**

### **2.4 Changes in accounting policies and disclosures**

#### **New and amended standards and interpretations**~~Revaluation of office properties in <insert country> (property, plant and equipment)~~ (continued)

In addition, there are consequential amendments to several other standards, including ~~IAS 8~~~~MFRS 108~~ and ~~IAS 33~~~~MFRS 133~~.

The statement of profit or loss under ~~IAS 1~~~~MFRS 101~~ for the year ended 31 December 2024 reconciles to the statement of profit or loss under ~~IFRS~~~~MFRS 18~~, as follows:~~In addition, there are consequential amendments to several other standards, including IAS 8 and IAS 33. The statement of profit or loss under IAS 1 for the year ended 31 December 2024 reconciles to the statement of profit or loss under IFRS 18, as follows:~~

#### **Reconciliation on statement of profit or loss for the year ended 31 December 2024**

|                                                        | <del>IAS 1</del> <del>MFRS 101</del> | Adjustments                    | <del>IFRS</del> <del>MFRS 18</del> |                       |
|--------------------------------------------------------|--------------------------------------|--------------------------------|------------------------------------|-----------------------|
|                                                        | <del>RM</del> <del>RM000</del>       | <del>RM</del> <del>RM000</del> | <del>RM</del> <del>RM000</del>     |                       |
| Revenue from contracts with customers                  | 159,088                              | —                              | 159,088                            |                       |
| Rental income                                          | 1,377                                | (1,377)                        | —                                  | c                     |
| <b>Revenue / Revenue from contracts with customers</b> | <b>160,465</b>                       | <b>(1,377)</b>                 | <b>159,088</b>                     |                       |
| Cost of sales                                          | (128,386)                            | 440                            | (127,946)                          | (a), (b)              |
| <b>Gross profit</b>                                    | <b>32,079</b>                        | <b>(937)</b>                   | <b>31,142</b>                      |                       |
| Other operating income                                 | 2,548                                | —                              | 2,548                              |                       |
| Research and development expenses                      |                                      | (1,034)                        | (1,034)                            | (c)                   |
| Selling and distribution expenses                      | (12,964)                             | 12,964                         | —                                  | (d), (e)              |
| Selling expenses                                       |                                      | (8,875)                        | (8,875)                            | (d)                   |
| Distribution expenses                                  |                                      | (4,041)                        | (4,041)                            | (d)                   |
| Administrative expenses                                | (12,011)                             | 591                            | (11,420)                           | (a), (b),<br>(c), (e) |

|                                                                       |              |                |               |          |
|-----------------------------------------------------------------------|--------------|----------------|---------------|----------|
| Foreign exchange differences                                          |              | (206)          | (206)         | (b)      |
| Other operating expenses                                              | (353)        | 300            | (53)          | (a)      |
| <b>Operating profit</b>                                               | <b>9,299</b> | <b>(1,238)</b> | <b>8,061</b>  |          |
| Share of profit of an associate and a joint venture                   | 638          | —              | 638           |          |
| Foreign exchange differences on cash and short-term deposits          |              | 254            | 254           | (b)      |
| Rental income                                                         |              | 1,377          | 1,377         | (a)      |
| Change in fair value of investment properties                         |              | (300)          | (300)         | (a)      |
| Other income from investments                                         |              | 144            | 144           | (f)      |
| <b>Profit before financing and income taxes</b>                       |              | <b>237</b>     | <b>10,174</b> |          |
| Interest expenses on loans and borrowings                             |              | (1,020)        | (1,020)       | (a)      |
| Interest expenses on other liabilities                                |              | (341)          | (341)         | (e), (a) |
| Foreign exchange differences on interest-bearing loans and borrowings |              | 67             | 67            | (b)      |
| Finance costs                                                         | (1,268)      | 1,268          | —             | (a)      |
| Finance income                                                        | 145          | (145)          | —             | (f)      |
| Other income                                                          | 66           | (66)           | —             | (b), (f) |
| <b>Profit before income tax</b>                                       | <b>8,880</b> | <b>—</b>       | <b>8,880</b>  |          |
| Income tax expense                                                    | (2,233)      | —              | (2,233)       |          |
| <b>Profit from continuing operations</b>                              | <b>6,647</b> | <b>—</b>       | <b>6,647</b>  |          |
| <b>Discontinued operations</b>                                        |              |                |               |          |
| Loss from discontinued operations                                     | (188)        | —              | (188)         |          |
| <b>Profit for the year / Profit</b>                                   | <b>6,459</b> | <b>—</b>       | <b>6,459</b>  |          |

**Notes to consolidated financial statements (continued)**  
**for the year ended 31 December 2025**

**Accounting policies (continued)**

**Changes in accounting policies and disclosures**

**New and amended standards and interpretations (continued)**

|  |
|--|
|  |
|--|

**(a) The income and expenses from investment properties**

Rental income from investment properties is classified in the investing category in the statement of profit or loss, as property rental operations are not a main business activity of the Group.

The maintenance expenses for investment properties, previously included in the cost of sales have been moved to administrative expenses.

Changes in the fair value of investment properties are classified under the investing category. As a result, the related amounts are excluded from other operating expenses. —

#### **(b) Foreign exchange differences**

Foreign exchange differences on cash and short-term deposits, previously included in administrative expenses, are classified under the investing category. Foreign exchange differences on interest-bearing loans and borrowings, which were previously included in other income, are classified under the financing category.

#### **(c) Research and development expenses**

Following the assessment of characteristics, research and development expenses have been separated from administrative expenses.

#### **(d) Selling and distribution expenses**

Selling and distribution expenses have been disaggregated into selling expenses and distribution expenses.

#### **(e) Net interest expense on a net defined benefit liability**

Net interest expense on a net defined benefit liability is classified under the financing category. Consequently, the associated amounts are excluded from selling and distribution expenses, as well as administrative expenses.

#### **(f) Interest, fair value gains and losses on financial assets**

Interest income from debt instruments, fair value gain on equity instruments, loss on sale of debt instruments and impairment loss on debt instruments are classified in the investing category as these financial assets generate returns individually and largely independent of the Group's other resources.

#### **(g) Finance costs**

Interest on debts and borrowings and other liabilities are classified in the financing category. Unwinding of discount and effect of changes in discount rate on provisions are reallocated to interest expenses on other liabilities.

### **22.5 Correction of an error**

In <insert date>, a subsidiary entered into a sales contract with a new customer to sell equipment for a two-year period. As part of the negotiations, a variation was made to the standard terms and conditions to sell the equipment to this customer on consignment basis, under which the Group does not relinquish control of the consigned product until it is sold to an end customer. However, the subsidiary continued to recognise revenue at the point before control transferred to the customer. As a consequence, revenue was overstated. In <insert date>, the subsidiary conducted a detailed review of the terms and conditions of its sales contracts and discovered the error.

~~The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:~~

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.5 Correction of an error (continued)**

**Impact on equity (increase/(decrease) in equity) (continued)**

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

|                             | 31<br>December<br>2024 | 1 January<br>2024 |
|-----------------------------|------------------------|-------------------|
|                             | RM000                  | RM000             |
| Inventories                 | 1,000                  | 500               |
| Trade receivables           | (3,500)                | (1,500)           |
| <b>Total assets</b>         | <b>(2,500)</b>         | <b>(1,000)</b>    |
| Income tax payable          | 750                    | 300               |
| <b>Total liabilities</b>    | <b>750</b>             | <b>300</b>        |
| <b>Net impact on equity</b> | <b>(1,750)</b>         | <b>(700)</b>      |

**Impact on the consolidated statement of profit or loss (increase/(decrease) in profit)**

|                                        | 31<br>December<br>2024 |
|----------------------------------------|------------------------|
|                                        | RM000                  |
| Revenue from contracts with customers  | (2,000)                |
| Cost of sales                          | 500                    |
| Income tax expense                     | 450                    |
| <b>Net impact on loss for the year</b> | <b>(1,050)</b>         |

Attributable to:

|                              |         |
|------------------------------|---------|
| Equity holders of the parent | (1,050) |
| Non-controlling interests    | -       |

**Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS)**

|                                                                                                  | 31 December<br>2024 |
|--------------------------------------------------------------------------------------------------|---------------------|
| Earnings per share                                                                               |                     |
| Basic, profit for the year attributable to ordinary equity holders of the parent                 | (RM)0.06            |
| Diluted, profit for the year attributable to ordinary equity holders of the parent               | (RM)0.05            |
| Earnings per share for continuing operations                                                     |                     |
| Basic, profit from continuing operations attributable to ordinary equity holders of the parent   | (RM)0.06            |
| Diluted, profit from continuing operations attributable to ordinary equity holders of the parent | (RM)0.05            |

The change did not have an impact on OCI for the period or the Group's operating, investing and financing cash flows.

### **Climate-related matters**

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the consolidated financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures. See Note 2.3 j) for further information.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2 Accounting policies (continued)**

**2.6 Climate-related matters ~~(continued)~~**

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the consolidated financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- ~~Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures. See Note 2.3 j) for further information. Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2025 test of goodwill, the Group considered expectations for increased costs of emissions, increased demand for goods sold by the Group's <insert CGU> and cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts. See Note 1218 for further information.~~
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2025 test of goodwill, the Group considered expectations for increased costs of emissions, increased demand for goods sold by the Group's <insert CGU> and cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts. See Note 224 for further information.
- Fair value measurement. For investment properties and revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The Group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings. See Note 124 for further information.
- Decommissioning liability. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning one of the Group's manufacturing facilities. See Note 2.3 v) for further disclosures.
- Emission rights. The Group receives free emission rights on an annual basis and, in return, it is required to remit rights equal to its actual emissions. The Group has adopted the net liability approach to the emission rights granted. See Note 2.3 v) for further information.

**3 Significant accounting judgements, estimates and assumptions**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note  
56
- Financial instruments risk management and policies Note  
2219.5
- Sensitivity analyses disclosures Notes 1578, 1689, 18210, 19212.4,  
2219.5 and 343

### **Judgements**

~~In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:~~

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**3 Significant accounting judgements, estimates and assumptions (continued)**

**Judgements ~~(continued)~~**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

***Determining the lease term of contracts with renewal and termination options – Group as lessee***

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies 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 reassesses 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 (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. 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.

Refer to Note 320 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

***Property lease classification – Group as lessor***

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

***Assets held for sale***

On X XXXX 2025, the Board of Directors announced its decision to discontinue <insert Segment/Division and Company name>, a wholly owned subsidiary. The Board considered the subsidiary to meet the criteria to be classified as held for sale at that date for the following reasons:

- <insert Company name> was available for immediate sale and could be sold to the buyer in its current condition
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification
- A potential buyer had been identified and negotiations were at an advanced stage, with a letter of intent having been agreed between the two parties as of 1 October 2025



**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**3 Significant accounting judgements, estimates and assumptions (continued)**

**Judgements (continued)**

For more details on the discontinued operation, refer to Note 134.

***Consolidation of a structured entity***

In XXXX 2025, the Group and a third party partner formed an entity, <insert Company name>, to <insert business reason>. The Group holds XX% of the voting shares in this entity. The third-party partner contributed approximately RMX,XXX,XXX in 2025, representing XX% of the voting shares, for the <business reason>.

The third-party partner is committed to provide approximately RMX,XXX,XXX in each of the following two years to complete the project. The construction is expected to be completed in 20XX at a total cost of approximately RMX,XXX,XXX. The partner is entitled to a XX% return on the outstanding capital upon the commencement of operations. Under the contractual arrangement with the third party partner, the Group has a majority representation on the entity's board of directors and the Group's approval is required for all major operational decisions. At the end of the fourth annual period, the partner is entitled to a XXX% capital return. The EIR is XX% and the interest accumulated on the contributed amount totalled RMXXX,XXX at 31 December 2025. The Group is effectively guaranteeing the returns to the third-party partner. On completion of the construction, the operations of <insert Company name> will be solely carried out by the Group.

Based on the contractual terms, the Group assessed that the voting rights in <insert Company name> are not the dominant factor in deciding who controls the entity. Also, it is assessed that there is insufficient equity financing (RMXXX,XXX) to allow the entity to finance its activities without the non-equity financial support of the Group. Therefore, the Group concluded <insert Company name> is a structured entity under MFRS 10 *Consolidated Financial Statements* and that the Group controls it with no non-controlling interests. The voting shares of the third-party partner are accounted for as a financial liability.

Therefore, <insert Company name> is consolidated in the Group's consolidated financial statements. The shares of the third-party partner are recorded as a long-term loan and the return on investment is recorded as interest expense.

***Consolidation of entities in which the Group holds less than a majority of voting right (de facto control)***

The Group considers that it controls <insert Company name> even though it owns less than XX% of the voting rights. This is because the Group is the single largest shareholder of <insert Company name> with a XX% equity interest. The remaining XX% of the equity shares in <insert Company name> are widely held by many other shareholders, none of which individually hold more than X% of the equity shares (as recorded in the company's shareholders' register from X XXXX 20XX to 31 December 2025). Since X XXXX 20XX, which is the date of acquisition of <insert Company name>, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

***Taxes***

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses 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 the level of future taxable profits, together with future tax planning strategies.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**3 Significant accounting judgements, estimates and assumptions (continued)**

**Judgements (continued)**

The Group has RMXXX,XXX (2024: RMX,XXX,XXX) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had able to recognise all unrecognised deferred tax assets, profit and equity would have increased by RMXXX,XXX. Further details on taxes are disclosed in Note 145.

**Aggregation and disaggregation**

The Group assesses the identified expenses within operating category in the statement of profit or loss to determine whether they share similar characteristics. The Group considers the function or role of individual transactions within its activities. As research and development, selling, distribution and administrative functions have been identified, the Group disaggregate these into four line items in the statement of profit or loss. The remaining expenses, which all are considered to be individually immaterial, are aggregated under 'Other individually immaterial operating expenses'.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

***Revaluation of property, plant and equipment and investment properties***

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on a discounted cash flow (DCF) model was used, as there is a lack of comparable market data because of the nature of the properties. In addition, the Group measures the office properties in <insert country> at revalued amounts, with changes in fair value being recognised in OCI. The office properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged an independent valuation specialist to assess fair values as at 31 December 2025 for the investment properties and at 1 January and 31 December 2025 for the office properties in <insert country>.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 1875 and 1689.

***Impairment of non-financial assets***

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 1208.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**3 Significant accounting judgements, estimates and assumptions (continued)**

**Estimates and assumptions (continued)**

**Impairment of non-financial assets~~Provision for expected credit losses of trade receivables and contract assets~~ (continued)**

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 201.

**Provision for expected credit losses of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 22149.

**Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a binomial model for <name of the plan> and a Monte-Carlo simulation model for <name of the share option plan>. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 342.

**Defined benefit plans (pension benefits)**

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**3 Significant accounting judgements, estimates and assumptions (continued)**

**Estimates and assumptions (continued)**

The calculation is most sensitive to changes in the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about pension obligations are provided in Note 343.

***Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 42219.4 for further disclosures.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor (see Notes 78 and 22119.4 for details).

As part of the accounting for the acquisition of <insert Company name>, contingent consideration with an estimated fair value of RMXXX,XXX was recognised at the acquisition date and remeasured to RMX,XXX,XXX as at the reporting date. Future developments may require further revisions to the estimate. The maximum consideration to be paid is RMX,XXX,XXX. The contingent consideration is classified as other financial liability (see Note 22119.2).

***Development costs***

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 December 2025, the carrying amount of capitalised development costs was RM2,178,000 (2024: RM1,686,000).

This amount includes significant investment in the development of an <insert description>. Prior to being marketed, it will need to obtain an approval from the relevant regulatory authorities. The innovative nature of the product gives rise to some uncertainty as to whether the approval will be obtained.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**3 Significant accounting judgements, estimates and assumptions (continued)**

**Estimates and assumptions (continued)**

***Useful lives and residual values of property, plant and equipment***

The Group reviews the estimated residual values and expected useful lives of property, plant and equipment at least annually. In particular, it considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks. Specifically, it determines whether climate-related legislation and regulations might impact either the useful life or residual values, e.g., by banning or restricting the use of the Group's fossil fuel-driven machinery and equipment or imposing additional energy efficiency requirements on its buildings and office properties.

***Provision for decommissioning***

As part of the identification and measurement of assets and liabilities for the acquisition of <insert Company name> in 2025, the Group has recognised a provision for decommissioning obligations associated with a factory owned by <insert Company name>. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site in order to remediate the environmental damage caused and the expected timing of those costs. In estimating the expected cost, the Group takes into account changes in environmental legislation and regulations that may impact the process for dismantling and removing the plant. The carrying amount of the provision as at 31 December 2025 was RM1,221,000 (2024: -). The Group estimates that the costs would be realised in 15 years' time and calculates the provision using the DCF method based on the following assumptions:

- Estimated range of cost per sqm - RMXX - RMXX (RMXX)
- Discount rate - XX%

If the estimated pre-tax discount rate used in the calculation had been X% higher than management's estimate, the carrying amount of the provision would have been RMXX,XXX lower.

***Revenue recognition - Estimating variable consideration for returns and volume rebates***

The Group estimates variable considerations to be included in the transaction price for the sale of <insert description of products sold> with rights of return and volume rebates.

The Group has developed a statistical model for forecasting sales returns. The model uses the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer is likely to be entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied the statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**3 Significant accounting judgements, estimates and assumptions (continued)**

**Estimates and assumptions (continued)**

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 31 December 2025, the amount recognised as refund liabilities for the expected returns and volume rebates was RM6,242,000 (2024: RM5,844,000).

***Revenue recognition - Estimating stand-alone selling price – loyalty programme***

The Group estimates the stand-alone selling price of the loyalty points awarded under the loyalty programme. The stand-alone selling price of the loyalty points issued is calculated by multiplying the estimated redemption rate and to the monetary value assigned to the loyalty points. In estimating the redemption rate, the Group considers breakage which represents the portion of the points issued that will never be redeemed. The Group applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated quarterly and the liability for the unredeemed points is adjusted accordingly. In estimating the value of the points issued, the Group considers the mix of products that will be available in the future in exchange for loyalty points and customers' preferences. The Group ensures that the value assigned to the loyalty points is commensurate to the stand-alone selling price of the products eligible for redemption (i.e., the value of each point is equivalent to the stand-alone selling price of any products eligible for redemption divided by number of points required).

As points issued under the programme do not expire, estimates of the stand-alone selling price are subject to significant uncertainty. Any significant changes in customers' redemption patterns will impact the estimated redemption rate. As at 31 December 2025, the estimated liability for unredeemed points was RMXXX,XXX (2024: RMXXX,XXX). If the estimated redemption rate used had been higher by X% than management's estimate, the carrying amount of the estimated liability for unredeemed points as at 31 December 2025 would have been higher by RMX,XXX (2024: RMX,XXX).

***Leases - Estimating the incremental borrowing rate***

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**4 Revenue from contracts with customers**

**4.1 Disaggregated revenue information**

Set out below is the disaggregation of the Group's revenue from contracts with customers:

| Segments                                           | For the year ended 31 December 2025 |                       |                |
|----------------------------------------------------|-------------------------------------|-----------------------|----------------|
|                                                    | <insert<br>product 1>               | <insert<br>product 2> | Total          |
|                                                    | RM000                               | RM000                 | RM000          |
| <b>Type of goods or service</b>                    |                                     |                       |                |
| Sale of <insert product>                           | 85,438                              | -                     | <b>85,438</b>  |
| Sale of <insert product>                           | -                                   | 69,263                | <b>69,263</b>  |
| Installation services                              | 17,131                              | -                     | <b>17,131</b>  |
| Others*                                            | 7,226                               | -                     | <b>7,226</b>   |
| <b>Total revenue from contracts with customers</b> | <b>109,795</b>                      | <b>69,263</b>         | <b>179,058</b> |
| <b>Geographical markets</b>                        |                                     |                       |                |
| <insert country/region>                            | 76,413                              | 50,421                | <b>126,834</b> |
| <insert country/region>                            | 33,382                              | 18,842                | <b>52,224</b>  |
| <b>Total revenue from contracts with customers</b> | <b>109,795</b>                      | <b>69,263</b>         | <b>179,058</b> |
| <b>Timing of revenue recognition</b>               |                                     |                       |                |
| Goods and services transferred at a point in time  | 90,141                              | 69,263                | <b>159,404</b> |
| Services transferred over time                     | 19,654                              | -                     | <b>19,654</b>  |
| <b>Total revenue from contracts with customers</b> | <b>109,795</b>                      | <b>69,263</b>         | <b>179,058</b> |

\*Includes revenue from procurement services and service-type warranties.

| Segments                                           | For the year ended 31 December 2024 |                       |                |
|----------------------------------------------------|-------------------------------------|-----------------------|----------------|
|                                                    | <insert<br>product 1>               | <insert<br>product 2> | Total          |
|                                                    | RM000                               | RM000                 | RM000          |
| <b>Type of goods or service</b>                    |                                     |                       |                |
| Sale of <insert product>                           | 69,107                              | -                     | <b>69,107</b>  |
| Sale of <insert product>                           | -                                   | 66,621                | <b>66,621</b>  |
| Installation services                              | 16,537                              | -                     | <b>16,537</b>  |
| Others*                                            | 6,823                               | -                     | <b>6,823</b>   |
| <b>Total revenue from contracts with customers</b> | <b>92,467</b>                       | <b>66,621</b>         | <b>159,088</b> |
| <b>Geographical markets</b>                        |                                     |                       |                |
| <insert country/region>                            | 62,239                              | 48,968                | <b>111,207</b> |
| <insert country/region>                            | 30,228                              | 17,653                | <b>47,881</b>  |
| <b>Total revenue from contracts with customers</b> | <b>92,467</b>                       | <b>66,621</b>         | <b>159,088</b> |
| <b>Timing of revenue recognition</b>               |                                     |                       |                |
| Goods and services transferred at a point in time  | 73,696                              | 66,621                | <b>140,317</b> |
| Services transferred over time                     | 18,771                              | -                     | <b>18,771</b>  |
| <b>Total revenue from contracts with customers</b> | <b>92,467</b>                       | <b>66,621</b>         | <b>159,088</b> |

\*Includes revenue from procurement services and service-type warranties.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**4 Revenue from contracts with customers (continued)**

**4.1 Disaggregated revenue information (continued)**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 5):~~the revenue from contracts with customers to the amounts per type of product line:~~

|                                                    | For the years ended 31 December |                       |                       |                       |
|----------------------------------------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
|                                                    | 2025                            |                       | 2024                  |                       |
|                                                    | <insert<br>product 1>           | <insert<br>product 2> | <insert<br>product 1> | <insert<br>product 2> |
|                                                    | RM000                           | RM000                 | RM000                 | RM000                 |
| <b>Revenue</b>                                     |                                 |                       |                       |                       |
| External customer                                  | 139,842                         | 69,263                | 121,905               | 66,621                |
| Inter-segment                                      | -                               | 7,465                 | -                     | 7,319                 |
|                                                    | <b>139,842</b>                  | <b>76,728</b>         | <b>121,905</b>        | <b>73,940</b>         |
| Inter-segment adjustments and eliminations         | (30,047)                        | (7,465)               | (29,438)              | (7,319)               |
| <b>Total revenue from contracts with customers</b> | <b>109,795</b>                  | <b>69,263</b>         | <b>92,467</b>         | <b>66,621</b>         |

**4.2 Contract balances**

|                                                      | 31 December |        | 1 January |
|------------------------------------------------------|-------------|--------|-----------|
|                                                      | 2025        | 2024   | 2024      |
|                                                      | RM000       | RM000  | \$RM000   |
| Trade receivables (Note <u>24</u> <del>21</del> )    | 25,672      | 22,290 | 25,537    |
| Contract assets                                      | 4,541       | 5,180  | 3,450     |
| Contract liabilities (Note <u>30</u> <del>29</del> ) | 5,842       | 3,374  | 2,528     |

The acquisition of a subsidiary resulted in an increase in trade receivables of RMX,XXX,XXX in 2025 (2024: RMXXX,XXX) (Note 7~~8~~). In 2025, \$RMXXX,XXX (2024: RMXX,XXX) was recognised as provision for expected credit losses on trade receivables.

Contract assets relate to revenue earned from ongoing installation services. As such, the balances of this account vary and depend on the number of ongoing installation services at the end of the year. In 2025, RMX,XXX (2024: RMX,XXX) was recognised as provision for expected credit losses on contract assets.

Contract liabilities include long-term advances received to deliver <insert product> and short-term advances received to render installation services as well as transaction price allocated to unexpired service warranties, and loyalty points not yet redeemed. The outstanding balances of these accounts increased in 2025 and 2024 due to the continuous increase in the Group's customer base (Note 30~~29~~).

The significant increase in contract liabilities in 2025 was mainly due to the RMX,XXX,XXX long-term advances received from customers during the year. In 2025, RMXXX,XXX (2024: RMXX,XXX) was recognised as interest on long-term advances increasing the contract liabilities' balance (Note 13~~32~~ 42-3) and was included within 'Interest expenses on other liabilities' in the statement of profit or loss. The acquisition of a subsidiary also resulted in an increase in contract liabilities of RMXXX,XXX in 2025 (2024: RMNil) (Note 8~~7~~).

Set out below is the amount of revenue recognised from:

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**4 Revenue from contracts with customers (continued)**

**4.2 Contract balances (continued)**

|                                                                       | <b>2025</b>  | <b>2024</b>  |
|-----------------------------------------------------------------------|--------------|--------------|
|                                                                       | <b>RM000</b> | <b>RM000</b> |
| Amounts included in contract liabilities at the beginning of the year | 2,486        | 1,836        |
| Performance obligations satisfied in previous years                   | 516          | 252          |

**4.3 Right of return assets and refund liabilities**

|                                           | <b>2025</b>  | <b>2024</b>  |
|-------------------------------------------|--------------|--------------|
|                                           | <b>RM000</b> | <b>RM000</b> |
| Right of return assets                    | <b>1,124</b> | <b>929</b>   |
| Refund liabilities                        |              |              |
| Arising from retrospective volume rebates | 4,658        | 4,504        |
| Arising from rights of return             | 1,584        | 1,340        |
|                                           | <b>6,242</b> | <b>5,844</b> |

**4.4 Performance obligations**

Information about the Group's performance obligations is summarised below:

**<insert product>**

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within XX to XX days from delivery.

The performance obligation to deliver <insert product> with a manufacturing lead time of XX years has two alternative payment options. The customer can pay the transaction price equal to the cash selling price upon delivery of the equipment or pay a lower transaction price upon signing the contract. There is a significant financing component for those contracts where the customer elected to pay in advance.

In some contracts, a one-year warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied over the coverage period based on time elapsed.

**<insert product>**

The performance obligation is satisfied upon delivery of the <insert description of products sold> and payment is generally due within XX to XX days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Customers are entitled to loyalty points which results in allocation of a portion of the transaction price to the loyalty points. Revenue is recognised when the points are redeemed.

In addition, the Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

4 Revenue from contracts with customers (continued)

4.4 Performance obligations (continued)

*Installation services*

The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer. In some contracts, short-term advances are required before the installation service is provided.

*Procurement services*

There are contracts with customers to acquire, on their behalf, <insert product> produced by foreign suppliers. The Group is acting as agent in these arrangements. The performance obligation is satisfied and payment is due upon receipt of the equipment by the customer.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are, as follows:

|                    | 2025   | 2024   |
|--------------------|--------|--------|
|                    | RM000  | RM000  |
| Within one year    | 12,915 | 8,793  |
| More than one year | 7,216  | 2,152  |
|                    | 20,131 | 10,945 |

The remaining performance obligations expected to be recognised in more than one year relate to the delivery of <insert product> that is to be satisfied within two years and the customer loyalty programme. The customer loyalty points have no expiration and redemptions can go beyond two years (Note 30298). All the other remaining performance obligations are expected to be recognised within one year. \_

5 Segment information

For management purposes, the Group is organised into business units based on its products and services and has <insert number of segment> reportable segments, as follows:

- The <segment 1>, <insert description of segment>
- The <segment 2>, <insert description of segment>.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured broadly in line with profit or loss in the consolidated financial statements. However, the performance of <insert Company name> the Group's joint venture is evaluated using proportionate consolidation. Also, the Group's financing (for example, other individually immaterial income from investments and interest expenses on loans and borrowings) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

**Notes to consolidated financial statements (continued)**  
**for the year ended 31 December 2025**

**5 Segment information (continued)**

| <u>Year ended</u><br><u>31 December 2025</u>                          | <u>&lt;Segment</u><br><u>1&gt;</u> | <u>&lt;Segment</u><br><u>2&gt;</u> | <u>Total</u><br><u>segments</u> | <u>Adjustments</u><br><u>and</u><br><u>eliminations</u> | <u>Consolidated</u> |
|-----------------------------------------------------------------------|------------------------------------|------------------------------------|---------------------------------|---------------------------------------------------------|---------------------|
|                                                                       | <u>RM€RM00</u><br><u>0</u>         | <u>€RMRM000</u>                    | <u>€RMRM00</u><br><u>0</u>      | <u>€RMRM000</u>                                         | <u>€RMRM000</u>     |
| <b>Revenue</b>                                                        |                                    |                                    |                                 |                                                         |                     |
| External customers                                                    | 141,246                            | 69,263                             | 210,509                         | (31,451)                                                | 179,058             |
| Inter-segment                                                         | -                                  | 7,465                              | 7,465                           | (7,465)                                                 | -                   |
| <b>Total revenue</b>                                                  | <b>141,246</b>                     | <b>76,728</b>                      | <b>217,974</b>                  | <b>(38,916)</b>                                         | <b>179,058</b>      |
| Cost of sales                                                         | (108,278)                          | (61,404)                           | (169,682)                       | 33,316                                                  | (136,366)           |
| Selling expenses                                                      | (6,238)                            | (3,702)                            | (9,940)                         | -                                                       | (9,940)             |
| Distribution expenses                                                 | (3,783)                            | (226)                              | (4,009)                         | -                                                       | (4,009)             |
| Administrative expenses<br>(Note 13.8)                                | (10,739)                           | (5,750)                            | (16,489)                        | 312                                                     | (16,177)            |
| Share of profit of an associate<br>and a joint venture (Notes 10, 11) | 83                                 | -                                  | 83                              | 588                                                     | 671                 |
| <b>Segment profit</b>                                                 | <b>9,988</b>                       | <b>2,884</b>                       | <b>12,872</b>                   | <b>(1,784)</b>                                          | <b>11,088</b>       |
| <b>Total assets</b>                                                   | <b>87,347</b>                      | <b>44,772</b>                      | <b>132,119</b>                  | <b>15,258</b>                                           | <b>147,377</b>      |
| <b>Total liabilities</b>                                              | <b>33,191</b>                      | <b>8,836</b>                       | <b>42,027</b>                   | <b>44,583</b>                                           | <b>86,610</b>       |
| <b>Other disclosures</b>                                              |                                    |                                    |                                 |                                                         |                     |
| Depreciation and amortisation                                         | (3,852)                            | (489)                              | (4,341)                         | -                                                       | (4,341)             |
| Goodwill impairment (Note 21)                                         | -                                  | (200)                              | (200)                           | -                                                       | (200)               |
| Investment in an associate and<br>a joint venture (Notes 10, 11)      | 3,187                              |                                    | 3,187                           | -                                                       | 3,187               |
| Capital expenditure                                                   | 8,541                              |                                    | 11,383                          | -                                                       | 11,383              |

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below:

| <u>Year ended</u><br><u>31 December 2024</u> | <u>&lt;Segment</u><br><u>1&gt;</u> | <u>&lt;Segment</u><br><u>2&gt;</u> | <u>Total</u><br><u>segments</u> | <u>Adjustment</u><br><u>s and</u><br><u>elimination</u><br><u>s</u> | <u>Consolidated</u> |
|----------------------------------------------|------------------------------------|------------------------------------|---------------------------------|---------------------------------------------------------------------|---------------------|
|                                              | <u>RM€RM00</u><br><u>0</u>         | <u>RM€RM000</u>                    | <u>RM€RM00</u><br><u>0</u>      | <u>RM€RM000</u>                                                     | <u>RM€RM000</u>     |
|                                              | <u>Restated</u>                    |                                    | <u>Restated</u>                 |                                                                     | <u>Restated</u>     |
| <b>Revenue</b>                               |                                    |                                    |                                 |                                                                     |                     |
| External customers                           | 123,282                            | 66,621                             | 189,903                         | (30,815)                                                            | 159,088             |
| Inter-segment                                | -                                  | 7,319                              | 7,319                           | (7,319)                                                             | -                   |
| <b>Total revenue</b>                         | <b>123,282</b>                     | <b>73,940</b>                      | <b>197,222</b>                  | <b>(38,134)</b>                                                     | <b>159,088</b>      |

**Notes to consolidated financial statements (continued)**  
**for the year ended 31 December 2025**

| <b>5 Segment information (continued)</b>                          |                                 |                                 |                                                |                                            |                                              |
|-------------------------------------------------------------------|---------------------------------|---------------------------------|------------------------------------------------|--------------------------------------------|----------------------------------------------|
|                                                                   | <b><u>123,282</u></b>           | <b><u>73,940</u></b>            | <b><u>197,222</u></b>                          | <b><u>(38,134)</u></b>                     | <b><u>159,088</u></b>                        |
|                                                                   | <b><u>&lt;Segment 1&gt;</u></b> | <b><u>&lt;Segment 2&gt;</u></b> |                                                | <b><u>Adjustments and eliminations</u></b> |                                              |
| <b><u>Year ended 31 December 2024</u></b>                         | <b><u>RM€RM000 Restated</u></b> | <b><u>RM€RM000</u></b>          | <b><u>Total segments RM€RM000 Restated</u></b> | <b><u>RM€RM000</u></b>                     | <b><u>Consolidated RM€RM000 Restated</u></b> |
| <b><u>Total revenue</u></b>                                       | <b><u>123,282</u></b>           | <b><u>73,940</u></b>            | <b><u>197,222</u></b>                          | <b><u>(38,134)</u></b>                     | <b><u>159,088</u></b>                        |
| Cost of sales                                                     | (100,475)                       | (59,827)                        | (160,302)                                      | 32,356                                     | (127,946)                                    |
| Selling expenses                                                  | (6,104)                         | (2,771)                         | (8,784)                                        | (91)                                       | (8,875)                                      |
| Distribution expenses                                             | (2,752)                         | (1,289)                         | (4,041)                                        | -                                          | (4,041)                                      |
| Administrative expenses (Note 13.8)                               | (7,394)                         | (4,134)                         | (11,528)                                       | 108                                        | (11,420)                                     |
| Share of profit of an associate and a joint venture (Notes 10,11) | 81                              | -                               | 81                                             | 557                                        | 638                                          |
| <b><u>Segment profit</u></b>                                      | <b><u>4,701</u></b>             | <b><u>5,142</u></b>             | <b><u>9,843</u></b>                            | <b><u>(963)</u></b>                        | <b><u>8,880</u></b>                          |
| <b><u>Total assets</u></b>                                        | <b><u>69,730</u></b>            | <b><u>40,409</u></b>            | <b><u>110,139</u></b>                          | <b><u>526</u></b>                          | <b><u>110,665</u></b>                        |
| <b><u>Total liabilities</u></b>                                   | <b><u>31,855</u></b>            | <b><u>5,754</u></b>             | <b><u>35,921</u></b>                           | <b><u>28,902</u></b>                       | <b><u>64,823</u></b>                         |
| <b><u>Other disclosures</u></b>                                   |                                 |                                 |                                                |                                            |                                              |
| Depreciation and amortisation                                     | (2,860)                         | (610)                           | (3,470)                                        | (324)                                      | (3,794)                                      |
| Impairment of property, plant and equipment (Note 18)             | (301)                           | -                               | (301)                                          | -                                          | (301)                                        |
| Investment in an associate and a joint venture (Notes 10, 11)     | 2,516                           | -                               | 2,516                                          | -                                          | 2,516                                        |
| Capital expenditure                                               | 5,260                           | 3,513                           | 8,773                                          | -                                          | 8,773                                        |

**Adjustments and eliminations**

Interest expenses on liabilities, foreign exchange differences on interest-bearing loans and borrowings, foreign exchange differences on cash and short-term deposits, other individually immaterial income from investments and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries. Inter-segment revenues are eliminated on consolidation.

**Notes to consolidated financial statements (continued)**  
**for the year ended 31 December 2025**

**5 Segment information (continued)**

**Reconciliation of profit**

|                                                                                   | <b>2025</b>       | <b>2024</b>       |
|-----------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                   | <b>€RM RM000</b>  | <b>RM €RM000</b>  |
|                                                                                   |                   | <b>Restated</b>   |
| <b>Segment profit</b>                                                             | <b>12,956,872</b> | <b>10,097,843</b> |
| Finance income (Note 13.4)                                                        | 202               | 145               |
| Gain on derivative instruments at fair value through profit or loss (Note 13.1)   | 850               | —                 |
| Loss on derivative instruments at fair value through profit or loss (Note 13.2)   | (1,502)           | —                 |
| Foreign exchange differences on cash and short-term deposits (Note 13.7)          | 270               | 254               |
| Finance costs                                                                     |                   |                   |
| Other individually immaterial income from investments (Note 13.3)                 | (1,366)243        | (1,268)144        |
| Interest expenses on debts and borrowings                                         | (1,036)           | (1,020)           |
| Other income (Note 13.5)                                                          |                   |                   |
| Interest expenses on other liabilities (Note 13.4)                                | 98(431)           | 66(341)           |
| Foreign exchange differences on interest-bearing loans and borrowings (Note 13.7) | 57                | 67                |
| Inter-segment sales (elimination)                                                 | (150)235          | (146)067          |
| <b>Profit before tax and discontinued operations</b>                              | <b>11,088</b>     | <b>8,880</b>      |

**Reconciliation of assets**

|                                     | <b>2024</b>      | <b>2025</b>      |
|-------------------------------------|------------------|------------------|
|                                     | <b>€RM RM000</b> | <b>RM €RM000</b> |
| <b>Segment operating assets</b>     | <b>132,119</b>   | <b>110,139</b>   |
| Deferred tax assets (Note 15)       | 389              | 365              |
| Loan to an associate (Note 24)22.1) | 200              | —                |
| Loan to a director (Note 24)22.1)   | 13               | 8                |
| Derivatives                         | 1,102            | 153              |
| Assets held for sale (Note 14)      | 13,554           | —                |
| <b>Total assets</b>                 | <b>147,377</b>   | <b>110,665</b>   |

**Reconciliation of liabilities**

|                                      | <b>2025</b>      | <b>2024</b>      |
|--------------------------------------|------------------|------------------|
|                                      | <b>€RM RM000</b> | <b>RM €RM000</b> |
|                                      |                  | <b>Restated</b>  |
| <b>Segment operating liabilities</b> | <b>42,027</b>    | <b>35,921</b>    |
| Deferred tax liabilities (Note 15)   | 2,454            | 607              |

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Current tax payable                   | 3,511         | 3,563         |
| Interest-bearing loans and borrowings | 22,806        | 24,478        |
| Derivatives                           | 2,687         | 254           |
| Liabilities held for sale (Note 14)   | 13,125        | —             |
| <b>Total liabilities</b>              | <b>86,610</b> | <b>64,823</b> |

**Notes to consolidated financial statements (continued)**  
**for the year ended 31 December 2025**

**Adjustments and eliminations continued**

**5 Segment information (continued)Geographic information**  
**Geographic information**

|                                        | 2025           | 2024            |
|----------------------------------------|----------------|-----------------|
|                                        | €MRM000        | €MRM000         |
| <b>Revenue from external customers</b> |                | <b>Restated</b> |
| <insert country>                       | 128,238        | 112,584         |
| <insert country>                       | 52,224         | 47,881          |
| <b>Total</b>                           | <b>180,462</b> | <b>160,465</b>  |

The revenue information above is based on the locations of the customers.

Revenue Revenue from one customer amounted to €MRM25,521,000 XX,XXX,XXX (2024: €MRM21,263,000XX, XXX, XXX), arising from sales in the <insert segment> segment.

## 5. Segment information continued

### Adjustments and eliminations continued

|                                            | <u>2025</u>            | <u>2024</u>            |
|--------------------------------------------|------------------------|------------------------|
|                                            | <u><b>RM€RM000</b></u> | <u><b>€RMRM000</b></u> |
| <b><u>Non-current operating assets</u></b> |                        |                        |
| <u>&lt;insert country&gt;</u>              | <u>40,934</u>          | <u>29,684</u>          |
| <u>&lt;insert country&gt;</u>              | <u>9,865</u>           | <u>7,821</u>           |
| <b><u>Total</u></b>                        | <b><u>50,799</u></b>   | <b><u>37,505</u></b>   |

Non-current assets for this purpose consist of 'Property, plant and equipment', 'Right-of-use assets', 'Investment properties', 'Intangible assets' and 'Goodwill'.

## 65 Capital management

For the purpose of the Group's capital management, capital includes issued capital, convertible preference shares, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between XX% and XX%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations. The Group has established a supplier finance arrangement to manage its working capital. See Note 220119.5 and Note 31029 for further details.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

65 Capital management (continued)

|                                                                                                                                                  | 2025          | 2024          |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                                                  | \$RM000       | \$RM000       |
| Interest-bearing loans and borrowings other than convertible preference shares (included in 'Interest-bearing loans and borrowings' Note 2249.2) | 22,201        | 23,811        |
| Trade and other payables (Note 31029)                                                                                                            | 16,969        | 20,023        |
| Less: cash and short-term deposits (Note 2543)                                                                                                   | (17,528)      | (14,916)      |
| <b>Net debt</b>                                                                                                                                  | <b>21,642</b> | <b>28,918</b> |
| Convertible preference shares (included in 'Interest-bearing loans and borrowings' Note 224049.2)                                                | 2,778         | 2,644         |
| Equity                                                                                                                                           | 58,357        | 45,102        |
| <b>Total capital</b>                                                                                                                             | <b>61,135</b> | <b>47,746</b> |
| <b>Capital and net debt</b>                                                                                                                      | <b>82,777</b> | <b>76,664</b> |
| Gearing ratio                                                                                                                                    | 26%           | 38%           |

In order to achieve this overall objective, the Group’s capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

76 Group information

Subsidiaries

The consolidated financial statements of the Group include:

| Name                    | Principal activities          | Country of incorporation | % equity interest |      |
|-------------------------|-------------------------------|--------------------------|-------------------|------|
|                         |                               |                          | 2025              | 2024 |
| <insert Company name>   | <insert principal activities> | <insert country>         | -                 | -    |
| <insert Company name>   | <insert principal activities> | <insert country>         | -                 | -    |
| <insert Company name>*  | <insert principal activities> | <insert country>         | -                 | -    |
| <insert Company name>   | <insert principal activities> | <insert country>         | -                 | -    |
| <insert Company name>   | <insert principal activities> | <insert country>         | -                 | -    |
| <insert Company name>   | <insert principal activities> | <insert country>         | -                 | -    |
| <insert Company name>   | <insert principal activities> | <insert country>         | -                 | -    |
| <insert Company name>** | <insert principal activities> | <insert country>         | -                 | -    |

\* TR Example Limited holds XX% of the equity in <insert Company name>, but consolidates XXX% of this entity.

See Note 3 for details on interest held in <insert Company name>.

\*\* TR Example Limited consolidates this entity based on de facto control. See Note 3 for more details.

The holding company

The immediate and ultimate holding company of the TR Example Group is Parent Limited which owns XX.XX% (2024: XX.XX%) of its ordinary shares is based and listed in <insert country>.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

76 Group information (continued)

Entity with significant influence over the Group

<insert Company name> owns XX.XX% of the ordinary shares in TR Example Group (2024: XX.XX%).

Associate

The Group has a XX% interest in <insert Company name> (2024: XX%). For more details, refer to Note 119.

Joint arrangement in which the Group is a joint venturer

The Group has a XX% interest in <insert Company name> (2024: XX%). For more details, refer to Note 109.

87 Business combinations and acquisition of non-controlling interests

Acquisitions in 2025

Acquisition of <insert name>

On X XXX 2025, the Group acquired XX% of the voting shares of <insert name>, a non-listed company based in <insert country> and specialising in the manufacture of <insert product>, in exchange for the Company's shares. The Group acquired <insert Company name> because it significantly enlarges the range of products in the <insert explanation of type of product> that can be offered to its clients.

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of <insert name> as at the date of acquisition were:

|                                                 | Fair value<br>recognised<br>on<br>acquisition<br>\$RM000 |
|-------------------------------------------------|----------------------------------------------------------|
| <strong>Assets</strong>                         |                                                          |
| Property, plant and equipment (Note 18765)      | 7,042                                                    |
| Right-of-use assets (Note 3210)                 | 248                                                      |
| Cash and cash equivalents                       | 230                                                      |
| Trade receivables (Note 4)                      | 1,716                                                    |
| Inventories                                     | 3,330                                                    |
| Patents and licences (Note 420897)              | 1,200                                                    |
|                                                 | <strong>13,766</strong>                                  |
| <strong>Liabilities</strong>                    |                                                          |
| Trade payables                                  | (1,901)                                                  |
| Lease liabilities (Note 3210)                   | (213)                                                    |
| Contract liabilities (Note 4)                   | (428)                                                    |
| Contingent liability (Note 2867)                | (380)                                                    |
| Provision for restructuring (Note 2876)         | (900)                                                    |
| Provision for decommissioning costs (Note 2876) | (1,200)                                                  |
| Deferred tax liability (Note 145)               | (1,511)                                                  |
|                                                 | <strong>(6,533)</strong>                                 |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**87 Business combinations and acquisition of non-controlling interests (continued)**

**Acquisitions in 2025 (continued)**

**Assets acquired and liabilities assumed (continued)**

|                                                                | Fair value<br>recognised<br>on<br>acquisition |
|----------------------------------------------------------------|-----------------------------------------------|
|                                                                | <b>\$RM000</b>                                |
| <b>Total identifiable net assets at fair value</b>             | <b>7,233</b>                                  |
| Non-controlling interest measured at fair value                | (1,547)                                       |
| Goodwill arising on acquisition (Note <a href="#">201987</a> ) | 2,231                                         |
| <b>Purchase consideration transferred</b>                      | <b><u>7,917</u></b>                           |

The acquisition date fair value of the trade receivables amounts to RMX,XXX,XXX. The gross amount of trade receivables is RMX,XXX,XXX and it is expected that the full contractual amounts can be collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

Prior to the acquisition, <insert name> decided to eliminate certain product lines (further details are given in Note [2876](#)). The restructuring provision recognised was a present obligation of <insert name> immediately prior to the business combination. The execution of the restructuring plan was not conditional upon it being acquired by the Group.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The goodwill of RMX,XXX,XXX comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. Goodwill is allocated entirely to the <insert the CGU>. Due to the contractual terms imposed on acquisition, the customer list is not separable. Therefore, it does not meet the criteria for recognition as an intangible asset under ~~IAS 38~~[MFRS 138](#). None of the goodwill recognised is expected to be deductible for income tax purposes.

A contingent liability at fair value of RMXXX,XXX was recognised at the acquisition date resulting from a claim of a supplier whose shipment was rejected and payment was refused by the Group due to deviations from the defined technical specifications of the goods. The claim is subject to legal arbitration and is only expected to be finalised in late 20XX. As at the reporting date, the contingent liability was re-assessed and is determined to be RMXXX,XXX, based on the expected probable outcome (see Note [2876](#)). The charge to profit or loss has been recognised.

The fair value of the non-controlling interest in <insert name>, a non-listed company, has been estimated by applying a discounted earnings technique. The fair value measurements are based on significant inputs that are not observable in the market. The fair value estimate is based on:

- An assumed discount rate of XX%
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from X% to X%, which has been used to determine income for the future years

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

87 Business combinations and acquisition of non-controlling interests (continued)

Acquisitions in 2025 (continued)

Assets acquired and liabilities assumed (continued)

- A reinvestment ratio of XX% of earnings

From the date of acquisition, <insert name> contributed RMXX,XXX,XXX of revenue and RMXXX,XXX to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been RMXX,XXX,XXX and profit before tax from continuing operations for the Group would have been RMX,XXX,XXX.

|                                                                                                                                                                                                  | \$RM000      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>Purchase consideration</b>                                                                                                                                                                    |              |
| Shares issued, at fair value                                                                                                                                                                     | 7,203        |
| Contingent consideration liability                                                                                                                                                               | 714          |
| <b>Total consideration</b>                                                                                                                                                                       | <b>7,917</b> |
| <b>Analysis of cash flows on acquisition:</b>                                                                                                                                                    |              |
| Transaction costs of the acquisition (included under 'Administrative expenses' in the statement of profit or loss in cash flows from operating activities)                                       | (600)        |
| Net cash acquired with the subsidiary (presented under 'Acquisition of a subsidiary, net of cash acquired' in the statement cash flows included in cash flows from investing activities)         | 230          |
| Transaction costs attributable to issuance of shares (presented under 'Transaction costs on issue of shares' in the statement cash included in cash flows from financing activities, net of tax) | (32)         |
| <b>Net cash flow on acquisition</b>                                                                                                                                                              | <b>(402)</b> |

The Company issued RMX,XXX,XXX ordinary shares as consideration for the XX% interest in <insert name>. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was RMX.XX per share. The fair value of the consideration given was therefore RMX,XXX,XXX.

Transaction costs of RMXXX,XXX were expensed and are included in administrative expenses. The attributable costs of the issuance of the shares of RMXX,XXX have been charged directly to equity as a reduction in share premium.

Contingent consideration

As part of the purchase agreement with the previous owner of <insert name>, a contingent consideration has been agreed. There will be additional cash payments to the previous owners of <insert name> of:

- (a) RMXXX,XXX, if the entity generates up to RMX,XXX,XXX of profit before tax in a XX-month period after the acquisition date
- Or
- (b) RMX,XXX,XXX, if the entity generates RMX,XXX,XXX or more of profit before tax in a XX-month period after the acquisition date

As at the acquisition date, the fair value of the contingent consideration was estimated to be RMXXX,XXX. The contingent consideration is classified as other financial liability (see Note 224019.2).

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

87 Business combinations and acquisition of non-controlling interests (continued)

Acquisitions in 2025 (continued)

Assets acquired and liabilities assumed (continued)

As at 31 December 2025, the key performance indicators of <insert name> show that it is highly probable that the target will be achieved due to a significant expansion of the business and the synergies realised. The fair value of the contingent consideration determined at 31 December 2025 reflects this development, among other factors and a remeasurement charge has been recognised through profit or loss. The fair value is determined using a DCF method. The significant unobservable inputs used in the fair value measurements, together with a quantitative sensitivity analysis as at 31 December 2025 are provided in Note 220149.4. A reconciliation of fair value measurement of the contingent consideration liability (Level 3) is provided below:

|                                                                                                                                       |         |
|---------------------------------------------------------------------------------------------------------------------------------------|---------|
|                                                                                                                                       | \$RM000 |
| As at 1 January 2025                                                                                                                  | -       |
| Liability arising on business combination                                                                                             | 714     |
| Unrealised fair value changes (included in 'Administrative expenses' in the statement of profit or loss) recognised in profit or loss | 358     |
| As at 31 December 2025                                                                                                                | 1,072   |

The fair value of the contingent consideration liability increased due to a significantly improved performance of <insert name> compared with the budget. The contingent consideration liability is due for final measurement and payment to the former shareholders on XX XXXX 20XX.

Acquisition of additional interest in <insert name>

On X XXXX 2025, the Group acquired an additional X.X% interest in the voting shares of <insert name>, increasing its ownership interest to XX.X%. Cash consideration of RMXXX,XXX was paid to the non-controlling shareholders. The carrying value of the net assets of <insert name> (excluding goodwill on the original acquisition) was RMX,XXX,XXX. Following is a schedule of additional interest acquired in <insert name>:

|                                                                                                                                                    |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------|
|                                                                                                                                                    | \$RM000 |
| Cash consideration paid to non-controlling shareholders (presented under 'Acquisition of non-controlling interests' in the statement of cash flows | 325     |
| Carrying value of the additional interest in <Company name>                                                                                        | (135)   |
| Difference recognised in retained earnings                                                                                                         | 190     |
| Acquisitions in 2024                                                                                                                               |         |

On X XXXX 2024, the Group acquired XX% of the voting shares of <insert name>, a company based in <insert country>, specialising in the production and distribution of <insert product>. The Group acquired this business to <insert reason for the purchase>.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The fair value of the identifiable assets and liabilities of <insert name> as at the date of acquisition were:

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

87 Business combinations and acquisition of non-controlling interests (continued)

Acquisitions in 2024 (continued)

|                                                    | Fair value<br>recognised<br>on<br>acquisition |
|----------------------------------------------------|-----------------------------------------------|
|                                                    | <b>\$RM000</b>                                |
| Land and buildings (Note 18765)                    | 1,280                                         |
| Cash and cash equivalents                          | 50                                            |
| Trade receivables (Note 4)                         | 853                                           |
| Inventories                                        | 765                                           |
| <b>Total assets</b>                                | <b>2,948</b>                                  |
| Trade payables                                     | (807)                                         |
| Deferred tax liability (Note 145)                  | (380)                                         |
| Provision for maintenance warranties               | (50)                                          |
| <b>Total liabilities</b>                           | <b>(1,237)</b>                                |
| <b>Total identifiable net assets at fair value</b> | <b>1,711</b>                                  |
| Non-controlling interest (XX% of net assets)       | (342)                                         |
| Goodwill arising on acquisition (Note 204987)      | 131                                           |
| <b>Purchase consideration transferred</b>          | <b>1,500</b>                                  |
|                                                    | <b>Cash flow<br/>on<br/>acquisition</b>       |
|                                                    | <b>\$RM000</b>                                |
| Net cash acquired with the subsidiary              | 50                                            |
| Cash paid                                          | (1,500)                                       |
| <b>Net cash flow on acquisition</b>                | <b>(1,450)</b>                                |

The net assets recognised in the 31 December 2024 financial statements were based on a provisional assessment of their fair value while the Group sought an independent valuation for the land and buildings owned by <insert name>. The valuation had not been completed by the date the 2024 financial statements were approved for issue by the Board of Directors.

In XXXX 2025, the valuation was completed and the acquisition date fair value of the land and buildings was RMX,XXX,XXX, an increase of RMXXX,XXX over the provisional value. The 2024 comparative information was restated to reflect the adjustment to the provisional amounts. As a result, there was an increase in the deferred tax liability of RMXX,XXX and an increase in the non-controlling interest of RMXX,XXX. There was also a corresponding reduction in goodwill of RMXXX,XXX, resulting in RMXXX,XXX of total goodwill arising on the acquisition. The increased depreciation charge on the buildings from the acquisition date to 31 December 2024 was not material.

From the date of acquisition, <insert name> contributed RMXXX,XXX of revenue and RMXX,XXX to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of 2024, the Group’s revenue from continuing operations would have been RMXX,XXX,XXX and the profit before tax from continuing operations would have been RMXXX,XXX.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

87 Business combinations and acquisition of non-controlling interests (continued)

Acquisitions in 2024 (continued)

The goodwill of RMXXX,XXX comprises the fair value of expected synergies arising from acquisition.

98 Partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

| Name                  | Country of incorporation and operation | 2025  | 2024  |
|-----------------------|----------------------------------------|-------|-------|
| <insert Company name> | <insert country>                       | 52.0% | 52.0% |
| <insert Company name> | <insert country>                       | 20.0% | -%    |
| <insert Company name> | <insert country>                       | 12.6% | 20.0% |

|                                                            | 2025    | 2024    |
|------------------------------------------------------------|---------|---------|
|                                                            | \$RM000 | \$RM000 |
| Accumulated balances of material non-controlling interest: |         |         |
| <insert Company name>                                      | 490     | 277     |
| <insert Company name>                                      | 1,696   | -       |
| <insert Company name>                                      | 263     | 344     |

|                                                        |     |     |
|--------------------------------------------------------|-----|-----|
| Profit allocated to material non-controlling interest: |     |     |
| <insert Company name>                                  | 243 | 192 |
| <insert Company name>                                  | 149 | -   |
| <insert Company name>                                  | 54  | 2   |

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss for 2025:

|                                                        | <insert Company name 1> | <insert Company name 2> | <insert Company name 3> |
|--------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                        | \$RM000                 | \$RM000                 | \$RM000                 |
| Revenue from contracts with customers                  | 2,546                   | 17,857                  | 5,748                   |
| Cost of sales                                          | (1,450)                 | (15,678)                | (4,090)                 |
| Administrative expenses                                | (354)                   | (1,364)                 | (1,020)                 |
| Interest expenses on loans and borrowingsFinance costs | (250)                   | (65)                    | (132)                   |
| Profit before income tax                               | 492                     | 750                     | 506                     |
| Income tax                                             | (25)                    | (6)                     | (80)                    |
| Profit for the year from continuing operations         | 467                     | 744                     | 426                     |
| Total comprehensive income                             | 467                     | 744                     | 426                     |
| Attributable to non-controlling interests              | 243                     | 149                     | 54                      |
| Dividends paid to non-controlling interests            | 30                      | -                       | -                       |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**98** Partly-owned subsidiaries (continued)

**Summarised statement of profit or loss for 2024:**

|                                                       | <insert<br>Company<br>name 1> | <insert<br>Company<br>name 2> | <insert<br>Company<br>name 3> |
|-------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                                       | <b>\$RM000</b>                | <b>\$RM000</b>                | <b>\$RM000</b>                |
| Revenue from contracts with customers                 | 2,100                         | -                             | 476                           |
| Cost of sales                                         | (1,250)                       | -                             | (360)                         |
| Administrative expenses                               | (150)                         | -                             | (85)                          |
| Interest expenses on loans and borrowings             | (350)                         | -                             | (11)                          |
| <b>Profit before tax</b>                              | <b>350</b>                    | <b>-</b>                      | <b>20</b>                     |
| Income tax                                            | 20                            | -                             | (8)                           |
| <b>Profit for the year from continuing operations</b> | <b>370</b>                    | <b>-</b>                      | <b>12</b>                     |
| <b>Total comprehensive income</b>                     | <b>370</b>                    | <b>-</b>                      | <b>12</b>                     |
| Attributable to non-controlling interests             | 192                           | -                             | 2                             |
| Dividends paid to non-controlling interests           | 49                            | -                             | -                             |

**Summarised statement of financial position as at 31 December 2025:**

|                                                                                 | <insert<br>Company<br>name 1> | <insert<br>Company<br>name 2> | <insert<br>Company<br>name 3> |
|---------------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                                                                 | <b>\$RM000</b>                | <b>\$RM000</b>                | <b>\$RM000</b>                |
| Inventories and cash and bank balances (current)                                | 971                           | 7,043                         | 2,348                         |
| Property, plant and equipment and other non-current assets (non-current)        | 1,408                         | 10,273                        | 1,409                         |
| Trade and other payables (current)                                              | (417)                         | (5,822)                       | (1,182)                       |
| Interest-bearing loans and borrowing and deferred tax liabilities (non-current) | (1,019)                       | (3,016)                       | (485)                         |
| <b>Total equity</b>                                                             | <b>943</b>                    | <b>8,478</b>                  | <b>2,090</b>                  |
| Attributable to:                                                                |                               |                               |                               |
| Equity holders of parent                                                        | 453                           | 6,782                         | 1,827                         |
| Non-controlling interest                                                        | 490                           | 1,696                         | 263                           |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**98** Partly-owned subsidiaries (continued)

**Summarised statement of financial position as at 31 December 2024:**

|                                                                                 | <insert<br>Company<br>name 1> | <insert<br>Company<br>name 2> | <insert<br>Company<br>name 3> |
|---------------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                                                                 | <b>\$RM000</b>                | <b>\$RM000</b>                | <b>\$RM000</b>                |
| Inventories and cash and bank balances (current)                                | 698                           | -                             | 1,668                         |
| Property, plant and equipment and other non-current assets (non-current)        | 1,280                         | -                             | 1,359                         |
| Trade and other payables (current)                                              | (350)                         | -                             | (822)                         |
| Interest-bearing loans and borrowing and deferred tax liabilities (non-current) | (1,095)                       | -                             | (485)                         |
| <b>Total equity</b>                                                             | <b>533</b>                    | <b>-</b>                      | <b>1,720</b>                  |
| Attributable to:                                                                |                               |                               |                               |
| Equity holders of parent                                                        | 256                           | -                             | 1,376                         |
| Non-controlling interest                                                        | 277                           | -                             | 344                           |

**Summarised cash flow information for year ended 31 December 2025:**

|                                                  | <insert<br>Company<br>name 1> | <insert<br>Company<br>name 2> | <insert<br>Company<br>name 3> |
|--------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                                  | <b>\$RM000</b>                | <b>\$RM000</b>                | <b>\$RM000</b>                |
| Operating                                        | 507                           | 809                           | 558                           |
| Investing                                        | (15)                          | (280)                         | 6                             |
| Financing                                        | (250)                         | (65)                          | (132)                         |
| <b>Net increase in cash and cash equivalents</b> | <b>242</b>                    | <b>464</b>                    | <b>432</b>                    |

**Summarised cash flow information for year ended 31 December 2024:**

|                                                             | <insert<br>Company<br>name 1> | <insert<br>Company<br>name 2> | <insert<br>Company<br>name 3> |
|-------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                                             | <b>\$RM000</b>                | <b>\$RM000</b>                | <b>\$RM000</b>                |
| Operating                                                   | 460                           | -                             | 23                            |
| Investing                                                   | (10)                          | -                             | (20)                          |
| Financing                                                   | (350)                         | -                             | (11)                          |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>100</b>                    | <b>-</b>                      | <b>(8)</b>                    |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**109 Interest in a joint venture**

The Group has a XX% interest in <insert Company name>, a joint venture involved in the manufacture of some of the Group's main product lines in <insert product lines> in <insert country>. The Group's interest in <insert Company name> is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements prepared in accordance with MFRS accounting standards, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

**Summarised statement of financial position of <insert Company name>:**

|                                                                                                                                                     | 2025         | 2024         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                                     | \$RM000      | \$RM000      |
| Current assets, including cash and cash equivalents \$RMXXX,XXX (2024: \$RMXXX,XXX) and prepayments \$RMX,XXX,XXX (2024: Nil)                       | 3,226        | 2,808        |
| Non-current assets                                                                                                                                  | 2,864        | 2,964        |
| Current liabilities, including tax payable \$RMXX,XXX (2024: \$RMXXX,XXX)                                                                           | (224)        | (1,102)      |
| Non-current liabilities, including deferred tax liabilities \$RMXXX,XXX (2024: \$RMXXX,XXX) and long-term borrowing \$RMXXX,XXX (2024: \$RMXXX,XXX) | (1,020)      | (1,000)      |
| <b>Equity</b>                                                                                                                                       | <b>4,846</b> | <b>3,670</b> |
| Group's share in equity - XX% (2024: XX%)                                                                                                           | 2,423        | 1,835        |
| Goodwill                                                                                                                                            | -            | -            |
| <b>Group's carrying amount of the investment</b>                                                                                                    | <b>2,423</b> | <b>1,835</b> |

**Summarised statement of profit or loss of <insert Company name>:**

|                                                                                        | 2025         | 2024         |
|----------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                        | \$RM000      | \$RM000      |
| Revenue from contracts with customers                                                  | 60,094       | 58,876       |
| Cost of sales                                                                          | (54,488)     | (53,420)     |
| Administrative expenses, including depreciation of \$RMX,XXX,XXX (2024: \$RMX,XXX,XXX) | (2,638)      | (2,586)      |
| Finance costs, including interest expense \$RMXXX,XXX (2024: \$RMXXX,XXX)              | (204)        | (200)        |
| <b>Operating profit</b>                                                                | <b>2,764</b> | <b>2,670</b> |
| <b>Profit before tax</b>                                                               | <b>2,764</b> | <b>2,670</b> |
| <b>Profit before financing and income taxes</b>                                        | <b>2,968</b> | <b>2,870</b> |
| Interest expenses on other liabilities                                                 | -            | (50)         |
| Interest expenses on loans and borrowings                                              | (204)        | (150)        |
| <b>Profit before income taxes</b>                                                      | <b>2,764</b> | <b>2,670</b> |
| Income tax expense                                                                     | (1,588)      | (1,556)      |
| <b>Profit for the year (continuing operations)</b>                                     | <b>1,176</b> | <b>1,114</b> |
| <b>Total comprehensive income for the year (continuing operations)</b>                 | <b>1,176</b> | <b>1,114</b> |
| <b>Group's share of profit</b>                                                         | <b>588</b>   | <b>557</b>   |

The joint venture had no other contingent liabilities or commitments as at 31 December 2025 and 2024, except trade purchase commitments of RMXXX,XXX (2024: RMX,XXX,XXX), for which the Group has a corresponding commitment, as disclosed in Note 3543. <insert Company name> cannot distribute its profits without the consent from the two venture partners.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**11 Investment in an associate**

The Group has a XX% interest in <insert Company name>, which is involved in the manufacture of <insert product> in <insert country>. <insert Company name> is a private entity that is not listed on any public exchange. The Group's interest in <insert Company name> is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in <insert Company name>:

|                                                  | 2025           | 2024           |
|--------------------------------------------------|----------------|----------------|
|                                                  | <u>\$RM000</u> | <u>\$RM000</u> |
| Current assets                                   | 6,524          | 6,324          |
| Non-current assets                               | 13,664         | 12,828         |
| Current liabilities                              | (4,488)        | (3,904)        |
| Non-current liabilities                          | (12,644)       | (12,524)       |
| <b>Equity</b>                                    | <b>3,056</b>   | <b>2,724</b>   |
| Group's share in equity - XX% (2024: XX%)        | 764            | 681            |
| Goodwill                                         | -              | -              |
| <b>Group's carrying amount of the investment</b> | <b>764</b>     | <b>681</b>     |

|                                                                                                                  | 2025               | 2024               |
|------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                                  | <u>\$RM000</u>     | <u>\$RM000</u>     |
| Revenue from contracts with customers                                                                            | 33,292             | 32,640             |
| Cost of sales                                                                                                    | (27,299)           | (26,765)           |
| Administrative expenses                                                                                          | (1,665)            | (1,632)            |
| <b>Operating profit</b>                                                                                          | <b>4,328</b>       | <b>4,243</b>       |
| <b>Profit before financing and income taxes</b>                                                                  | <b>4,328</b>       | <b>4,243</b>       |
| <del>Interest expenses on loans and borrowings</del> <del>Finance costs</del>                                    | <del>(2,996)</del> | <del>(2,938)</del> |
| <b>Profit before income taxes</b>                                                                                | <b>1,332</b>       | <b>1,305</b>       |
| Income tax expense                                                                                               | (1,000)            | (981)              |
| <b>Profit for the year (continuing operations)</b>                                                               | <b>332</b>         | <b>324</b>         |
| Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax            | (120)              | -                  |
| Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax | 120                | -                  |
| <b>Total comprehensive income for the year (continuing operations)</b>                                           | <b>332</b>         | <b>324</b>         |
| <b>Group's share of profit for the year</b>                                                                      | <b>83</b>          | <b>81</b>          |

The associate requires the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 31 December 2025 and 2024.

**11 Fair value measurement**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**124 Fair value measurement (continued)**

Fair value measurement hierarchy for assets as at 31 December 2025:

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

|                                                             |                   | Fair value measurement using |           |             |              |
|-------------------------------------------------------------|-------------------|------------------------------|-----------|-------------|--------------|
|                                                             |                   |                              | Quoted    | Significant | Significant  |
|                                                             | Date of valuation | Total                        | prices in | observable  | unobservable |
|                                                             |                   |                              | active    | inputs      | le inputs    |
|                                                             |                   |                              | markets   | (Level 2)   | (Level 3)    |
|                                                             |                   |                              | (Level 1) |             |              |
|                                                             |                   | \$RM000                      | \$RM000   | \$RM000     | \$RM000      |
| Assets measured at fair value:                              |                   |                              |           |             |              |
| Investment properties (Note 198):                           |                   |                              |           |             |              |
| Office properties                                           | 31 December 2025  | 4,260                        | -         | -           | 4,260        |
| Retail properties                                           | 31 December 2025  | 4,633                        | -         | -           | 4,633        |
| Derivative financial assets (Note 2242019.4):               |                   |                              |           |             |              |
| Foreign exchange forward contracts <insert currency>        | 31 December 2025  | 492                          | -         | 492         | -            |
| Foreign exchange forward contracts <insert currency>        | 31 December 2025  | 400                          | -         | 400         | -            |
| Embedded foreign exchange derivatives <insert currency>     | 31 December 2025  | 210                          | -         | -           | 210          |
| Listed equity investments (Note 192024.4):                  |                   |                              |           |             |              |
| <insert sector>                                             | 31 December 2025  | 219                          | 219       | -           | -            |
| <insert sector>                                             | 31 December 2025  | 118                          | 118       | -           | -            |
| Non-listed equity investments (Note 224019.4):              |                   |                              |           |             |              |
| <insert sector>                                             | 31 December 2025  | 675                          | -         | -           | 675          |
| <insert sector>                                             | 31 December 2025  | 363                          | -         | -           | 363          |
| Quoted debt instruments (Note 224019.4):                    |                   |                              |           |             |              |
| <insert country> government bonds                           | 31 December 2025  | 1,378                        | 1,378     | -           | -            |
| Corporate bonds <insert sector>                             | 31 December 2025  | 92                           | 92        | -           | -            |
| Corporate bonds <insert sector>                             | 31 December 2025  | 152                          | 152       | -           | -            |
| Revalued property, plant and equipment (Note 158786)*:      |                   |                              |           |             |              |
| Office properties in <insert country>                       | 31 December 2025  | 1,749                        | -         | -           | 1,749        |
| Discontinued operations (Note 14343)                        |                   |                              |           |             |              |
|                                                             | 1 October 2025    | 2,751                        | -         | -           | 2,751        |
| Assets for which fair values are disclosed (Note 422409.4): |                   |                              |           |             |              |
| Loan at amortised cost                                      |                   |                              |           |             |              |
| Loan to an associate                                        | 31 December 2025  | 197                          | -         | -           | 197          |
| Loan to a director                                          | 31 December 2025  | 11                           | -         | -           | 11           |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**124 Fair value measurement (continued)**

**Fair value measurement hierarchy for assets as at 31 December 2025: (continued)**

There were no transfers between Level 1 and Level 2 during 2025.

\*Due to a change in accounting policy, revaluations of property, plant and equipment were recognised in Level 3 for the first time. Refer to Note 1875 for more information.

**Fair value measurement hierarchy for liabilities as at 31 December 2025:**

|                                                                         |                  | Fair value measurement using      |         |         |         |
|-------------------------------------------------------------------------|------------------|-----------------------------------|---------|---------|---------|
|                                                                         |                  | Quoted                            |         |         |         |
|                                                                         |                  | prices in Significant Significant |         |         |         |
|                                                                         |                  | active observableunobservab       |         |         |         |
|                                                                         |                  | markets inputs le inputs          |         |         |         |
|                                                                         |                  | (Level 1) (Level 2) (Level 3)     |         |         |         |
| Date of valuation                                                       |                  | Total                             |         |         |         |
|                                                                         |                  | \$RM000                           | \$RM000 | \$RM000 | \$RM000 |
| <b>Liabilities measured at fair value:</b>                              |                  |                                   |         |         |         |
| <b>Derivative financial liabilities</b>                                 |                  |                                   |         |         |         |
| <b>(Note 224019.4):</b>                                                 |                  |                                   |         |         |         |
| Interest rate swaps                                                     | 31 December 2025 | 35                                | -       | 35      | -       |
| Foreign exchange forward contracts (<insert currency>)                  | 31 December 2025 | 800                               | -       | 800     | -       |
| Embedded commodity derivatives (<insert commodity>)                     | 31 December 2025 | 600                               | -       | -       | 600     |
| Embedded commodity derivatives (<insert commodity>)                     | 31 December 2025 | 182                               | -       | -       | 182     |
| Foreign exchange forward contracts (<insert currency>)                  | 31 December 2025 | 90                                | -       | 90      | -       |
| Commodity derivative (<insert commodity>)                               | 31 December 2025 | 980                               | -       | 980     | -       |
| <b>Contingent consideration liability (Note 87)</b>                     | 31 December 2025 | 1,072                             | -       | -       | 1,072   |
| <b>Liabilities for which fair values are disclosed (Note 122409.4):</b> |                  |                                   |         |         |         |
| <b>Interest-bearing loans and borrowings:</b>                           |                  |                                   |         |         |         |
| Floating rate borrowings (<insert country>)                             | 31 December 2025 | 10,420                            | -       | 10,420  | -       |
| Floating rate borrowings (<insert country>)                             | 31 December 2025 | 2,246                             | -       | 2,246   | -       |
| Convertible preference shares                                           | 31 December 2025 | 2,766                             | -       | 2,766   | -       |
| Fixed rate borrowing                                                    | 31 December 2025 | 6,321                             | -       | 6,321   | -       |

There were no transfers between Level 1 and Level 2 during 2025.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**124 Fair value measurement (continued)**

Fair value measurement hierarchy for assets as at 31 December 2024:

|                                                              | Date of valuation | Fair value measurement using |                                           |                                         |                                           |
|--------------------------------------------------------------|-------------------|------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                                              |                   | Total                        | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|                                                              |                   | <u>\$RM000</u>               | <u>\$RM000</u>                            | <u>\$RM000</u>                          | <u>\$RM000</u>                            |
| <b>Assets measured at fair value:</b>                        |                   |                              |                                           |                                         |                                           |
| <b>Investment properties (Note 19876):</b>                   |                   |                              |                                           |                                         |                                           |
| Office properties                                            | 31 December 2024  | 3,824                        | -                                         | -                                       | 3,824                                     |
| Retail properties                                            | 31 December 2024  | 4,159                        | -                                         | -                                       | 4,159                                     |
| <b>Derivative financial assets (Note 224049.4):</b>          |                   |                              |                                           |                                         |                                           |
| Foreign exchange forward contracts <insert currency>         | 31 December 2024  | 100                          | -                                         | 100                                     | -                                         |
| Foreign exchange forward contracts <insert currency>         | 31 December 2024  | 53                           | -                                         | 53                                      | -                                         |
| Embedded foreign exchange derivatives <insert currency>      | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| <b>Listed equity investments (Note 422409.4):</b>            |                   |                              |                                           |                                         |                                           |
| <insert sector>                                              | 31 December 2024  | 200                          | 200                                       | -                                       | -                                         |
| <insert sector>                                              | 31 December 2024  | 100                          | 100                                       | -                                       | -                                         |
| <b>Non-listed equity investments (Note 202449.4):</b>        |                   |                              |                                           |                                         |                                           |
| <insert sector>                                              | 31 December 2024  | 390                          | -                                         | -                                       | 390                                       |
| <insert sector>                                              | 31 December 2024  | 508                          | -                                         | -                                       | 508                                       |
| <b>Quoted debt instruments (Note 224049.4):</b>              |                   |                              |                                           |                                         |                                           |
| <insert country> government bonds                            | 31 December 2024  | 1,210                        | 1,210                                     | -                                       | -                                         |
| Corporate bonds <insert sector>                              | 31 December 2024  | 400                          | 400                                       | -                                       | -                                         |
| Corporate bonds <insert sector>                              | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| <b>Revalued property, plant and equipment (Note 18765)*:</b> |                   |                              |                                           |                                         |                                           |
| Office properties in <insert country>                        | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| <b>Discontinued operations (Note 134)</b>                    |                   |                              |                                           |                                         |                                           |
|                                                              | 1 October 2024    | -                            | -                                         | -                                       | -                                         |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**124 Fair value measurement (continued)**

**Fair value measurement hierarchy for assets as at 31 December 2024: (continued)**

|                                                                     | Date of valuation | Fair value measurement using |                                           |                                         |                                           |
|---------------------------------------------------------------------|-------------------|------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                                                     |                   | Total                        | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|                                                                     |                   | <u>\$RM000</u>               | <u>\$RM000</u>                            | <u>\$RM000</u>                          | <u>\$RM000</u>                            |
| <b>Assets for which fair values are disclosed (Note 2242109.4):</b> |                   |                              |                                           |                                         |                                           |
| Loan at amortised cost                                              |                   |                              |                                           |                                         |                                           |
| Loan to an associate                                                | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| Loan to a director                                                  | 31 December 2024  | 9                            | -                                         | -                                       | 9                                         |

There were no transfers between Level 1 and Level 2 during 2024.

**Fair value measurement hierarchy for liabilities as at 31 December 2024:**

|                                                           | Date of valuation | Fair value measurement using |                                           |                                         |                                           |
|-----------------------------------------------------------|-------------------|------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                                           |                   | Total                        | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|                                                           |                   | <u>\$RM000</u>               | <u>\$RM000</u>                            | <u>\$RM000</u>                          | <u>\$RM000</u>                            |
| <b>Liabilities measured at fair value:</b>                |                   |                              |                                           |                                         |                                           |
| <b>Derivative financial liabilities (Note 2242109.4):</b> |                   |                              |                                           |                                         |                                           |
| Interest rate swaps                                       | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| Foreign exchange forward contracts (<insert currency>)    | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| Embedded commodity derivatives (<insert commodity>)       | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| Embedded commodity derivatives (<insert commodity>)       | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| Foreign exchange forward contracts (<insert currency>)    | 31 December 2024  | 254                          | -                                         | 254                                     | -                                         |
| Commodity derivative (<insert commodity>)                 | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| <b>Contingent consideration liability (Note 87)</b>       | 31 December 2024  | -                            | -                                         | -                                       | -                                         |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**124 Fair value measurement (continued)**

**Fair value measurement hierarchy for liabilities as at 31 December 2024: (continued)**

|                                                                         | Date of valuation | Fair value measurement using |                                           |                                         |                                           |
|-------------------------------------------------------------------------|-------------------|------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                                                         |                   | Total                        | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|                                                                         |                   | <u>\$RM000</u>               | <u>\$RM000</u>                            | <u>\$RM000</u>                          | <u>\$RM000</u>                            |
| <b>Liabilities for which fair values are disclosed (Note 221019.4):</b> |                   |                              |                                           |                                         |                                           |
| Interest-bearing loans and borrowings:                                  |                   |                              |                                           |                                         |                                           |
| Floating rate borrowings (<insert country>)                             | 31 December 2024  | 11,877                       | -                                         | 11,877                                  | -                                         |
| Floating rate borrowings (<insert country>)                             | 31 December 2024  | -                            | -                                         | -                                       | -                                         |
| Convertible preference shares                                           | 31 December 2024  | 2,621                        | -                                         | 2,621                                   | -                                         |
| Fixed rate borrowing                                                    | 31 December 2024  | 8,944                        | -                                         | 8,944                                   | -                                         |

There were no transfers between Level 1 and Level 2 during 2024.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. For investment properties and revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The group has assessed whether its properties are exposed to physical risks, such as flooding and increasing wildfires, but believes that this is currently not the case. However, the Group believes it is, to some extent, impacted by transition risks, and, more specifically, increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings. The Group, therefore, takes into account necessary upgrades required to ensure future compliance with those requirements when measuring the fair value of investment properties and revalued office properties.

**123 Other income/expenses**

**132.1 Other individual immaterial operating income**

|                                                                     | 2025           | 2024           |
|---------------------------------------------------------------------|----------------|----------------|
|                                                                     | <u>\$RM000</u> | <u>\$RM000</u> |
| Government grants (Note 2987)                                       | 1,053          | 541            |
| Gain on derivative instruments at fair value through profit or loss | 850            | -              |
| Net gain on disposal of property, plant and equipment               | 532            | 2,007          |
| <b>Total other operating income</b>                                 | <b>2,435</b>   | <b>2,548</b>   |

The net gain on derivative instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives which have been separated.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**132 Other income/expenses (continued)**

**12.1 Other operating income (continued)**

**132.2 Other individual immaterial operating expenses**

|                                                                                               | 2025             | 2024       |
|-----------------------------------------------------------------------------------------------|------------------|------------|
|                                                                                               | \$RM'000         | \$RM'000   |
| Bid defence costs                                                                             | 579              | 31         |
| Cost of <u>waste &lt;insert description&gt;</u> (Note 2876)                                   | 102              | 22         |
|                                                                                               | 306              | 300        |
| Loss on derivative instruments at fair value through profit or loss                           | 1,502            | -          |
| Ineffectiveness on forward commodity contracts designated as cash flow hedges (Note 224019.3) | 65               | -          |
| <b>Total other operating expenses</b>                                                         | <b>2,554,248</b> | <b>353</b> |

Bid defence costs were incurred in respect of obtaining advice in defending a hostile takeover bid by a competitor. The competitor did not proceed with the bid.

Net loss on derivative instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives which have been separated.

**132.3 Other individually immaterial income from investments Finance costs**

|                                                                                                                         | 2025                             | 2024                             |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
|                                                                                                                         | \$RM'000                         | \$RM'000                         |
| <u>Interest income on a loan to an associate</u> <del>Interest on debt and borrowings</del>                             | <u>171,036</u> <del>-1,020</del> | <u>171,036</u> <del>-1,020</del> |
| <u>Interest income on cash and short-term deposits (Note 25)</u>                                                        | <u>83</u>                        | <u>76</u>                        |
| <u>Interest income from debt instruments at fair value through OCI</u>                                                  | <u>102</u>                       | <u>69</u>                        |
| <u>Fair value gain on equity instruments at fair value through profit or loss</u>                                       | <u>37</u>                        | <u>9</u>                         |
| <u>Gain (loss) on sale of debt instruments at fair value through OCI</u>                                                | <u>8</u>                         | <u>(4)</u>                       |
| <u>Dividend income from equity instruments at fair value through OCI</u>                                                | <u>3</u>                         | <u>-</u>                         |
| <u>Impairment loss on debt instruments at fair value through OCI</u> <del>Interest arising from revenue contracts</del> | <u>(7)109</u> <del>(6)62</del>   | <u>(7)109</u> <del>(6)62</del>   |
| <u>Interest on lease liabilities (Note 30)</u>                                                                          | <u>178</u>                       | <u>185</u>                       |
| <u>Total interest expense</u>                                                                                           | <u>1,323</u>                     | <u>1,267</u>                     |
| <u>Unwinding of discount and effect of changes in discount rate on provisions (Note 26)</u>                             | <u>43</u>                        | <u>4</u>                         |
| <b>Total other individually immaterial income from investment <u>Total finance costs</u></b>                            | <b>2431,366</b>                  | <b>1441,268</b>                  |

**123.4 Interest expenses on other liabilities Finance income**

|                                                                                                                   | 2025                      | 2024                      |
|-------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                                   | \$RM'000                  | \$RM'000                  |
| <u>Interest arising from revenue contracts (Note 4.2)</u> <del>Interest income on a loan to a joint venture</del> | <u>109</u> <del>62</del>  | <u>109</u> <del>62</del>  |
| <u>Interest on lease liabilities (Note 32)</u> <del>Interest income on a loan to an associate</del>               | <u>178</u> <del>178</del> | <u>185</u> <del>185</del> |
| <u>Unwinding of discount and effect of changes in discount rate on provisions (Note 28)</u>                       | <u>43</u>                 | <u>1</u>                  |

|                                                                                      |               |               |
|--------------------------------------------------------------------------------------|---------------|---------------|
| Net interest expense from pensions and other post-employment benefit plans (Note 33) | 101485        | 93445         |
| Interest income from debt instruments at fair value through OCI                      |               |               |
| <b>Total interest expenses on other liabilities</b>                                  | <b>431202</b> | <b>445341</b> |

**Notes to consolidated financial statements (continued)**  
**for the year ended 31 December 2025**

~~12.3.54 Specified expenses by nature in operating category~~Interest expenses on other liabilities  
**132.5 Specified expenses by nature in operating category**~~12. Other income/expenses (continued)~~

|                                        | <b>2024</b>    | <b>2025</b>   |
|----------------------------------------|----------------|---------------|
|                                        | <b>\$RM000</b> | <b>€R</b>     |
|                                        | <b>M000</b>    | <b>M000</b>   |
| <b>Depreciation:</b>                   |                |               |
| Cost of sales                          | 3,368          | 2,652         |
| Administrative expenses                | 429            | 430           |
| <b>Total depreciation</b>              | <b>3,797</b>   | <b>3,082</b>  |
| <b>Amortisation:</b>                   |                |               |
| Cost of sales                          | 125            | 174           |
| <b>Total amortisation</b>              | <b>125</b>     | <b>174</b>    |
| <b>Employee benefits:</b>              |                |               |
| Cost of sales                          | 7,706          | 7,628         |
| Selling expenses                       | 9,766          | 9,067         |
| Distribution expenses                  | 1,952          | 1,978         |
| Research and development expenses      | 2,031          | 987           |
| Administrative expenses                | 10,193         | 7,425         |
| <b>Total employee benefits</b>         | <b>31,648</b>  | <b>27,085</b> |
| <b>Impairment losses:</b>              |                |               |
| Cost of sales                          | -              | 301           |
| Administrative expenses                | 200            | -             |
| <b>Total impairment losses</b>         | <b>200</b>     | <b>301</b>    |
| <b>Write-down of inventories:</b>      |                |               |
| Cost of sales                          | 286            | 242           |
| <b>Total write-down of inventories</b> | <b>286</b>     | <b>242</b>    |

The amounts disclosed are specified expenses recognised in the statement of profit or loss for the year, apart from depreciation and employee benefits. The amounts disclosed for depreciation and employee benefits include those that have been capitalised by incorporating them into the carrying amount of inventory at the end of the reporting period.

**132.6 Research and development costs**  
**8**

The Group's business research and development concentrates on the development of <insert description of type of research and development>. Research and development costs that are not eligible for

capitalisation have been expensed in the period incurred (in 2025, this was \$RMX,XXX,XXX (2024: \$RMX,XXX,XXX)), and they are recognised in administrative expenses.

#### **132.6 Foreign exchange differences**~~Research and development costs~~

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The total amount of net foreign exchange differences is €RM25,000 (2024: €RM115,000), which is presented within 'Foreign exchange differences', 'Foreign exchange differences on cash and short-term deposits' and 'Foreign exchange differences on interest-bearing loans and borrowings'.~~The Group's business research and development concentrates on the development of <insert description of type of research and development>. Research and development costs that are not eligible for capitalisation have been expensed in the period incurred (in 2025, this was \$RMX,XXX,XXX (2024: \$RMX,XXX,XXX)), and they are recognised in administrative expenses.~~

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**12 Other income/expenses (continued)**

**12.5 Other income**

|                                                                            | <b>2025</b>    | <b>2024</b>    |
|----------------------------------------------------------------------------|----------------|----------------|
|                                                                            | <b>\$RM000</b> | <b>\$RM000</b> |
| Foreign exchange gains on interest-bearing loans and borrowings            | 57             | 67             |
| Fair value gain on equity instruments at fair value through profit or loss | 37             | 9              |
| Gain (loss) on sale of debt instruments at fair value through OCI          | 8              | (4)            |
| Dividend income from equity instruments at fair value through OCI          | 3              | -              |
| Impairment loss on debt instruments at fair value through OCI              | (7)            | (6)            |
| <b>Total other income</b>                                                  | <b>98</b>      | <b>66</b>      |

**12.6 Depreciation, amortisation, lease payments, foreign exchange differences and costs of inventories**

|                                                            | <b>2025</b>    | <b>2024</b>    |
|------------------------------------------------------------|----------------|----------------|
|                                                            | <b>\$RM000</b> | <b>\$RM000</b> |
| <b>Included in cost of sales:</b>                          |                |                |
| Depreciation                                               | 3,802          | 3,063          |
| Impairment of property, plant and equipment (Note 15)      | -              | 301            |
| Amortisation and impairment of intangible assets (Note 17) | 125            | 174            |
| Net foreign exchange differences                           | (65)           | (40)           |
| Warranty provision (Note 26)                               | 106            | 52             |
| Variable lease payments (Note 30)                          | 71             | 66             |
| Expense relating to short-term leases (Note 30)            | 22             | 14             |
| Costs of inventories recognised as an expense              | 131,107        | 121,298        |
| Other cost of sales                                        | 1,401          | 3,451          |
| <b>Included in administrative expenses:</b>                |                |                |
| Depreciation                                               | 429            | 430            |
| Impairment of goodwill (Note 18)                           | 200            | -              |
| Remeasurement of contingent consideration (Note 7)         | 358            | -              |
| Net foreign exchange differences                           | 33             | 8              |

**12.7 Employee benefits expense**

|                                                       | <b>2025</b>    | <b>2024</b>    |
|-------------------------------------------------------|----------------|----------------|
|                                                       | <b>\$RM000</b> | <b>\$RM000</b> |
| <b>Included in cost of sales:</b>                     |                |                |
| Wages and salaries                                    | 6,551          | 6,513          |
| Social security costs                                 | 664            | 659            |
| Pension costs                                         | 350            | 305            |
| Post-employment benefits other than pensions          | 38             | 28             |
| Share-based payment expense                           | 103            | 123            |
| <b>Included in selling and distribution expenses:</b> |                |                |
| Wages and salaries                                    | 10,882         | 10,220         |
| Social security costs                                 | 1,102          | 1,135          |
| Pension costs                                         | 560            | 496            |
| Post-employment benefits other than pensions          | 61             | 45             |
| Share-based payment expense                           | 165            | 197            |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**12 Other income/expenses (continued)**

**12.7 Employee benefits expense (continued)**

|                                                     | <b>2025</b>    | <b>2024</b>    |
|-----------------------------------------------------|----------------|----------------|
|                                                     | <b>\$RM000</b> | <b>\$RM000</b> |
| <b>Included in cost of administrative expenses:</b> |                |                |
| Wages and salaries                                  | 11,238         | 7,410          |
| Social security costs                               | 1,349          | 1,343          |
| Pension costs                                       | 488            | 465            |
| Post-employment benefits other than pensions        | 54             | 40             |
| Share-based payment expense                         | 144            | 172            |
| <b>Total employee benefits expense</b>              | <b>33,749</b>  | <b>29,151</b>  |

**12.8 Research and development costs**

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**12.5 Specified expenses by nature in operating category**

**12.8 Administrative expenses**

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|                                                                              | <b>2025</b>    | <b>2024</b>    |
|------------------------------------------------------------------------------|----------------|----------------|
|                                                                              | <b>\$RM000</b> | <b>\$RM000</b> |
| Employee benefits expense (Note 12.7)                                        | 43,273         | 9,430          |
| Employee benefits expense (Note 13.23.5)                                     | 13,224         | 9,385          |
| Acquisition-related transaction costs                                        | 600            | —              |
| Acquisition-related transaction costs                                        | 2,235          | 1,034          |
| Depreciation                                                                 | 429            | 430            |
| Depreciation                                                                 | 429            | 430            |
| Expected credit losses of trade receivables and contract assets (Note 24.34) | 185            | 76             |
| Expected credit losses of trade receivables and contract assets (Note 24.34) | 185            | 76             |
| Impairment of goodwill (Note 21.14)                                          | 200            | —              |
| Impairment of goodwill (Note 18)                                             | 200            | —              |
| Expense relating to leases of low-value assets (Note 32)                     | 18             | 17             |
| Expense relating to leases of low-value assets (Note 30)                     | 18             | 17             |
| Remeasurement of contingent consideration (Note 8.78)                        | 358            | —              |
| Remeasurement of contingent consideration (Note 7)                           | 358            | —              |
| Other individually immaterial administrative expenses                        | 1,163          | 1,512          |
| Net foreign exchange differences                                             | 33             | 28             |
| <b>Total administrative expenses</b>                                         | <b>16,177</b>  | <b>11,420</b>  |
| <b>Other administrative expenses</b>                                         | <b>959</b>     | <b>1,014</b>   |
| <b>Total administrative expense</b>                                          | <b>18,290</b>  | <b>12,011</b>  |

**14.3 Discontinued operations**

On X XXXX 2025, the Group publicly announced the decision of its Board of Directors to sell <insert Company name>, a wholly owned subsidiary. On X XXXX 2025, the shareholders of the Company approved the plan to sell. The sale of <insert Company name> is expected to be completed within a year from the reporting date. At 31 December 2025, <insert Company name> was classified as a disposal group held for sale and as a discontinued operation. The business of <insert Company name> represented the entirety of the Group's <insert description of business> until X XXXX 2025. The results of <insert Company name> for the year are presented below:

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**143 Discontinued operations (continued)**

|                                                                                  | <b>2025</b>    | <b>2024</b>    |
|----------------------------------------------------------------------------------|----------------|----------------|
|                                                                                  | <b>\$RM000</b> | <b>\$RM000</b> |
| Revenue from contracts with customers                                            | 42,809         | 45,206         |
| Expenses                                                                         | (41,961)       | (44,880)       |
| Operating <del>income</del> profit                                               | 848            | 326            |
| <del>Interest expenses on loans and borrowings</del> Finance costs               | (525)          | (519)          |
| Impairment loss recognised on the remeasurement to fair value less costs to sell | (110)          | -              |
| Profit/(loss) before tax from discontinued operations                            | 213            | (193)          |
| Tax benefit/(expense):                                                           |                |                |
| Related to pre-tax profit/(loss) from the ordinary activities for the period     | (26)           | 5              |
| Related to remeasurement to fair value less costs to sell                        | 33             | -              |
| <b>Profit/(loss) for the year from discontinued operations</b>                   | <b>220</b>     | <b>(188)</b>   |
| Gain/(loss) on equity instruments designated at fair value included in OCI       | -              | 4              |
| Other comprehensive income for the year from discontinued operations             | -              | 4              |

The major classes of assets and liabilities of <insert Company name> classified as held for sale as at 31 December are, as follows:

|                                                              | <b>2025</b>    |
|--------------------------------------------------------------|----------------|
|                                                              | <b>\$RM000</b> |
| <b>Assets</b>                                                |                |
| Intangible assets (Note <del>2047</del> 98)                  | 135            |
| Property , plant and equipment (Note <del>187</del> 65)      | 4,637          |
| Debtors                                                      | 7,180          |
| Equity investments – non-listed                              | 308            |
| Cash and short-term deposits (Note <del>254</del> 3)         | 1,294          |
| Assets held for sale                                         | 13,554         |
| <b>Liabilities</b>                                           |                |
| Creditors                                                    | (7,241)        |
| Deferred tax liability                                       | (75)           |
| Interest-bearing liabilities (Note <del>2240</del> 19.2)     | (5,809)        |
| Liabilities directly associated with assets held for sale    | (13,125)       |
| <b>Net assets directly associated with disposal group</b>    | <b>429</b>     |
|                                                              | <b>2025</b>    |
|                                                              | <b>\$RM000</b> |
| <b>Amounts included in accumulated OCI:</b>                  |                |
| Fair value reserve of equity investments – non-listed        | 66             |
| Deferred tax on fair value reserve                           | (20)           |
| <b>Reserve of disposal group classified as held for sale</b> | <b>46</b>      |

The net cash flows incurred by <insert Company name> are, as follows:

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**143 Discontinued operations (continued)**

|                                  | 2025           | 2024         |
|----------------------------------|----------------|--------------|
|                                  | \$RM000        | \$RM000      |
| Operating                        | (1,999)        | 3,192        |
| Investing                        | -              | -            |
| Financing                        | (436)          | (335)        |
| <b>Net cash (outflow)/inflow</b> | <b>(2,435)</b> | <b>2,857</b> |

Interest-bearing liabilities comprise a fixed rate bank loan of RMX,XXX,XXX having an EIR of X.X% that is repayable in full on 1 January 20XX.

***Write-down of property, plant and equipment***

Immediately before the classification of <insert Company name> as discontinued operations, the recoverable amount was estimated for certain items of property, plant and equipment and no impairment loss was identified. Following the classification, a write-down of RMXXX,XXX (net of tax RMXX,XXX) was recognised on X XXXX 2025 to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. This was recognised in discontinued operations in the statement of profit or loss. Fair value measurement disclosures are provided in Note 142.

As at 31 December 2025, there was no further write-down as the carrying amount of the disposal group did not fall below its fair value less costs to sell.

***Investment in non-listed equity shares***

The disposal group includes an investment in non-listed equity shares (Level 3 in the fair value hierarchy) of <insert Company name> with a carrying amount of RMXXX,XXX. The Group collaborates with <insert Company name>, this is closely related to the discontinued operation of <insert Company name> and is therefore reclassified as part of the discontinued operations. This investment is classified as equity instruments designated at fair value through OCI. The Group did not pledge the financial assets nor receive any collateral for them. As at the reporting date, the carrying amount equals the fair value of the instrument. Refer Note 202119.4 for the details on the recognition, measurement, valuation techniques and inputs used for this investment.

**Reconciliation of fair value measurement of the investment in non-listed equity shares:**

|                                                | \$RM000    |
|------------------------------------------------|------------|
| <b>As at 1 January 2024</b>                    | <b>304</b> |
| Sales                                          | -          |
| Purchases                                      | -          |
| Total gains and losses recognised in OCI       | 4          |
| <b>As at 1 January 2025 and 1 October 2025</b> | <b>308</b> |
| Sales                                          | -          |
| Purchases                                      | -          |
| Total gains and losses recognised in OCI       | -          |
| <b>As at 31 December 2025</b>                  | <b>308</b> |

There were no gains or losses recognised in profit or loss with respect to these assets.

Refer to Note 221019.5 for details on the nature and extent of risks arising from financial instruments.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**154 Income tax**

On 23 May 2023, the International Accounting Standards Board (the Board) issued International Tax Reform - Pillar Two Model Rules - Amendments to ~~IAS 12~~MFRS 112 which clarify that ~~IAS 12~~MFRS 112 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes. The Group has adopted these amendments. However, they are not yet applicable for the current reporting year as the Group's consolidated revenue is currently below the threshold of ~~€~~RM750 million, the equivalent of which translated is XXX in <Currency>.

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

**Consolidated profit or loss**

|                                                                       | 2025                | 2024                |
|-----------------------------------------------------------------------|---------------------|---------------------|
|                                                                       | <del>\$</del> RM000 | <del>\$</del> RM000 |
|                                                                       |                     | Restated            |
| <b>Current income tax:</b>                                            |                     |                     |
| Current income tax charge                                             | 2,883               | 2,770               |
| Adjustments in respect of current income tax of previous year         | (18)                | (44)                |
| <b>Deferred tax:</b>                                                  |                     |                     |
| Relating to origination and reversal of temporary differences         | 227                 | (493)               |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>3,092</b>        | <b>2,233</b>        |
| <b>Consolidated other comprehensive income</b>                        |                     |                     |

|                                                                            | 2025                | 2024                |
|----------------------------------------------------------------------------|---------------------|---------------------|
|                                                                            | <del>\$</del> RM000 | <del>\$</del> RM000 |
| <b>Deferred tax related to items recognised in OCI during the year:</b>    |                     |                     |
| Net (gain)/loss on cash flow hedges                                        | 265                 | (10)                |
| Net change in costs of hedging                                             | 10                  | -                   |
| Net loss on debt instruments at fair value through OCI                     | 6                   | -                   |
| Net (gain)/loss on equity instruments designated at fair value through OCI | 8                   | (3)                 |
| Revaluation of office properties in <insert country>                       | (254)               | -                   |
| Net gain on hedge of net investment                                        | (83)                | -                   |
| Remeasurement (gain)/loss on actuarial gains and losses                    | (110)               | 117                 |
| <b>Deferred tax charged to OCI</b>                                         | <b>(158)</b>        | <b>104</b>          |

Reconciliation of tax expense and the accounting profit multiplied by <insert country>'s domestic tax rate for 2024 and 2025:

|                                                         | 2025                | 2024                |
|---------------------------------------------------------|---------------------|---------------------|
|                                                         | <del>\$</del> RM000 | <del>\$</del> RM000 |
|                                                         |                     | Restated            |
| Accounting profit before tax from continuing operations | 11,088              | 8,880               |
| Profit/(loss) before tax from a discontinued operation  | 213                 | (193)               |
| <b>Accounting profit before income tax</b>              | <b>11,301</b>       | <b>8,687</b>        |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**1514 Income tax (continued)**

|                                                                             | <b>2025</b>    | <b>2024</b>     |
|-----------------------------------------------------------------------------|----------------|-----------------|
|                                                                             | <b>\$RM000</b> | <b>\$RM000</b>  |
|                                                                             |                | <b>Restated</b> |
| At <insert country>'s statutory income tax rate of XX% (2024: XX%)          | 3,390          | 2,606           |
| Adjustments in respect of current income tax of previous years              | (18)           | (44)            |
| Government grants exempted from tax                                         | (316)          | (162)           |
| Utilisation of previously unrecognised tax losses                           | (231)          | (89)            |
| Share of results of an associate and joint ventures                         | (201)          | (191)           |
| Non-deductible expenses for tax purposes:                                   |                |                 |
| Impairment of goodwill                                                      | 60             | -               |
| Contingent consideration remeasurement (Note 87)                            | 107            | -               |
| Other non-deductible expenses                                               | 10             | -               |
| Effect of higher tax rates in the <insert country>                          | 284            | 108             |
| <b>At the effective income tax rate of XX% (20XX: XX%)</b>                  | <b>3,085</b>   | <b>2,228</b>    |
| Income tax expense reported in the Consolidated Statement of Profit or Loss | 3,092          | 2,233           |
| Income tax attributable to a discontinued operation                         | (7)            | (5)             |
|                                                                             | <b>3,085</b>   | <b>2,228</b>    |

**Deferred tax**

Deferred tax relates to the following:

|                                                                         | <b>Consolidated<br/>statement of financial<br/>position</b> |                 | <b>Consolidated<br/>statement of profit or<br/>loss</b> |                 |
|-------------------------------------------------------------------------|-------------------------------------------------------------|-----------------|---------------------------------------------------------|-----------------|
|                                                                         | <b>2025</b>                                                 | <b>2024</b>     | <b>2025</b>                                             | <b>2024</b>     |
|                                                                         | <b>\$RM000</b>                                              | <b>\$RM000</b>  | <b>\$RM000</b>                                          | <b>\$RM000</b>  |
|                                                                         |                                                             | <b>Restated</b> |                                                         | <b>Restated</b> |
| Accelerated depreciation for tax purposes                               | (2,838)                                                     | (599)           | 723                                                     | (298)           |
| Revaluations of investment properties to fair value                     | (1,330)                                                     | (1,422)         | (92)                                                    | (90)            |
| Revaluations of office properties in <insert country> to fair value     | (254)                                                       | -               | -                                                       | -               |
| Revaluations of equity instruments to fair value through profit or loss | (16)                                                        | (5)             | 11                                                      | 3               |
| Revaluations of financial assets at fair value through OCI              | 13                                                          | (4)             | -                                                       | -               |
| Revaluation of forward contracts and embedded derivatives               | 196                                                         | -               | (196)                                                   | -               |
| Revaluation of a hedged loan to fair value                              | (11)                                                        | -               | 11                                                      | -               |
| Net gain on hedge of a net investment                                   | (83)                                                        | -               | -                                                       | -               |
| Share based payments                                                    | 51                                                          | 100             | 49                                                      | -               |
| Post-employment medical benefits                                        | 102                                                         | 59              | (43)                                                    | (33)            |
| Pension                                                                 | 813                                                         | 834             | (89)                                                    | 55              |
| Revaluations of an interest rate swap (fair value hedge) to fair value  | 11                                                          | -               | (11)                                                    | -               |
| Revaluations of cash flow hedges                                        | 270                                                         | 30              | 35                                                      | -               |
| Expected credit losses of debt financial assets                         | 110                                                         | 70              | (40)                                                    | 3               |
| Contract liabilities for customer loyalty points                        | 270                                                         | 203             | (67)                                                    | (199)           |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**1514 Income tax (continued)**

**Deferred tax (continued)**

|                                                                           | Consolidated<br>statement of financial<br>position |                | Consolidated<br>statement of profit or<br>loss |                       |
|---------------------------------------------------------------------------|----------------------------------------------------|----------------|------------------------------------------------|-----------------------|
|                                                                           | 2025                                               | 2024           | 2025                                           | 2024                  |
|                                                                           | <u>\$RM000</u>                                     | <u>\$RM000</u> | <u>\$RM000</u>                                 | <u>\$RM000</u>        |
|                                                                           |                                                    | Restated       |                                                | Restated              |
| Right-of-use assets                                                       | (246)                                              | (267)          | (21)                                           | (62)                  |
| Lease liabilities                                                         | 322                                                | 339            | 17                                             | 42                    |
| Convertible preference shares                                             | 91                                                 | 55             | (36)                                           | (31)                  |
| Losses available for offsetting against future taxable income             | 389                                                | 365            | (24)                                           | (44)                  |
| <b>Deferred tax (expense)/benefit</b>                                     | <b>(2,140)</b>                                     | <b>(242)</b>   | <b>227</b>                                     | <b>(654)</b>          |
| <b>Net deferred tax (liabilities)/assets</b>                              | <b>(2,140)</b>                                     | <b>(242)</b>   | <b>227</b>                                     | <b>(654)</b>          |
| Reflected in the statement of financial position as follows:              |                                                    |                |                                                |                       |
| Deferred tax assets                                                       | 389                                                | 365            | -                                              | -                     |
| Deferred tax liabilities:                                                 |                                                    |                |                                                |                       |
| Continuing operations                                                     | (2,454)                                            | (607)          | -                                              | -                     |
| Included in liabilities directly associated with the assets held for sale | (75)                                               | -              | -                                              | -                     |
| <b>Deferred tax liabilities, net</b>                                      | <b>(2,140)</b>                                     | <b>(242)</b>   | <b>-</b>                                       | <b>-</b>              |
| <b>Reconciliation of deferred tax (liabilities)/ assets, net</b>          |                                                    |                |                                                |                       |
|                                                                           |                                                    |                | <b>2025</b>                                    | <b>2024</b>           |
|                                                                           |                                                    |                | <u><b>\$RM000</b></u>                          | <u><b>\$RM000</b></u> |
| <b>As of 1 January</b>                                                    |                                                    |                | <b>(242)</b>                                   | <b>(459)</b>          |
| Tax expense during the period recognised in profit or loss                |                                                    |                | (227)                                          | 493                   |
| Tax income/(expense) during the period recognised in OCI                  |                                                    |                | (158)                                          | 104                   |
| Discontinued operation                                                    |                                                    |                | (2)                                            | -                     |
| Deferred taxes acquired in business combinations                          |                                                    |                | (1,511)                                        | (380)                 |
| <b>As at 31 December</b>                                                  |                                                    |                | <b>(2,140)</b>                                 | <b>(242)</b>          |

The Group has tax losses that arose in <insert country> of RMXXX,XXX (2024: RMX,XXX,XXX) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by RMXXX,XXX (2024: RMXXX,XXX).

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

15.4 Income tax (continued)

Reconciliation of deferred tax (liabilities)/ assets, net (continued)

The temporary differences associated with investments in the Group’s subsidiaries, associate and joint venture, for which a deferred tax liability has not been recognised in the periods presented, aggregate to RMX,XXX,XXX (2024: RMX,XXX,XXX). The Group has determined that the undistributed profits of its subsidiaries, joint venture or associate will not be distributed in the foreseeable future. The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The Group does not anticipate giving such consent at the reporting date. Furthermore, the Group’s joint venture will not distribute its profits until it obtains the consent of all venture partners.

There are no income tax consequences attached to the payment of dividends in either 2025 or 2024 by the Group to its shareholders.

1656. Management-defined performance measure (MPM)

The Group uses ‘adjusted operating profit’ as a management-defined performance measure in its public communications to communicate management’s view of an aspect of the operating performance of the Group as whole. This measure is not defined by IFRS/MFRS accounting standards, which means it may not be directly comparable to similar measures used by other entities.

The Group’s management believes that this adjusted operating profit measure offers a relevant alternative perspective on the Group’s underlying operating performance by excluding the effects of items that are not indicative of ongoing business activities. The Group’s management considers this useful for understanding profitability trends and for evaluating the Group’s ability to generate sustainable earnings from its core operations.

Operating profit has been adjusted to exclude income and expense items considered to only occur infrequently. Typically, the Group adjusts operating profit by excluding the following income and expenses:

- Impairment losses (or reversals) related to property, plant, and equipment (including right-of-use assets), intangible assets and goodwill.
- Government grants related to property, plant, and equipment
- Gains or losses from the disposal of property, plant, and equipment, as well as intangible assets.

The tax impact of each reconciling item is determined using the statutory tax rate of 30% that applies in <insert country>.

| Year ended 31 December 2025                                                                                                            | Reconciliation | Income tax expense | Profit attributable to NCI |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------|----------------------------|
|                                                                                                                                        | €RM000         | €RM000             | €RM000                     |
| Operating profit                                                                                                                       | 10,563         |                    |                            |
| Impairment of goodwill<br>(included in ‘Administrative expense’, Note 2104)                                                            | 200            | (60)               | =                          |
| Government grants (included in ‘Other individually immaterial operating income’, Note 1332.1)                                          | (1,053)        | 316                | =                          |
| Gains on the disposal of property, plant, and equipment<br>(included in ‘Other individually immaterial operating income’, Note 1323.1) | (532)          | 160                | (24)                       |
| Adjusted operating profit (MPM)                                                                                                        | 9,178          |                    |                            |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**165. Management-defined performance measure (MPM)**

**Notes to consolidated financial statements  
(continued)  
for the year ended 31 December 2025**

| <b>Year ended 31 December 2024</b>                                                                                                        | <b>Reconciliation</b> | <b>Income tax<br/>Expense</b> | <b>Profit<br/>attributable<br/>to NCI</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------|-------------------------------------------|
|                                                                                                                                           | <b>€RM000</b>         | <b>€RM000</b>                 | <b>€RM000</b>                             |
| <b>Operating profit</b>                                                                                                                   | <b>8,716</b>          |                               |                                           |
| Impairment of property, plant, and equipment<br>(included in 'Cost of sales', Note 1878, 2491)                                            | 301                   | (90)                          | =                                         |
| Government grants (included in 'Other individually<br>immaterial operating income', Note 1323.1)                                          | (541)                 | 162                           | =                                         |
| Gains on the disposal of property, plant, and equipment<br>(included in 'Other individually immaterial operating<br>income', Note 1332.1) | (2,007)               | 602                           | (124)                                     |
| <b>Adjusted operating profit (MPM)</b>                                                                                                    | <b>6,469</b>          |                               |                                           |

**1767. Earnings per share (EPS)**

The following table reflects the income and share data used in the basic and diluted EPS calculations:

|                                                                                                             | <b>2025</b>      | <b>2024</b>      |
|-------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                             | <b>€RM000</b>    | <b>€RM000</b>    |
| <b>Profit attributable to ordinary equity holders of the parent:</b>                                        |                  | <b>Restated</b>  |
| Continuing operations                                                                                       | 7,708            | 6,408            |
| Discontinued operations                                                                                     | 220              | (188)            |
| <b>Profit attributable to ordinary equity holders of the parent<br/>for basic earnings</b>                  | <b>7,928</b>     | <b>6,220</b>     |
| Interest on convertible preference shares                                                                   | 247              | 238              |
| <b>Profit attributable to ordinary equity holders of the parent adjusted<br/>for the effect of dilution</b> | <b>8,175</b>     | <b>6,458</b>     |
|                                                                                                             | <b>2025</b>      | <b>2024</b>      |
|                                                                                                             | <b>Thousands</b> | <b>Thousands</b> |
| <b>Weighted average number of ordinary shares for basic EPS*</b>                                            | <b>20,797</b>    | <b>19,064</b>    |
| Effects of dilution from:                                                                                   |                  |                  |
| Share options                                                                                               | 112              | 177              |
| Convertible preference shares                                                                               | 833              | 833              |
| <b>Weighted average number of ordinary shares adjusted for the effect<br/>of dilution*</b>                  | <b>21,742</b>    | <b>20,074</b>    |

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

To calculate the EPS for discontinued operations (Note 144323), the weighted average number of ordinary shares for both the basic and diluted EPS is as per the table above. The following table provides the profit/(loss) amount used:

**Notes to consolidated financial statements (continued)**  
**for the year ended 31 December 2025**

**1875 Property, plant and equipment**

|                                           | Freehold properties in<br>land and<br>buildings | Office<br><insert country> | Construction<br>in progress | Plant and<br>machinery | Other<br>equipment | Total         |
|-------------------------------------------|-------------------------------------------------|----------------------------|-----------------------------|------------------------|--------------------|---------------|
|                                           | \$RM000                                         | \$RM000                    | \$RM000                     | \$RM000                | \$RM000            | \$RM000       |
| <b>Cost or valuation</b>                  |                                                 |                            |                             |                        |                    |               |
| At 1 January 2024                         | 10,765                                          | 1,122                      | -                           | 17,657                 | 5,500              | 35,044        |
| Additions                                 | 1,587                                           | -                          | -                           | 6,048                  | 150                | 7,785         |
| Acquisition of a<br>subsidiary (Note 8)7) | 1,280                                           | -                          | -                           | -                      | -                  | 1,280         |
| Disposals                                 | (3,381)                                         | -                          | -                           | (49)                   | -                  | (3,430)       |
| Assets held for sale<br>(Note 14323)      | -                                               | -                          | -                           | -                      | -                  | -             |
| Revaluation<br>adjustment                 | -                                               | -                          | -                           | -                      | -                  | -             |
| Transfer*                                 | -                                               | -                          | -                           | -                      | -                  | -             |
| Exchange<br>differences                   | 10                                              | -                          | -                           | 26                     | -                  | 36            |
| <b>At 31 December<br/>2024</b>            | <b>10,261</b>                                   | <b>1,122</b>               | <b>-</b>                    | <b>23,682</b>          | <b>5,650</b>       | <b>40,715</b> |
| Additions                                 | 1,612                                           | -                          | 4,500                       | 4,403                  | 190                | 10,705        |
| Acquisition of a<br>subsidiary (Note 87)  | 2,897                                           | -                          | -                           | 4,145                  | -                  | 7,042         |
| Disposals                                 | -                                               | -                          | -                           | (4,908)                | -                  | (4,908)       |
| Assets held for sale<br>(Note 14)3)       | (4,144)                                         | -                          | -                           | (3,980)                | -                  | (8,124)       |
| Revaluation<br>adjustment                 | -                                               | 846                        | -                           | -                      | -                  | 846           |
| Transfer*                                 | -                                               | (219)                      | -                           | -                      | -                  | (219)         |
| Exchange<br>differences                   | 30                                              | -                          | -                           | 79                     | -                  | 109           |
| <b>At 31 December<br/>2025</b>            | <b>10,656</b>                                   | <b>1,749</b>               | <b>4,500</b>                | <b>23,421</b>          | <b>5,840</b>       | <b>46,166</b> |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**1875 Property, plant and equipment (continued)**

**Depreciation and impairment**

|                                             |              |            |               |              |               |
|---------------------------------------------|--------------|------------|---------------|--------------|---------------|
| At 1 January 2024                           | 4,061        | 99         | 11,044        | 900          | 16,104        |
| Depreciation charge for the year            | 351          | 3          | 2,278         | 450          | 3,082         |
| Impairment (Note <del>22448</del> )         | -            | -          | 301           | -            | 301           |
| Disposals                                   | (3,069)      | -          | (49)          | -            | (3,118)       |
| Assets held for sale (Note <del>143</del> ) | -            | -          | -             | -            | -             |
| Transfer*                                   | -            | -          | -             | -            | -             |
| Exchange differences                        | 5            | -          | 12            | -            | 17            |
| <b>At 31 December 2024</b>                  | <b>1,348</b> | <b>102</b> | <b>13,586</b> | <b>1,350</b> | <b>16,386</b> |
| Depreciation charge for the year**          | 383          | 117        | 2,827         | 470          | 3,797         |
| Disposals                                   | -            | -          | (3,450)       | -            | (3,450)       |
| Assets held for sale (Note <del>134</del> ) | (1,283)      | -          | (2,094)       | -            | (3,377)       |
| Transfer*                                   | -            | (219)      | -             | -            | (219)         |
| Exchange differences                        | 20           | -          | 30            | -            | 50            |
| <b>At 31 December 2025</b>                  | <b>468</b>   | <b>-</b>   | <b>10,899</b> | <b>1,820</b> | <b>13,187</b> |
| At 31 December 2024                         | 8,913        | 1,020      | -             | 10,096       | 4,300         |
| At 31 December 2025                         | 10,188       | 1,749      | 4,500         | 12,522       | 4,020         |

\* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

\*\* Depreciation for the year excludes an impairment loss of RMXXX,XXX (see Note 14).

In 2024, the impairment loss of RMXXX,XXX represented the write-down of certain property, plant and equipment in the <insert CGU> to the recoverable amount as a result of technological obsolescence. This was recognised in the statement of profit or loss as 'Cost of Sales'. The recoverable amount of RMX,XXX,XXX as at 31 December 2024 was based on value in use and was determined at the level of the CGU. The CGU consisted of the <insert country>-based assets of <insert Company name>, a subsidiary. In determining value in use for the CGU, the cash flows were discounted at a rate of XX.X% on a pre-tax basis.

**Capitalised borrowing costs**

The Group started the construction of a <insert description of facility> in XXXX 2025. This project is expected to be completed in XXXX 20XX. The carrying amount of the <insert description of facility> at 31 December 2025 was RMX,XXX,XXX (2024: Nil). The <insert description of facility> is financed by a third party in a common arrangement.

The amount of borrowing costs capitalised during the year ended 31 December 2025 was RMXXX,XXX (2024: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was XX%, which is the EIR of the specific borrowing.

**Land and buildings**

Land and buildings with a carrying amount of RMX,XXX,XXX (2024: RMX,XXX,XXX) are subject to a first charge to secure two of the Group's bank loans.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

1875 Property, plant and equipment (continued)

Assets under construction

Included in property, plant and equipment at 31 December 2025 was an amount of RMX,XXX,XXX (2024: Nil) relating to expenditure for a plant in the course of construction.

Equipment received from customers

In 2025, the Group received RMXXX,XXX (2024: RMXXX,XXX) of equipment from customers to be utilised in the production process. The initial gross amount was estimated at fair value by reference to the market price of these assets on the date on which control is obtained.

Disposals of property, plant and equipment

In 2025, the Group sold equipment with a total net carrying amount of RMX,XXX,XXX for a cash consideration of RMX,XXX,XXX. In 2024, the Group sold freehold land and a building with a net carrying amount of RMXXX,XXX for a cash consideration of RMX,XXX,XXX. The net gains on these disposals were recognised as part of other operating income in the statement of profit or loss (Note 123).

Revaluation of office properties in <insert country>

Management determined that the office properties in <insert country> constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property. Fair value of the properties was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the dates of revaluation on 1 January and 31 December 2025, the properties' fair values are based on valuations performed by <insert Company name>., an accredited independent valuer who has valuation experience for similar office properties in <insert country> since 20XX. A net gain from the revaluation of the office properties in <insert country> of RMXXX,XXX in 2025 was recognised in OCI.

Fair value measurement disclosures for the revalued office properties are provided in Note 12.

| Significant unobservable valuation input | Range       |
|------------------------------------------|-------------|
| Price per square metre                   | RMXXX-RMXXX |

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear basis.

Reconciliation of carrying amount

|                                                                                                                  |         |
|------------------------------------------------------------------------------------------------------------------|---------|
|                                                                                                                  | \$RM000 |
| Carrying amount as at 1 January 2025*                                                                            | 1,020   |
| Level 3 revaluation gain recognised due to change in accounting policy to revaluation model as at 1 January 2025 | 1,210   |
| Carrying amount and fair value as at 1 January 2025                                                              | 2,230   |
| Depreciation for the year                                                                                        | (117)   |
| Level 3 revaluation loss on revaluation as at 31 December 2025                                                   | (364)   |
| Carrying amount and fair value as at 31 December 2025                                                            | 1,749   |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**1875 Property, plant and equipment (continued)**

**Reconciliation of carrying amount (continued)**

\*\* The Group changed the accounting policy with respect to the measurement of office properties in <insert country> as at 1 January 2025 on a prospective basis. Therefore, the fair value of the office properties in <insert country> was not measured at 1 January 2024.

If the office properties in <insert country> were measured using the cost model, the carrying amounts would be, as follows:

|                                         | <b>2025</b>    |
|-----------------------------------------|----------------|
|                                         | <b>\$RM000</b> |
| Cost                                    | 1,122          |
| Accumulated depreciation and impairment | (105)          |
| <b>Net carrying amount</b>              | <b>1,017</b>   |

**1986 Investment properties**

|                                        | <b>2025</b>    | <b>2024</b>    |
|----------------------------------------|----------------|----------------|
|                                        | <b>\$RM000</b> | <b>\$RM000</b> |
| <b>Opening balance at 1 January</b>    | <b>7,983</b>   | <b>7,091</b>   |
| Additions (subsequent expenditure)     | 1,216          | 1,192          |
| Net loss from fair value remeasurement | (306)          | (300)          |
| <b>Closing balance at 31 December</b>  | <b>8,893</b>   | <b>7,983</b>   |

The Group's investment properties consist of two commercial properties in <insert country>. Management determined that the investment properties consist of two classes of assets – office and retail – based on the nature, characteristics and risks of each property.

As at 31 December 2025 and 2024, the fair values of the properties are based on valuations performed by <insert Company name>, an accredited independent valuer. <insert Company name> is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the <insert applicable valuation standards board/council> has been applied.

|                                                                                                                                                                                  | <b>2025</b>    | <b>2024</b>    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                                                                  | <b>\$RM000</b> | <b>\$RM000</b> |
| Rental income derived from investment properties                                                                                                                                 | 1,404          | 1,377          |
| Direct operating expenses (including repairs and maintenance) generating rental income (included in ' <del>Administrative expenses</del> ' <del>cost of sales</del> )            | (101)          | (353)          |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in ' <del>Administrative expenses</del> ' <del>cost of sales</del> ) | (37)           | (127)          |
| <b>Profit arising from investment properties carried at fair value</b>                                                                                                           | <b>1,266</b>   | <b>897</b>     |

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 142.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**1986 Investment properties (continued)**

**Reconciliation of fair value:**

|                                                                                                                                                                | <b>Investment properties</b> |                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                                                                                | <b>Office<br/>properties</b> | <b>Retail<br/>properties</b> |
|                                                                                                                                                                | <b>\$RM000</b>               | <b>\$RM000</b>               |
| <b>As at 1 January 2024</b>                                                                                                                                    | <b>3,397</b>                 | <b>3,694</b>                 |
| Remeasurement recognised in <u>the statement of profit or loss as a change in fair value of investment properties</u>                                          | (144)                        | (156)                        |
| <del>Remeasurement recognised in profit or loss (in other operating expenses)</del>                                                                            | -                            | -                            |
| Purchases                                                                                                                                                      | 571                          | 621                          |
| <b>As at 31 December 2024</b>                                                                                                                                  | <b>3,824</b>                 | <b>4,159</b>                 |
| <del>Remeasurement recognised in profit or loss</del>                                                                                                          | -                            | -                            |
| Remeasurement recognised in <u>the statement of profit or loss as a change in fair value of investment properties</u> <del>(in other operating expenses)</del> | (147)                        | (159)                        |
| Purchases                                                                                                                                                      | 583                          | 633                          |
| <b>As at 31 December 2025</b>                                                                                                                                  | <b>4,260</b>                 | <b>4,633</b>                 |

**Description of valuation techniques used and key inputs to valuation of investment properties:**

| <b>Valuation technique</b> |                          | <b>Significant unobservable inputs</b>   | <b>Range (weighted average)</b> |               |
|----------------------------|--------------------------|------------------------------------------|---------------------------------|---------------|
|                            |                          |                                          | <b>2025</b>                     | <b>2024</b>   |
| Office properties          | DCF method (refer below) | Estimated rental value per sqm per month | \$RMXX-\$RMXX                   | \$RMXX-\$RMXX |
|                            |                          | Rent growth p.a.                         | (\$RMXX)                        | (\$RMXX)      |
|                            |                          |                                          | X.XX%                           | X.XX%         |
|                            |                          | Long-term vacancy rate                   | \$RMXX-\$RMXX                   | \$RMXX-\$RMXX |
|                            |                          | Discount rate                            | (\$RMXX)                        | (\$RMXX)      |
|                            |                          |                                          | X.X%                            | X.X%          |
| Retail properties          | DCF method (refer below) | Estimated rental value per sqm per month | \$RMXX-\$RMXX                   | \$RMXX-\$RMXX |
|                            |                          | Rent growth p.a.                         | (\$RMXX)                        | (\$RMXX)      |
|                            |                          |                                          | X%                              | X%            |
|                            |                          | Long-term vacancy rate                   | \$RMXX-\$RMXX                   | \$RMXX-\$RMXX |
|                            |                          | Discount rate                            | (\$RMXX)                        | (\$RMXX)      |
|                            |                          |                                          | X.X%                            | X.X%          |

Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable

expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**1986 Investment properties (continued)**

**Description of valuation techniques used and key inputs to valuation of investment properties:  
(continued)**

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

**2019 Intangible assets and goodwill**

**7**

|                                            | Developme<br>nt costs | Patents<br>and<br>licences<br>with<br>definite<br>useful life | Licences<br>with<br>indefinite<br>useful life | Intangible<br>assets<br>total | Goodwill       | Total          |
|--------------------------------------------|-----------------------|---------------------------------------------------------------|-----------------------------------------------|-------------------------------|----------------|----------------|
|                                            | <u>\$RM000</u>        | <u>\$RM000</u>                                                | <u>\$RM000</u>                                | <u>RM000</u>                  | <u>\$RM000</u> | <u>\$RM000</u> |
| <b>Cost</b>                                |                       |                                                               |                                               |                               |                |                |
| At 1 January 2024                          | 1,585                 | 395                                                           | 240                                           | <u>2,220</u>                  | 119            | 2,339          |
| Additions - internally developed           | 390                   | -                                                             | -                                             | <u>390</u>                    | -              | 390            |
| Acquisition of a subsidiary<br>(restated*) | -                     | -                                                             | -                                             | -                             | 131            | 131            |
| Assets held for sale                       | -                     | -                                                             | -                                             | -                             | -              | -              |
| <b>At 31 December 2024</b>                 | <b>1,975</b>          | <b>395</b>                                                    | <b>240</b>                                    | <b><u>2,610</u></b>           | <b>250</b>     | <b>2,860</b>   |
| Additions - internally developed           | 587                   | -                                                             | -                                             | <u>587</u>                    | -              | 587            |
| Acquisition of a subsidiary                | -                     | 30                                                            | 1,170                                         | <u>1,200</u>                  | 2,231          | 3,431          |
| Assets held for sale                       | -                     | (138)                                                         | -                                             | <u>(138)</u>                  | -              | (138)          |
| <b>At 31 December 2025</b>                 | <b>2,562</b>          | <b>287</b>                                                    | <b>1,410</b>                                  | <b><u>4,259</u></b>           | <b>2,481</b>   | <b>6,740</b>   |
| <b>Amortisation and impairment</b>         |                       |                                                               |                                               |                               |                |                |
| At 1 January 2024                          | 165                   | 60                                                            | -                                             | <u>225</u>                    | -              | 225            |
| Amortisation                               | 124                   | 50                                                            | -                                             | <u>174</u>                    | -              | 174            |
| Impairment (Note <u>21048</u> )            | -                     | -                                                             | -                                             | -                             | -              | -              |
| Assets held for sale                       | -                     | -                                                             | -                                             | -                             | -              | -              |
| <b>At 31 December 2024</b>                 | <b>289</b>            | <b>110</b>                                                    | <b>-</b>                                      | <b><u>399</u></b>             | <b>-</b>       | <b>399</b>     |
| Amortisation                               | 95                    | 30                                                            | -                                             | <u>125</u>                    | -              | 125            |
| Impairment (Note <u>42108</u> )            | -                     | -                                                             | -                                             | -                             | 200            | 200            |
| Assets held for sale                       | -                     | (3)                                                           | -                                             | <u>(3)</u>                    | -              | (3)            |
| <b>At 31 December 2025</b>                 | <b>384</b>            | <b>137</b>                                                    | <b>-</b>                                      | <b><u>521</u></b>             | <b>200</b>     | <b>721</b>     |
| At 31 December 2024                        | 1,686                 | 285                                                           | 240                                           | <u>2,221</u>                  | 250            | 2,461          |
| At 31 December 2025<br>(restated*)         | 2,178                 | 150                                                           | 1,410                                         | <u>3,738</u>                  | 2,281          | 6,019          |

\* The amount of goodwill is restated and does not correspond to the figures in 2024 financial statements since adjustments to the final valuation of acquisition of <insert Company name> were made, as detailed in Note 78.

There are two <insert description> research and development projects: one is to <insert description> and the other is related to <insert description>

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

~~2019~~Intangible assets and goodwill (continued)

Acquisition during the year

Patents and licences include intangible assets acquired through business combinations. The patents have been granted for a minimum of XX years by the relevant government agency, while licences have been acquired with the option to renew at the end of the period at little or no cost to the Group. Previous licences acquired have been renewed and have allowed the Group to determine that these assets have indefinite useful lives. As at 31 December 2025, these assets were tested for impairment (Note ~~210~~18).

Acquisition of development costs is presented under 'Development expenditures' in the statement of cash flows.

~~210~~18Goodwill and intangible assets with indefinite useful lives

For impairment testing goodwill acquired through business combinations and licences with indefinite useful lives are allocated to the <insert description> CGUs.

Carrying amount of goodwill and licences allocated to each of the CGUs:

|          | <insert description1><br>unit |                | <insert description2><br>unit |                | Total          |                |
|----------|-------------------------------|----------------|-------------------------------|----------------|----------------|----------------|
|          | 2025                          | 2024           | 2025                          | 2024           | 2025           | 2024           |
|          | <u>\$RM000</u>                | <u>\$RM000</u> | <u>\$RM000</u>                | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u> |
| Goodwill | 50                            | 250            | 2,231                         | -              | 2,281          | 250            |
| Licences | 360                           | -              | 1,050                         | 240            | 1,410          | 240            |

The Group performed its annual impairment test in XXXX 2025 and 2024. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2025, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of the operating CGUs. In addition, the overall decline in <insert company specific line of activity> around the world, as well as the ongoing economic uncertainty, have led to a decreased demand in both the <insert description> CGUs.

<insert description> CGU

The recoverable amount of the <insert description> CGU of RMXX,XXX,XXX as at 31 December 2025 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the decreased demand for products and services. The pre-tax discount rate applied to cash flow projections is XX.X% (2024: XX.X%) and cash flows beyond the five-year period are extrapolated using a X.X% growth rate (2024: X.X%) that is the same as the long-term average growth rate for the <insert description> industry. It was concluded that the fair value less costs of disposal did not exceed the value in use. As a result of this analysis, management has recognised an impairment charge of RMXXX,XXX in the current year against goodwill with a carrying amount of RMXXX,XXX as at 31 December 2024. The impairment charge is recorded within 'Administrative expenses' in the statement of profit or loss.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**21048 Goodwill and intangible assets with indefinite useful lives (continued)**

**Carrying amount of goodwill and licences allocated to each of the CGUs: (continued)**

**<insert description> CGU**

The recoverable amount of the <insert description> CGU is also determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the decreased demand for products and services. The pre-tax discount rate applied to the cash flow projections is XX.X% (2024: XX.X%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is X.X% (2024: X.X%). This growth rate exceeds the industry average growth rate by X.XX%. Management of the <insert description> unit believes this growth rate is justified based on the acquisition of <insert Company name>. This acquisition has resulted in the Group obtaining control of an industry patent, thereby preventing other entities from manufacturing a specialised product for a period of XX years. The Group has an option to renew the patent after the XX years have expired. As a result of the analysis, there is headroom of RMX,XXX,XXX and management did not identify an impairment for this CGU.

**Key assumptions used in value in use calculations and sensitivity to changes in assumptions**

The calculation of value in use for both <insert description> units is most sensitive to the following assumptions:

- Gross margins
- Discount rates
- Raw materials price inflation
- Market share during the forecast period
- Growth rates used to extrapolate cash flows beyond the forecast period

*Climate-related matters* - The Group constantly monitors climate-related risks, including physical risks and transition risks, when measuring the recoverable amount. While the Group does not believe its operations are currently significantly exposed to physical risk, the value-in-use may be impacted in several different ways by transition risk, such as climate-related legislation, climate-related regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2025 test of goodwill, the Group has incorporated its expectations for the following: increased costs of emissions under the emission trading scheme it is subject to; expectations for increased demand for goods sold by the Group's <insert CGU>; and expected cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts.

*Gross margins* - Gross margins are based on average values achieved in the three years preceding the beginning of the budget period. The gross margins for the <insert description> CGU and the <insert description> CGU were XX.XX% and XX.XX%, respectively. These are increased over the budget period for anticipated efficiency improvements. An increase of X.X% per annum was applied for the <insert description> unit and X% per annum for the <insert description> unit.

Decreased demand can lead to a decline in the gross margin. Any decrease in the gross margin would result in a further impairment in the <insert description> unit. Any decrease in the gross margin would result in impairment in the <insert description> unit.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**21048 Goodwill and intangible assets with indefinite useful lives (continued)**

**Key assumptions used in value in use calculations and sensitivity to changes in assumptions (continued)**

*Discount rates* - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. <CGU>-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Any rise in the pre-tax discount rate from the current level of XX.X% in the <insert description> unit would result in a further impairment. A rise in the pre-tax discount rate to XX.X% (i.e. +X.X%) in the <insert description> unit would result in impairment.

*Raw materials price inflation* - Estimates are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is publicly available (principally for <insert country> and the <insert country>), otherwise past actual raw material price movements are used as an indicator of future price movements.

Management has considered the possibility of greater-than-forecast increases in raw material price inflation. This may occur if anticipated regulatory changes result in an increase in demand that cannot be met by suppliers. Forecast price inflation lies within a range of X.X% to X.X% for the <insert description> unit and X.X% to X.X% for the <insert description> unit, depending on the country from which materials are purchased. In the <insert description> unit, any increases in the prices of raw materials would result in a further impairment. If prices of raw materials increase on average by X.X% more than the forecast price inflation, the <insert description> will have a further impairment.

*Market share assumptions* - When using industry data for growth rates (as noted below), these assumptions are important because management assesses how the unit's position, relative to its competitors, might change over the forecast period. Management expects the Group's share of the <insert description> market (XX%) to be stable over the forecast period. Management expects the Group's position in the <insert description> market relative to its competitors to strengthen following the acquisition of <insert Company name>. The Group's market share in the <insert description> market is currently XX%.

Although management expects the Group's market share of the <insert description> market to be stable over the forecast period, any decline in the market share would result in a further impairment in the <insert description> unit. Similarly, a decline in market share in the <insert description> market by XX% would result in impairment of RM XXXXX in the <insert description> unit.

*Growth rate estimates* - Rates are based on published industry research. For the reasons explained above, the long-term rate used to extrapolate the budget for the <insert description> unit includes an adjustment on account of the acquisition of a significant industry patent.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**21048 Goodwill and intangible assets with indefinite useful lives (continued)**

**Key assumptions used in value in use calculations and sensitivity to changes in assumptions (continued)**

Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate of X.X% for the <insert description> unit and X.X% for the <insert description> unit. Any reduction in the long-term growth rate in the <insert description> unit would result in a further impairment. For the <insert description> unit, a reduction by X.X% in the long-term growth rate would result in impairment of RMXXXXX.

**22149 Financial assets and financial liabilities**

**22149 Financial assets**

.1

|                                                                | 2025           | 2024           |
|----------------------------------------------------------------|----------------|----------------|
|                                                                | <u>\$RM000</u> | <u>\$RM000</u> |
| <b>Derivatives not designated as hedging instruments</b>       |                |                |
| Foreign exchange forward contracts                             | 640            | -              |
| Embedded derivatives                                           | 210            | -              |
| <b>Derivatives designated as hedging instruments</b>           |                |                |
| Foreign exchange forward contracts                             | 252            | 153            |
| <b>Financial assets at fair value through profit or loss</b>   |                |                |
| Listed equity investments                                      | 337            | 300            |
| <b>Equity instruments designated at fair value through OCI</b> |                |                |
| Non-listed equity investments                                  |                |                |
| <insert Company name>                                          | 417            | 205            |
| <insert Company name>                                          | 258            | 185            |
| <insert Company name>                                          | 70             | 151            |
| <insert Company name>                                          | 293            | -              |
| <insert Company name>                                          | -              | 308            |
| <insert Company name>                                          | -              | 49             |
|                                                                | 1,038          | 898            |
| <b>Debt instruments at fair value through OCI</b>              |                |                |
| Quoted debt instruments                                        | 1,622          | 1,610          |
| <b>Total financial assets at fair value</b>                    | <b>4,099</b>   | <b>2,961</b>   |
| <b>Debt instruments at amortised cost</b>                      |                |                |
| Trade receivables (Note <u>2434</u> )                          | 25,672         | 22,290         |
| Loan to an associate                                           | 200            | -              |
| Loan to a director                                             | 13             | 8              |
| Loan to joint venture                                          | -              | -              |
| Loan notes                                                     | -              | -              |
| <b>Total financial assets*</b>                                 | <b>29,984</b>  | <b>25,259</b>  |
| <b>Total current</b>                                           | <b>26,223</b>  | <b>22,443</b>  |
| <b>Total non-current</b>                                       | <b>3,761</b>   | <b>2,816</b>   |

\*Financial assets, other than cash and short-term deposits

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

22119Financial assets and financial liabilities (continued)

22119Financial assets (continued)

.1

**Derivatives not designated as hedging instruments** reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

**Derivatives designated as hedging instruments** reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in Malaysian Ringgit (RM).

**Financial assets at fair value through profit or loss** include investments in listed equity shares. Fair values of these equity shares are determined by reference to published price quotations in an active market.

**Equity instruments designated at fair value through OCI** include investments in equity shares of non-listed companies. The Group holds non-controlling interests (between X% and X%) in these companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

In 2025, the Group sold its equity interest in <insert Company name> as this investment no longer coincides with the Group’s investment strategy. The fair value on the date of sale is RMXX,XXX and the accumulated gain recognised in OCI of RMX,XXX was transferred to retained earnings. In 2025, the Group received dividends in the amount of RMX,XXX from <insert Company name>.

**Debt instruments at fair value through OCI** include investments in quoted government and corporate bonds. Fair values of these debt instruments are determined by reference to published price quotations in an active market.

**Debt instruments at amortised cost** include trade receivables and receivables from related parties.

42219Financial liabilities: Interest-bearing loans and borrowings

.2

|                                                            | Interest rate | Maturity    | 2025         | 2024         |
|------------------------------------------------------------|---------------|-------------|--------------|--------------|
|                                                            | %             |             | \$RM000      | \$RM000      |
| <b>Current interest-bearing loans and borrowings</b>       |               |             |              |              |
| Lease liabilities (Note 320)                               | X.X-X.X       | 20XX        | 455          | 418          |
| Bank overdrafts                                            | XX            | On demand   | 966          | 2,650        |
| \$RMX,XXX,XXX bank loan                                    | XX            | X XXX 20XX  | 1,411        | -            |
| \$RMX,XXX,XXX bank loan                                    | XX            | XX XXX 20XX | -            | 74           |
| <b>Total current interest-bearing loans and borrowings</b> |               |             | <b>2,832</b> | <b>3,142</b> |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**22149 Financial assets and financial liabilities (continued)**

**2249. Financial liabilities: Interest-bearing loans and borrowings (continued)**

2

|                                                                | Interest rate | Maturity    | 2025          | 2024          |
|----------------------------------------------------------------|---------------|-------------|---------------|---------------|
|                                                                | %             |             | \$RM000       | \$RM000       |
| <b>Non-current interest-bearing loans and borrowings</b>       |               |             |               |               |
| Lease liabilities (Note 329)                                   | X.X-X.X       | 20XX-20XX   | 2,706         | 2,553         |
| X% debentures                                                  | X.X           | 20XX-20XX   | 3,374         | 3,154         |
| X.XX% secured loan of \$RMX,XXX,XXX                            | *XX           | XX XXX 20XX | 2,246         | -             |
| Secured bank loan                                              | XX            | XX XXX 20XX | 3,479         | 3,489         |
| \$RMX,XXX,XXX bank loan (2024: \$RMX,XXX,XXX)                  | XX            | XX XXX 20XX | -             | 1,357         |
| \$RMX,XXX,XXX bank loan (2024: \$RMX,XXX,XXX)                  | XX            | 20XX-20XX   | 2,486         | 2,229         |
| \$RMX,XXX,XXX bank loan                                        | XX            | XX XXX 20XX | 2,078         | 2,078         |
| \$RMX,XXX,XXX bank loan                                        | X.X           | X XXX 20XX  | -             | 5,809         |
| Loan from a third-party investor                               | XX.X          | 20XX        | 3,000         | -             |
| Convertible preference shares                                  | XX.X          | 20XX        | 2,778         | 2,644         |
| <b>Total non-current interest-bearing loans and borrowings</b> |               |             | <b>22,147</b> | <b>23,313</b> |
| <b>Total interest-bearing loans and borrowings</b>             |               |             | <b>24,979</b> | <b>26,455</b> |

\*Includes the effects of related interest rate swaps.

**Bank overdrafts**

The bank overdrafts are secured by a portion of the Group's short-term deposits.

**RMX,XXX,XXX bank loan**

This loan is unsecured and is repayable in full on X XXXX 2025.

**X% debentures**

The XX.XX% debentures are repayable in equal annual instalments of €RMXXX commencing on 1 January 20XX. The debentures include a requirement to increase the Group's use of recycled materials in the production of its products to XX.XX %. If this requirement is not met by 1 January 20XX, the interest rate will rise by 100 basis points to XX.XX %.

The XX.XX% debentures are subject to a covenant that requires the Group to maintain €RMXXX in minimum balance of cash and short-term deposits on a consolidated basis during the repayment period of the loan. The covenant is tested at the end of each quarter until the maturity of the XX.XX% debentures. The Group has no indication that it will have difficulty complying with this covenant.

**X.XX% secured loan**

The loan is secured by a first charge over certain of the Group's land and buildings with a carrying value of RMX,XXX,XXX (2024: Nil).

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Financial liabilities: Interest-bearing loans and borrowings (continued)**

**2**

***Secured bank loan***

This loan has been drawn down under a six-year multi-option facility (MOF). The loan is repayable within XX months after the reporting date, but has been classified as long term because the Group expects, and has the discretion, to exercise its rights under the MOF to refinance this funding. Such immediate replacement funding is available until XX XXXX 20XX. The total amount repayable on maturity is RMX,XXX,XXX. The facility is secured by a first charge over certain of the Group's land and buildings, with a carrying value of RMX,XXX,XXX (2024: \$RMX,XXX,XXX).

The secured bank loan is subject to the following covenants:

- Interest cover ratio greater than X. The interest cover ratio in the secured bank loan is calculated as operating profit divided by interests on debts and borrowings (see Note 132.3). The interest cover ratio was X as at 31 December 2025 (2024: X)
- Gearing ratio below X%. See Note 5 for the definition and calculation of the Group's gearing ratio. The gearing ratio was X% as at 31 December 2025 (2024: X%)

Both covenants are tested half-yearly, at 30 June and 31 December. The Group has no indication that it will have difficulty complying with these covenants.

***RMX,XXX,XXX bank loan***

The Group increased its borrowings under this loan contract by RMXXX,XXX during the reporting period. This loan is repayable in two instalments of RMX,XXX,XXX due on 31 December 20XX and RMX,XXX,XXX due on 31 December 20XX.

***RMX,XXX,XXX bank loan***

This loan is unsecured and is repayable in full on XX XXXX 20XX. As of 31 December 2024, RMX,XXX was repayable on XX XXXX 20XX.

***RMX,XXX,XXX bank loan***

This loan has been transferred to the net balance of the liabilities held for sale.

***Convertible preference shares***

At 31 December 2025 and 2024, there were X,XXX,XXX convertible preference shares in issue. Each share has a par value of RMX and is convertible at the option of the shareholders into ordinary shares of the parent of the Group on 1 January 20XX on the basis of one ordinary share for every three preference shares held. Any preference shares not converted will be redeemed on 31 December 20XX at a price of RMX.XX per share. The preference shares carry a dividend of X% per annum, payable half-yearly in arrears on 30 June and 31 December. The dividend rights are non-cumulative. The preference shares rank ahead of the ordinary shares in the event of a liquidation. The presentation of the equity portion of these shares is explained in Note 264 below.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**22149 Financial assets and financial liabilities (continued)**

**2249. Financial liabilities: Interest-bearing loans and borrowings (continued)**

**2**

**Other financial liabilities**

|                                                                                                        | <b>2025</b>    | <b>2024</b>    |
|--------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                        | <b>\$RM000</b> | <b>\$RM000</b> |
| <b>Derivatives not designated as hedging instruments</b>                                               |                |                |
| Foreign exchange forward contracts                                                                     | 720            | -              |
| Embedded derivatives                                                                                   | 782            | -              |
| <b>Derivatives designated as hedging instruments</b>                                                   |                |                |
| Foreign exchange forward contracts                                                                     | 170            | 254            |
| Commodity forward contracts                                                                            | 980            | -              |
| Interest rate swaps                                                                                    | 35             | -              |
| <b>Financial liabilities at fair value through profit or loss</b>                                      |                |                |
| Contingent consideration (Note 87)                                                                     | 1,072          | -              |
| <b>Total financial instruments at fair value</b>                                                       | <b>3,759</b>   | <b>254</b>     |
| <b>Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings</b> |                |                |
| Trade and other payables (Note 3129)                                                                   | 16,969         | 20,023         |
| <b>Total other financial liabilities</b>                                                               | <b>20,728</b>  | <b>20,277</b>  |
| <b>Total current</b>                                                                                   | <b>19,922</b>  | <b>20,277</b>  |
| <b>Total non-current</b>                                                                               | <b>806</b>     | <b>-</b>       |

**Derivatives not designated as hedging instruments** reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

**Derivatives designated as hedging instruments** reflect the negative change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future purchases in <insert currency>. This also includes the change in fair value of commodity forward contracts entered into during 2025.

**Contingent consideration**

As part of the purchase agreement with the previous owner of <insert Company name>, a contingent consideration has been agreed. This consideration is dependent on the profit before tax of <insert Company name> during a XX month period. The fair value of the contingent consideration at the acquisition date was RMXXX,XXX. The fair value increased to RMX,XXX,XXX as at 31 December 2025 due to a significantly enhanced performance compared to budget. The contingent consideration is due for final measurement and payment to the former shareholders on XX XXXX 20XX.

**2149. Hedging activities and derivatives**

**3**

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk, commodity price risk, and interest rate risk.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Hedging activities and derivatives (continued)**

**3**

The Group's risk management strategy and how it is applied to manage risk are explained in Note ~~2249~~5 below.

**Derivatives not designated as hedging instruments**

The Group uses foreign currency-denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to XX months.

**Derivatives designated as hedging instruments**

***Cash flow hedges***

**Foreign currency risk**

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in <insert currency> and forecast purchases in <insert currency>. These forecast transactions are highly probable, and they comprise about XX% of the Group's total expected sales in Malaysian Ringgit and about XX% of its total expected purchases in <insert currency>. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

**Commodity price risk**

The Group purchases <insert commodity> on an ongoing basis as its operating activities in the <insert description> require a continuous supply thereof for the production of its <insert description>. The increased volatility in <insert commodity> price over the past XX months has led to the decision to enter into commodity forward contracts.

These contracts, which commenced on X XXXX 2025, are expected to reduce the volatility attributable to price fluctuations of <insert commodity>. Hedging the price volatility of forecast <insert commodity> purchases is in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of X:X for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Hedging activities and derivatives (continued)**

**3**

**Derivatives designated as hedging instruments (continued)**

- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group is holding the following foreign exchange and commodity forward contracts:

|                                                                         | Maturity             |                  |                  |                  |                   |               |
|-------------------------------------------------------------------------|----------------------|------------------|------------------|------------------|-------------------|---------------|
|                                                                         | Less than<br>1 month | 1 to 3<br>months | 3 to 6<br>months | 6 to 9<br>months | 9 to 12<br>months | Total         |
| <b>As at 31 December 2025</b>                                           |                      |                  |                  |                  |                   |               |
| Foreign exchange forward contracts (highly probable forecast sales)     |                      |                  |                  |                  |                   |               |
| Notional amount(in RM000)                                               | 2,950                | 3,000            | 3,150            | 3,450            | 3,250             | <b>15,800</b> |
| Average forward rate (RM/<insert currency>)                             | 1.166                | 1.169            | 1.172            | 1.175            | 1.185             | 5.867         |
| Foreign exchange forward contracts (highly probable forecast purchases) |                      |                  |                  |                  |                   |               |
| Notional amount(in RM000)                                               | 1,450                | 1,330            | 1,880            | 1,750            | 1,550             | <b>7,960</b>  |
| Average forward rate (RM/<insert currency>)                             | 0.876                | 0.877            | 0.878            | 0.879            | 0.881             | 4.391         |
| Commodity forward contracts                                             |                      |                  |                  |                  |                   |               |
| Notional amount (in tonnes)                                             |                      |                  |                  | 450              | 530               | <b>980</b>    |
| Notional amount (in RM000)                                              |                      |                  |                  | 2,600            | 3,000             | <b>5,600</b>  |
| Average hedged rate (in RM000 per tonne)                                |                      |                  |                  | 5.77             | 5.66              | 11.43         |
| <b>As at 31 December 2024</b>                                           |                      |                  |                  |                  |                   |               |
| Foreign exchange forward contracts (highly probable forecast sales)     |                      |                  |                  |                  |                   |               |
| Notional amount(in RM000)                                               | 2,650                | 2,850            | 3,000            | 3,200            | 2,900             | <b>14,600</b> |
| Average forward rate (RM/<insert currency>)                             | 1.200                | 1.203            | 1.206            | 1.209            | 1.211             | 6.029         |
| Foreign exchange forward contracts (highly probable forecast purchases) |                      |                  |                  |                  |                   |               |
| Notional amount(in RM000)                                               | 1,250                | 1,150            | 1,500            | 1,600            | 1,450             | <b>6,950</b>  |
| Average forward rate (RM/<insert currency>)                             | 0.882                | 0.883            | 0.884            | 0.885            | 0.886             | 4.420         |

The impact of the hedging instruments on the statement of financial position is, as follows:

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**2249 Financial assets and financial liabilities (continued)**

**24249 Hedging activities and derivatives (continued)**

.3

**Derivatives designated as hedging instruments (continued)**

|                                    | Notional<br>amount | Carrying<br>amount | Line item in the<br>statement of<br>financial position | Change in fair<br>value used for<br>measuring<br>ineffectiveness for |
|------------------------------------|--------------------|--------------------|--------------------------------------------------------|----------------------------------------------------------------------|
|                                    | <u>\$RM000</u>     | <u>\$RM000</u>     |                                                        | <u>\$RM000</u>                                                       |
| <b>As at 31 December 2025</b>      |                    |                    |                                                        |                                                                      |
| Foreign exchange forward contracts | 15,800             | 252                | Other current financial assets                         | 386                                                                  |
| Foreign exchange forward contracts | 7,960              | (170)              | Other current financial liabilities                    | (99)                                                                 |
| Commodity forward contracts        | 5,600              | (980)              | Other current financial liabilities                    | (980)                                                                |
| <b>As at 31 December 2024</b>      |                    |                    |                                                        |                                                                      |
| Foreign exchange forward contracts | 14,600             | 153                | Other current financial assets                         | 137                                                                  |
| Foreign exchange forward contracts | 6,950              | (254)              | Other current financial liabilities                    | (31)                                                                 |

The impact of hedged items on the statement of financial position is, as follows:

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**2249** Financial assets and financial liabilities (continued)

**2249**. Hedging activities and derivatives (continued)

3

Derivatives designated as hedging instruments (continued)

|                                    | 31 December 2025                                                 |                            | 31 December 2024              |                                                                  |                            |
|------------------------------------|------------------------------------------------------------------|----------------------------|-------------------------------|------------------------------------------------------------------|----------------------------|
|                                    | Change in fair<br>value used for<br>measuring<br>ineffectiveness | Cash flow<br>hedge reserve | Cost of<br>hedging<br>reserve | Change in fair<br>value used for<br>measuring<br>ineffectiveness | Cash flow<br>hedge reserve |
|                                    | <u>\$RM000</u>                                                   | <u>\$RM000</u>             | <u>\$RM000</u>                | <u>\$RM000</u>                                                   | <u>\$RM000</u>             |
| Highly probable forecast sales     | 386                                                              | 165                        | 12                            | 137                                                              | 107                        |
| Highly probable forecast purchases | (99)                                                             | (110)                      | (9)                           | (31)                                                             | (177)                      |
| <insert commodity> purchases       | (915)                                                            | (617)                      | (23)                          | -                                                                | -                          |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Hedging activities and derivatives (continued)**

3

**Derivatives designated as hedging instruments (continued)**

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

|                                        | Total<br>hedging<br>gain/(loss)<br>recognized<br>in OCI | Ineffectiveness<br>recognised<br>in profit or<br>loss | Line item in<br>the<br>statement of<br>profit or<br>loss | Cost of<br>hedging<br>recognised<br>in OCI | Amount<br>reclassified<br>from OCI to<br>profit or loss | Line item in<br>the<br>statement of<br>profit or loss |
|----------------------------------------|---------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
|                                        | <u>\$RM000</u>                                          | <u>\$RM000</u>                                        |                                                          | <u>\$RM000</u>                             | <u>\$RM000</u>                                          |                                                       |
| <b>Year ended 31<br/>December 2025</b> |                                                         |                                                       |                                                          |                                            |                                                         |                                                       |
| Highly probable<br>forecast sales      | 386                                                     | -                                                     | -                                                        | 21                                         | (283)                                                   | Revenue                                               |
| Highly probable<br>forecast purchases  | (99)                                                    | -                                                     | -                                                        | (16)                                       | -                                                       |                                                       |
|                                        |                                                         |                                                       | Other<br>operating<br>expenses                           |                                            |                                                         |                                                       |
| <insert commodity><br>purchases        | (915)                                                   | 65                                                    |                                                          | (33)                                       | -                                                       |                                                       |
| <b>Year ended 31<br/>December 2024</b> |                                                         |                                                       |                                                          |                                            |                                                         |                                                       |
| Highly probable<br>forecast sales      | 137                                                     | -                                                     | -                                                        | -                                          | (125)                                                   | Revenue                                               |
| Highly probable<br>forecast purchases  | (31)                                                    | -                                                     | -                                                        | -                                          | 53                                                      | Cost of sales                                         |

**Fair value hedge**

At 31 December 2025, the Group had an interest rate swap agreement in place with a notional amount of RMX,XXX,XXX (RMX,XXX,XXX) (2024: RMNil) whereby the Group receives a fixed rate of interest of X.XX% and pays interest at a variable rate equal to XX+X.X% on the notional amount. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate X.XX% secured loan.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of X:X for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

2249 Financial assets and financial liabilities (continued)

2249. Hedging activities and derivatives (continued)

3

Derivatives designated as hedging instruments (continued)

- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

The impact of the hedging instrument on the statement of financial position as at 31 December 2025 is, as follows:

|                    | Notional amount | Carrying amount | Line item in the statement of financial position | Change in fair value used for measuring ineffectiveness |
|--------------------|-----------------|-----------------|--------------------------------------------------|---------------------------------------------------------|
|                    | \$RM000         | \$RM000         |                                                  | \$RM000                                                 |
| Interest rate swap | 3,600           | 35              | Other current financial liability                | 35                                                      |

The impact of the hedged item on the statement of financial position as at 31 December 2025 is, as follows:

|                      | Carrying amount | Accumulated fair value adjustments | Line item in the statement of financial position | Change in fair value used for measuring ineffectiveness |
|----------------------|-----------------|------------------------------------|--------------------------------------------------|---------------------------------------------------------|
|                      | \$RM000         | \$RM000                            |                                                  | \$RM000                                                 |
| Fixed-rate borrowing | 2,246           | 35                                 | Interest-bearing loans and borrowings            | 35                                                      |

The ineffectiveness recognised in the statement of profit or loss was immaterial.

Hedge of net investment in foreign operation

Included in interest-bearing loans at 31 December 2025 was a borrowing of RM X,XXX,XXX which has been designated as a hedge of the net investments in the two subsidiaries in <insert country>, <insert Company name> and <insert Company name>, beginning in 2025. This borrowing is being used to hedge the Group's exposure to the RM foreign exchange risk on these investments. Gains or losses on the retranslation of this borrowing are transferred to OCI to offset any gains or losses on translation of the net investments in the subsidiaries.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the RM borrowing. The Group has established a hedge ratio of X:X as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiary becomes lower than the amount of the fixed rate borrowing.

The impact of the hedging instrument on the statement of financial position as at 31 December 2025 is, as follows:

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**2249 Financial assets and financial liabilities (continued)**

**2249. Hedging activities and derivatives (continued)**

3

**Derivatives designated as hedging instruments (continued)**

|                                           | Notional<br>amount   | Carrying<br>amount | Line item in the statement of<br>financial position | Change in fair<br>value used for<br>measuring<br>ineffectiveness |
|-------------------------------------------|----------------------|--------------------|-----------------------------------------------------|------------------------------------------------------------------|
|                                           | <insert<br>currency> |                    |                                                     |                                                                  |
|                                           | \$RM000              | \$RM000            |                                                     | \$RM000                                                          |
| Foreign currency denominated<br>borrowing | 3,600                | 2,246              | Interest-bearing loans and<br>borrowings            | 278                                                              |

The impact of the hedged item on the statement of financial position is, as follows:

|                                        | Change in fair<br>value used for<br>measuring<br>ineffectiveness | Foreign currency<br>translation<br>reserve |
|----------------------------------------|------------------------------------------------------------------|--------------------------------------------|
|                                        | \$RM000                                                          | \$RM000                                    |
| Net investment in foreign subsidiaries | 278                                                              | 195                                        |

The hedging gain recognised in OCI before tax is equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss.

**Impact of hedging on equity**

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

|                                                             | Cash flow<br>hedge<br>reserve | Cost of<br>hedging<br>reserve | Foreign<br>currency<br>translation<br>reserve |
|-------------------------------------------------------------|-------------------------------|-------------------------------|-----------------------------------------------|
| <b>As at 1 January 2024</b>                                 | \$RM000<br>(94)               | \$RM000<br>-                  | \$RM000<br>(327)                              |
| Effective portion of changes in fair value arising from:    |                               |                               |                                               |
| Foreign exchange forward contracts – forecast sales         | 137                           | -                             | -                                             |
| Foreign exchange forward contracts – forecast purchases     | (31)                          | -                             | -                                             |
| Commodity forward contracts                                 | -                             | -                             | -                                             |
| Amount reclassified to profit or loss                       | (72)                          | -                             | -                                             |
| Amount transferred to inventories                           | -                             | -                             | -                                             |
| Foreign currency revaluation of the RM borrowing            | -                             | -                             | -                                             |
| Foreign currency revaluation of the net foreign operations* | -                             | -                             | (117)                                         |
| Tax effect                                                  | (10)                          | -                             | -                                             |
| <b>As at 1 January 2025</b>                                 | <b>(70)</b>                   | <b>-</b>                      | <b>(444)</b>                                  |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Hedging activities and derivatives (continued)**

**3**

**Derivatives designated as hedging instruments (continued)**

Effective portion of changes in fair value arising from:

|                                                             |              |             |              |
|-------------------------------------------------------------|--------------|-------------|--------------|
| Foreign exchange forward contracts – forecast sales         | 365          | 21          | -            |
| Foreign exchange forward contracts – forecast purchases     | (83)         | (16)        | -            |
| Commodity forward contracts                                 | (882)        | (33)        | -            |
| Amount reclassified to profit or loss                       | (283)        | (4)         | -            |
| Amount transferred to inventories                           | 180          | 3           | -            |
| Foreign currency revaluation of the RM borrowing            | -            | -           | 278          |
| Foreign currency revaluation of the net foreign operations* | -            | -           | (246)        |
| Tax effect                                                  | 211          | 9           | (83)         |
| <b>As at 31 December 2025</b>                               | <b>(562)</b> | <b>(20)</b> | <b>(495)</b> |

\* Hedging of net investment in foreign operations only started in 2025.

**Embedded derivatives**

In 2025, the Group entered into long-term sale contracts with a customer in <insert country>. The functional currency of the customer is RM. The selling price in the contracts is fixed and set in <insert currency>. The contracts require physical delivery and will be held for the purpose of the delivery of the commodity in accordance with the buyer's expected sales requirements. The contracts have embedded foreign exchange derivatives that are required to be separated.

The Group also entered into various purchase contracts for <insert commodity> and <insert commodity> (for which there is an active market) with a number of suppliers in <insert country> and <insert country>. The prices in these purchase contracts are linked to the price of <insert price dependant factor>. The contracts have embedded commodity swaps that are required to be separated.

The embedded foreign currency and commodity derivatives have been separated and are carried at fair value through profit or loss. The carrying values of the embedded derivatives at 31 December 2025 amounted to RMXXX,XXX (other financial assets) (2024: RMNil) and RMXXX,XXX (other financial liabilities) (2024: RMNil). The effects on profit or loss are reflected in operating income and operating expenses, respectively.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Fair values**

4

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

|                                                           | 2025               |                 | 2024               |                 |
|-----------------------------------------------------------|--------------------|-----------------|--------------------|-----------------|
|                                                           | Carrying<br>amount | Fair value      | Carrying<br>amount | Fair value      |
|                                                           | <u>\$RM000</u>     | <u>\$RM000</u>  | <u>\$RM000</u>     | <u>\$RM000</u>  |
| <b>Financial assets</b>                                   |                    |                 |                    |                 |
| Loans to an associate and a director                      | 213                | 208             | 8                  | 9               |
| Non-listed equity investments                             | 1,038              | 1,038           | 898                | 898             |
| Listed equity investments                                 | 337                | 337             | 300                | 300             |
| Quoted debt instruments                                   | 1,622              | 1,622           | 1,610              | 1,610           |
| Foreign exchange forward contracts                        | 640                | 640             | -                  | -               |
| Embedded derivatives                                      | 210                | 210             | -                  | -               |
| Foreign exchange forward contracts in cash<br>flow hedges | 252                | 252             | 153                | 153             |
| <b>Total</b>                                              | <b>4,312</b>       | <b>4,307</b>    | <b>2,969</b>       | <b>2,970</b>    |
| <b>Financial liabilities</b>                              |                    |                 |                    |                 |
| Interest-bearing loans and borrowings                     |                    |                 |                    |                 |
| Floating rate borrowings*                                 | (12,666)           | (12,666)        | (11,877)           | (11,877)        |
| Fixed rate borrowings                                     | (6,374)            | (6,321)         | (8,239)            | (8,944)         |
| Convertible preference shares                             | (2,778)            | (2,766)         | (2,644)            | (2,621)         |
| Contingent consideration                                  | (1,072)            | (1,072)         | -                  | -               |
| Derivatives not designated as hedges                      |                    |                 |                    |                 |
| Foreign exchange forward contracts                        | (720)              | (720)           | -                  | -               |
| Embedded derivatives                                      | (782)              | (782)           | -                  | -               |
| Derivatives in effective hedges                           | (1,185)            | (1,185)         | (254)              | (254)           |
| <b>Total</b>                                              | <b>(25,577)</b>    | <b>(25,512)</b> | <b>(23,014)</b>    | <b>(23,696)</b> |

\* Includes an X.XX% secured loan carried at amortised cost adjusted for the fair value movement due to the hedged interest rate risk.

The fair value measurement hierarchy of all Group's financial assets and liabilities is provided in Note 142.

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Fair values (continued)**

4

- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the non-listed equity investments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.
- There is an active market for the Group's listed equity investments and quoted debt instruments.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. Some derivative contracts are fully cash collateralised, thereby eliminating both counterparty risk and the Group's own non-performance risk. As at 31 December 2025, the mark-to-market value of other derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from long-term sales contracts where the transaction currency differs from the functional currencies of the involved parties. However, as these contracts are not collateralised, the Group also takes into account the counterparties' credit risks (for the embedded derivative assets) or the Group's own non-performance risk (for the embedded derivative liabilities) and includes a credit valuation adjustment or debit valuation adjustment, as appropriate, by assessing the maximum credit exposure and taking into account market-based inputs concerning probabilities of default and loss given default.
- The fair values of the Group's interest-bearing loans and borrowings are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2025 was assessed to be insignificant.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

2249 Financial assets and financial liabilities (continued)

2249. Fair values (continued)

4

Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2025 and 2024 are shown below:

|                                                           | Valuation technique | Significant unobservable inputs                           | Range (weighted average) | Sensitivity of the input to fair value                                                                                                     |
|-----------------------------------------------------------|---------------------|-----------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Non-listed equity investments <insert description> sector | DCF method          | Long-term growth rate for cash flows for subsequent years | 20XX: X.X%-X.X% (X.X%)   | X% (20XX: X%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by \$RMXX,XXX (20XX: \$RMXX,XXX) |
|                                                           |                     |                                                           | 20XX: X.X%-X.X% (X.X%)   |                                                                                                                                            |
|                                                           |                     | Long-term operating margin                                | 20XX: X.X%-X.X% (X.X%)   | XX% (20XX: XX%) increase (decrease) in the margin would result in an increase (decrease) in fair value by \$RMXX,XXX (20XX: \$RMXX,XXX)    |
|                                                           |                     |                                                           | 20XX: X.X%-X.X% (X.X%)   |                                                                                                                                            |
|                                                           |                     | WACC                                                      | 20XX: X.X%-X.X% (X.X%)   | X% (20XX: X%) increase (decrease) in the WACC would result in a decrease (increase) in fair value by \$RMXX,XXX (20XX: \$RMXX,XXX)         |
|                                                           |                     |                                                           | 20XX: X.X%-X.X% (X.X%)   |                                                                                                                                            |
|                                                           |                     | Discount for lack of marketability                        | 20XX: X.X%-X.X% (X.X%)   | X% (20XX: X%) increase (decrease) in the discount would decrease (increase) the fair value by \$RMX,XXX (20XX: \$RMX,XXX).                 |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**2249 Financial assets and financial liabilities (continued)**

**2249. Fair values (continued)**

4

**Description of significant unobservable inputs to valuation (continued)**

|                                                           |            |                                                           |                            |                                                                                                                                            |
|-----------------------------------------------------------|------------|-----------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
|                                                           |            |                                                           | 20XX: X.X%-<br>X.X% (X.X%) |                                                                                                                                            |
| Non-listed equity investments <insert description> sector | DCF method | Long-term growth rate for cash flows for subsequent years | 20XX: X.X%-<br>X.X% (X.X%) | X% (20XX: X%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by \$RMXX,XXX (20XX: \$RMXX,XXX) |
|                                                           |            |                                                           | 20XX: X.X%-<br>X.X% (X.X%) |                                                                                                                                            |
|                                                           |            | Long-term operating margin                                | 20XX: X.X%-<br>X.X% (X.X%) | X% (20XX: X%) increase (decrease) in the margin would result in an increase (decrease) in fair value by \$RMXX,XXX (20XX: \$RMXX,XXX)      |
|                                                           |            |                                                           | 20XX: X.X%-<br>X.X% (X.X%) |                                                                                                                                            |
|                                                           |            | WACC                                                      | 20XX: X.X%-<br>X.X% (X.X%) | X% (20XX: X%) increase (decrease) in the WACC would result in a decrease (increase) in fair value by \$RMXX,XXX (20XX: \$RMXX,XXX)         |
|                                                           |            |                                                           | 20XX: X.X%-<br>X.X% (X.X%) |                                                                                                                                            |
|                                                           |            | Discount for lack of marketability                        | 20XX: X.X%-<br>X.X% (X.X%) | X.X% (20XX: X%) increase (decrease) in the discount would decrease (increase) the fair value by \$RMX,XXX (20XX: \$RMX,XXX).               |
|                                                           |            |                                                           | 20XX: X.X%-<br>X.X% (X.X%) |                                                                                                                                            |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Fair values (continued)**

4

**Description of significant unobservable inputs to valuation (continued)**

|                                     |                       |                                                                         |                                                      |                                                                                                                                                                                                   |
|-------------------------------------|-----------------------|-------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Embedded derivative assets          | Forward pricing model | Discount for counterparty credit risk                                   | 20XX: X.XX%-X.XX% (X.XX%)<br><br>20XX: -             | X.X% increase (decrease) would result in an increase (decrease) in fair value by <u>\$RMXX,XXX</u> .                                                                                              |
| Embedded derivative liabilities     | Forward pricing model | Discount for non-performance risk                                       | 20XX: X.XX%-X.XX% (X.XX%)<br><br>20XX: -             | X.X% increase (decrease) would result in an increase (decrease) in fair value by <u>\$RMXX,XXX</u> .                                                                                              |
| Loan to an associate and a director | DCF method            | Constant prepayment rate                                                | 20XX: X.X%-X.X% (X.X%)<br><br>20XX: X.X%-X.X% (X.X%) | X% (20XX: X%) increase (decrease) would result in an increase (decrease) in fair value by <u>\$RMXX,XXX</u> (20XX: <u>\$RMXX,XXX</u> )                                                            |
|                                     |                       | Discount for non-performance risk                                       | 20XX: X.XX%<br><br>20XX: X.XX%                       | X.X% (20XX: X.X%) increase (decrease) would result in an increase (decrease) in fair value by <u>\$RMXX,XXX</u> (20XX: <u>\$RMXX,XXX</u> )                                                        |
| Contingent consideration liability  | DCF method            | Assumed probability adjusted profit before tax of <insert Company name> | 20XX: <u>\$RMX,XXX,XX</u> X                          | XX% decrease in the assumed probability-adjusted profit before tax of <insert Company name> results in a decrease in fair value of the contingent consideration liability by <u>\$RMXXX,XXX</u> . |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

2249 Financial assets and financial liabilities (continued)

2249. Fair values (continued)

4

Description of significant unobservable inputs to valuation (continued)

|                                       |             |                                                                                                                                                                                    |
|---------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | 20XX: -     | X% increase in the assumed probability-adjusted profit before tax of <insert Company name> would not change fair value of the contingent consideration liability.                  |
| Discount rate                         | 20XX: X.XX% | X% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by \$RMXX,XXX.                          |
|                                       | 20XX: -     |                                                                                                                                                                                    |
| Discount for own non performance risk | 20XX: X.XX% | X.X% increase (decrease) in the discount for own non-performance risk would result in an increase (decrease) in fair value of the contingent consideration liability by \$RMX,XXX. |
|                                       | 20XX: -     |                                                                                                                                                                                    |

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI (Level 3):

|                                      | <insert<br>description1<br>> | <insert<br>description2<br>> | Total          |
|--------------------------------------|------------------------------|------------------------------|----------------|
| As at 1 January 2024                 | \$RM000<br>386               | \$RM000<br>502               | \$RM000<br>888 |
| Remeasurement recognised in OCI      | 4                            | 6                            | 10             |
| Purchases                            | -                            | -                            | -              |
| Reclassified in assets held for sale | -                            | -                            | -              |
| Sales                                | -                            | -                            | -              |
| As at 1 January 2025                 | 390                          | 508                          | 898            |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Fair values (continued)**

**4**

**Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through OCI (Level 3): (continued)**

|                                      |            |            |              |
|--------------------------------------|------------|------------|--------------|
| Remeasurement recognised in OCI      | 54         | (80)       | (26)         |
| Purchases                            | 231        | 293        | 524          |
| Reclassified in assets held for sale | -          | (308)      | (308)        |
| Sales                                | -          | (50)       | (50)         |
| <b>As at 31 December 2025</b>        | <b>675</b> | <b>363</b> | <b>1,038</b> |

**Reconciliation of fair value measurement of embedded derivative assets and liabilities (Level 3):**

|                                                                           | Embedded foreign<br>exchange<br>derivative asset | Embedded commodity<br>derivative liability      |                            |
|---------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|----------------------------|
|                                                                           | <insert<br>commodity<br><insert currency>        | <insert<br>commodity<br><insert commodity<br>1> | <insert<br>commodity<br>2> |
|                                                                           | <b>\$RM000</b>                                   | <b>\$RM000</b>                                  | <b>\$RM000</b>             |
| <b>As at 1 January 2024</b>                                               | -                                                | -                                               | -                          |
| Remeasurement recognised in statement of profit or loss during the period | -                                                | -                                               | -                          |
| Purchases                                                                 | -                                                | -                                               | -                          |
| Sales                                                                     | -                                                | -                                               | -                          |
| <b>As at 31 December 2024</b>                                             | -                                                | -                                               | -                          |
| Remeasurement recognised in statement of profit or loss during the period | (363)                                            | (209)                                           | (80)                       |
| Purchases                                                                 | 573                                              | 809                                             | 262                        |
| Sales                                                                     | -                                                | -                                               | -                          |
| <b>As at 31 December 2025</b>                                             | <b>210</b>                                       | <b>600</b>                                      | <b>182</b>                 |

The remeasurement is included within the line items 'Other individually immaterial operating income' and 'Other individually immaterial operating expenses' in the statement of profit or loss.

**2249 Financial instruments risk management objectives and policies**

**.5**

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds investments in debt and equity instruments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the

appropriate skills, experience and supervision. ~~It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.~~

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**~~42249~~ Financial assets and financial liabilities (continued)**

**~~2249~~. Financial instruments risk management objectives and policies (continued)**

**5**

It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 December in 2025 and 2024.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2025.

The analyses exclude the impact of movements in market variables on: the carrying values of pension and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note ~~78~~.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2025 and 2024 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign operation at 31 December 2025 for the effects of the assumed changes of the underlying risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to maintain borrowings at fixed rates of interest of not more than XX%, excluding borrowings that relate to discontinued operations. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2025, after taking into account the effect of interest rate swaps, approximately XX% of the Group's borrowings are at a fixed rate of interest (2024: XX%).

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables

held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

2249 Financial assets and financial liabilities (continued)

2249. Financial instruments risk management objectives and policies (continued)

5

Market risk (continued)

Interest rate sensitivity (continued)

|                   | Increase/decrease in basis points | Effect on profit before tax |
|-------------------|-----------------------------------|-----------------------------|
|                   |                                   | \$RM000                     |
| 2025              |                                   |                             |
| US dollar         | +45                               | (48)                        |
| <insert currency> | +60                               | (13)                        |
| US dollar         | -45                               | 33                          |
| <insert currency> | -60                               | 12                          |
| 2024              |                                   |                             |
| US dollar         | +10                               | (19)                        |
| <insert currency> | +15                               | -                           |
| US dollar         | -10                               | 12                          |
| <insert currency> | -15                               | -                           |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s operating activities (when revenue or expense is denominated in a foreign currency) and the Group’s net investments in foreign subsidiaries.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum XX-month period for hedges of forecasted sales and purchases and XX-month period for net investment hedges.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group hedges its exposure to fluctuations on the translation into Malaysian Ringgit of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps and forwards.

At 31 December 2025 and 2024, the Group hedged XX% and XX%, for X and XX months, respectively, of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**2249 Financial assets and financial liabilities (continued)**

**2249. Financial instruments risk management objectives and policies (continued)**

5

**Market risk (continued)**

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in RM and <insert currency> exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Group's exposure to foreign currency changes for all other currencies is not material.

|             | <u>Change in &lt;insert currency&gt;</u> | <u>Effect on profit<br/>before tax</u> | <u>Effect on pre-tax<br/>equity</u> |
|-------------|------------------------------------------|----------------------------------------|-------------------------------------|
|             |                                          | <u>\$RM000</u>                         | <u>\$RM000</u>                      |
| <b>2025</b> |                                          |                                        |                                     |
| Row_1       | +5%                                      | (30)                                   | (154)                               |
| Row_2       | -5%                                      | 20                                     | 172                                 |
| <b>2024</b> |                                          |                                        |                                     |
| Row_1       | +4%                                      | (40)                                   | (146)                               |
| Row_2       | -4%                                      | 40                                     | 158                                 |

  

|             | <u>Change in &lt;insert currency&gt;</u> | <u>Effect on profit<br/>before tax</u> | <u>Effect on pre-tax<br/>equity</u> |
|-------------|------------------------------------------|----------------------------------------|-------------------------------------|
|             |                                          | <u>\$RM000</u>                         | <u>\$RM000</u>                      |
| <b>2025</b> |                                          |                                        |                                     |
| Row_1       | +5%                                      | 26                                     | 102                                 |
| Row_2       | -5%                                      | (15)                                   | (113)                               |
| <b>2024</b> |                                          |                                        |                                     |
| Row_1       | +4%                                      | 31                                     | 92                                  |
| Row_2       | -4%                                      | (28)                                   | (96)                                |

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in Malaysian Ringgit, where the functional currency of the entity is a currency other than Malaysian Ringgit. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

The movement in pre-tax equity arises from changes in US Dollar borrowings (net of cash and cash equivalents) in the hedge of net investments in <insert country> operations and cash flow hedges. These movements will offset the translation of the <insert country> operations' net assets into Malaysian Ringgit.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

2249 Financial assets and financial liabilities (continued)

2249. Financial instruments risk management objectives and policies (continued)

5

Market risk (continued)

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of <insert description> and therefore require a continuous supply of <insert commodity>. The Group is exposed to changes in the price of <insert commodity>on its forecast <insert commodity> purchases.

The Group's Board of Directors has developed and enacted a risk management strategy for commodity price risk and its mitigation. Based on a XX-month forecast of the required <insert commodity> supply, the Group hedges the purchase price using forward commodity purchase contracts. The forward contracts do not result in physical delivery of <insert commodity>, but are designated as cash flow hedges to offset the effect of price changes in <insert commodity>. The Group hedges approximately XX% of its expected <insert commodity> purchases considered to be highly probable.

The Group also entered into various purchase contracts for <insert commodity> and <insert commodity> (for which there is an active market). The prices in these purchase contracts are linked to the price of <insert price dependant factor>.

Forward contracts with a physical delivery that qualify for normal purchase, sale or usage and that are therefore not recognised as derivatives are disclosed in Note 42249.3.

Commodity price sensitivity

The following table shows the effect of price changes in <insert commodity> net of hedge accounting impact.

|                            |      | Effect on profit | Effect on equity |
|----------------------------|------|------------------|------------------|
|                            |      | before tax       |                  |
|                            |      | \$RM000          | \$RM000          |
| 2025                       |      |                  |                  |
| <insert commodity><br>Row1 | +15% | (220)            | (585)            |
|                            | -15% | 220              | 585              |
| <insert commodity><br>Row2 | +4%  | (8)              | (8)              |
|                            | -4%  | 8                | 8                |
| <insert commodity><br>Row3 | +2%  | (10)             | (10)             |
|                            | -2%  | 10               | 10               |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**22149 Financial assets and financial liabilities (continued)**

**2249. Financial instruments risk management objectives and policies (continued)**

**5**

**Equity price risk**

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to non-listed equity investments at fair value was \$RMX,XXX,XXX. Sensitivity analyses of these investments have been provided in Note 22149.4.

At the reporting date, the exposure to equity investments at fair value listed on the <insert stock exchange> was RMXXX,XXX. Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the <insert stock exchange> market index, the Group has determined that an increase/(decrease) of XX% on the <insert stock exchange> market index could have an impact of approximately RMXX,XXX increase/(decrease) on the income and equity attributable to the Group.

**Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade receivables and contract assets**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. At 31 December 2025, the Group had XX customers (2024: XX) that owed it more than RMXXX,XXX each and accounted for approximately XX% (2024: XX%) of all the receivables and contract assets outstanding. There were X customers (2024: X customers) with balances greater than RMX million accounting for just over XX% (2024: XX%) of the total amounts of receivable and contract assets.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

22149Financial assets and financial liabilities (continued)

22149Financial instruments risk management objectives and policies (continued)  
.5

Credit risk (continued)

Trade receivables and contract assets (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 2431. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered an integral part of trade receivables and the calculation of impairment.

At 31 December 2025, XX% (2024: XX%) of the Group's trade receivables are covered by letters of credit and other forms of credit insurance. These credit enhancements obtained by the Group resulted in a decrease in the ECL of RMXX,XXX as at 31 December 2025 (2024: RMXX,XXX). The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

31 December 2025

31 December 2025

|                                                  | Trade receivables |                |                |                |                |                |                |
|--------------------------------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                                  | Days past due     |                |                |                |                |                |                |
|                                                  | Contract assets   | Current        | <30 days       | 30-60 days     | 61-90 days     | >91 days       | Total          |
|                                                  | <u>\$RM000</u>    | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u> |
| Expected credit loss rate                        | 0.13%             | 0.12%          | 1.50%          | 4.00%          | 7.00%          | 12.00%         | 24.62%         |
| Estimated total gross carrying amount at default | 4,547             | 16,787         | 4,864          | 2,700          | 1,151          | 514            | 26,016         |
| Expected credit loss                             | 6                 | 20             | 73             | 108            | 81             | 62             | 344            |

31 December 2024

31 December 2024

|                           | Trade receivables |                |                |                |                |                |                |
|---------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                           | Days past due     |                |                |                |                |                |                |
|                           | Contract assets   | Current        | <30 days       | 30-60 days     | 61-90 days     | >91 days       | Total          |
|                           | <u>\$RM000</u>    | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u> |
| Expected credit loss rate | 0.10%             | 0.10%          | 1.20%          | 3.00%          | 5.00%          | 10.00%         | 19.30%         |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

2249 Financial assets and financial liabilities (continued)

2249. Financial instruments risk management objectives and policies (continued)

5

Credit risk (continued)

Trade receivables and contract assets (continued)

|                                                  |       |        |       |       |     |     |        |
|--------------------------------------------------|-------|--------|-------|-------|-----|-----|--------|
| Estimated total gross carrying amount at default | 5,185 | 15,603 | 3,482 | 1,897 | 995 | 531 | 22,508 |
| Expected credit loss                             | 5     | 16     | 42    | 57    | 50  | 53  | 218    |

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group’s treasury department in accordance with the Group’s policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group’s Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group’s Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty’s potential failure to make payments.

The Group invests only on quoted debt securities with very low credit risk. The Group’s debt instruments at fair value through OCI comprised solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the <insert Credit Rating Agency name> and, therefore, are considered to be low credit risk investments. The Group recognised provision for expected credit losses on its debt instruments at fair value through OCI of RMX,XXX in 2025 (2024: RMX,XXX).

The Group’s maximum exposure to credit risk for the components of the statement of financial position at 31 December 2025 and 2024 is the carrying amounts as illustrated in Note 2249.1 except for derivative financial instruments. The Group’s maximum exposure relating to financial derivative instruments is noted in the liquidity table below.

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, and lease contracts. The Group’s policy is that not more than XX% of borrowings should mature in the next XX-month period. Approximately XX% of the Group’s debt will mature in less than one year at 31 December 2025 (2024: XX%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within XX months can be rolled over with existing lenders.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**22149 Financial assets and financial liabilities (continued)**

**22149 Financial instruments risk management objectives and policies (continued)**

.5

**Liquidity risk (continued)**

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

A substantial portion of the Group's trade payables are included in the Group's supplier finance arrangement and are, thus, with a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with several counterparties. However, the Group's payment terms for trade payables covered by the arrangement are identical to the payment terms for other trade payables. Management does not consider the supplier finance arrangement to result in excessive concentrations of liquidity risk, and the arrangement has been established to ease the administrative burden of managing invoices from a significant number of suppliers, rather than to obtain financing. Please refer to Note 3129 for further disclosures about the arrangement.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

| <b>Year ended 31 December 2025</b>                            | <b>On demand</b> | <b>Less than 3 months</b> | <b>3 to 12 months</b> | <b>1 to 5 years</b> | <b>&gt; 5 years</b> | <b>Total</b>   |
|---------------------------------------------------------------|------------------|---------------------------|-----------------------|---------------------|---------------------|----------------|
|                                                               | <b>\$RM000</b>   | <b>\$RM000</b>            | <b>\$RM000</b>        | <b>\$RM000</b>      | <b>\$RM000</b>      | <b>\$RM000</b> |
| Interest-bearing loans and borrowings (excluding items below) | 966              | -                         | 1,422                 | 10,554              | 8,000               | 20,942         |
| Lease liabilities (Note <u>320</u> )                          | 48               | 117                       | 290                   | 2,454               | 1,473               | 4,382          |
| Convertible preference shares                                 | -                | -                         | -                     | 676                 | 2,324               | 3,000          |
| Contingent consideration                                      | -                | -                         | 1,125                 | -                   | -                   | 1,125          |
| Other financial liabilities                                   | -                | -                         | -                     | 150                 | -                   | 150            |
| Trade and other payables                                      | 3,620            | 12,547                    | 802                   | -                   | -                   | 16,969         |
| Derivatives and embedded derivatives                          | 1,970            | 2,740                     | 391                   | 1,191               | 1,329               | 7,621          |
|                                                               | <b>6,604</b>     | <b>15,404</b>             | <b>4,030</b>          | <b>15,025</b>       | <b>13,126</b>       | <b>54,189</b>  |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**22149 Financial assets and financial liabilities (continued)**

**22149 Financial instruments risk management objectives and policies (continued)**

.5

**Liquidity risk (continued)**

**Excessive risk concentration (continued)**

| <b>Year ended 31 December 2024</b>                            | <b>On demand</b>      | <b>Less than 3 months</b> | <b>3 to 12 months</b> | <b>1 to 5 years</b>   | <b>&gt; 5 years</b>   | <b>Total</b>          |
|---------------------------------------------------------------|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                               | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b>     | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> |
| Interest-bearing loans and borrowings (excluding items below) | 2,650                 | -                         | 76                    | 8,872                 | 11,600                | 23,198                |
| Lease liabilities (Note 320)                                  | 32                    | 90                        | 296                   | 2,386                 | 1,432                 | 4,236                 |
| Convertible preference shares                                 | -                     | -                         | -                     | 624                   | 2,376                 | 3,000                 |
| Contingent consideration                                      | -                     | -                         | -                     | -                     | -                     | -                     |
| Other financial liabilities                                   | -                     | -                         | -                     | 202                   | -                     | 202                   |
| Trade and other payables                                      | 4,321                 | 13,959                    | 1,743                 | -                     | -                     | 20,023                |
| Derivatives and embedded derivatives                          | 549                   | 1,255                     | -                     | -                     | -                     | 1,804                 |
|                                                               | <b>7,552</b>          | <b>15,304</b>             | <b>2,115</b>          | <b>12,084</b>         | <b>15,408</b>         | <b>52,463</b>         |

The financial derivative instruments disclosed in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net. The following table shows the corresponding reconciliation of those amounts to their carrying amounts:

| <b>Year ended 31 December 2025</b>           | <b>On demand</b>      | <b>Less than 3 months</b> | <b>3 to 12 months</b> | <b>1 to 5 years</b>   | <b>Over 5 years</b>   | <b>Total</b>          |
|----------------------------------------------|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                              | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b>     | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> |
| Inflows                                      | 800                   | 1,000                     | 250                   | 700                   | 950                   | 3,700                 |
| Outflows                                     | (1,970)               | (2,740)                   | (391)                 | (1,191)               | (1,329)               | (7,621)               |
| <b>Net</b>                                   | <b>(1,170)</b>        | <b>(1,740)</b>            | <b>(141)</b>          | <b>(491)</b>          | <b>(379)</b>          | <b>(3,921)</b>        |
| Discounted at the applicable interbank rates | (1,170)               | (1,731)                   | (139)                 | (463)                 | (343)                 | (3,846)               |
| <b>Year ended 31 December 2024</b>           | <b>On demand</b>      | <b>Less than 3 months</b> | <b>3 to 12 months</b> | <b>1 to 5 years</b>   | <b>Over 5 years</b>   | <b>Total</b>          |
|                                              | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b>     | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> |
| Inflows                                      | 800                   | 1,000                     | -                     | -                     | -                     | 1,800                 |
| Outflows                                     | (1,970)               | (2,740)                   | -                     | -                     | -                     | (4,710)               |
| <b>Net</b>                                   | <b>(1,170)</b>        | <b>(1,740)</b>            | <b>-</b>              | <b>-</b>              | <b>-</b>              | <b>(2,910)</b>        |
| Discounted at the applicable interbank rates | (1,170)               | (1,731)                   | -                     | -                     | -                     | (2,901)               |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**22~~149~~ Financial assets and financial liabilities (continued)**

**22~~149~~ Financial instruments risk management objectives and policies (continued)**

**.5**

**Liquidity risk (continued)**

**Collateral**

The Group has pledged part of its short-term deposits in order to fulfil the collateral requirements for the derivatives contracts. At 31 December 2025 and 2024, respectively, the fair values of the short-term deposits pledged were RMX,XXX,XXX and RMX,XXX,XXX, respectively. The counterparties have an obligation to return the securities to the Group. The Group also holds a deposit in respect of derivative contracts of RMXXX,XXX as at 31 December 2025 (2024: RMXXX,XXX). The Group has an obligation to repay the deposit to the counterparties upon settlement of the contracts. There are no other significant terms and conditions associated with the use of collateral.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**22149 Financial assets and financial liabilities (continued)**

**22149 Changes in liabilities arising from financing activities**

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|                                                                                  | 1 January<br>2025 | Cash<br>flows  | Reclassifi<br>ed as part<br>of<br>disposal<br>group movement | Foreign<br>exchange<br>movement | Changes<br>in fair<br>values | New<br>leases  | Other          | 31<br>December<br>2025 |
|----------------------------------------------------------------------------------|-------------------|----------------|--------------------------------------------------------------|---------------------------------|------------------------------|----------------|----------------|------------------------|
|                                                                                  | <u>\$RM000</u>    | <u>\$RM000</u> | <u>\$RM000</u>                                               | <u>\$RM000</u>                  | <u>\$RM000</u>               | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u>         |
| Current interest-bearing loans and borrowings (excluding items listed below)     | 2,724             | (2,032)        | -                                                            | (6)                             | -                            | -              | 1,691          | 2,377                  |
| Current lease liabilities (Note 329)                                             | 418               | (406)          | -                                                            | -                               | -                            | 42             | 401            | 455                    |
| Non-current interest-bearing loans and borrowings (excluding items listed below) | 20,760            | 5,649          | (5,809)                                                      | (51)                            | -                            | -              | (1,108)        | 19,441                 |
| Non-current lease liabilities (Note 329)                                         | 2,553             | -              | -                                                            | -                               | -                            | 551            | (398)          | 2,706                  |
| Dividends payable                                                                | -                 | -              | -                                                            | -                               | -                            | -              | 410            | 410                    |
| Derivatives                                                                      | -                 | -              | -                                                            | -                               | 58                           | -              | -              | 58                     |
| <b>Total liabilities from financing activities</b>                               | <b>26,455</b>     | <b>3,211</b>   | <b>(5,809)</b>                                               | <b>(57)</b>                     | <b>58</b>                    | <b>593</b>     | <b>996</b>     | <b>25,447</b>          |

|                                                                                  | 1 January<br>2024 | Cash<br>flows  | Foreign<br>exchange<br>movement | New<br>leases  | Other          | 31<br>December<br>2024 |
|----------------------------------------------------------------------------------|-------------------|----------------|---------------------------------|----------------|----------------|------------------------|
|                                                                                  | <u>\$RM000</u>    | <u>\$RM000</u> | <u>\$RM000</u>                  | <u>\$RM000</u> | <u>\$RM000</u> | <u>\$RM000</u>         |
| Current interest-bearing loans and borrowings (excluding items listed below)     | 4,479             | (4,250)        | (10)                            | -              | 2,505          | 2,724                  |
| Current lease liabilities (Note 302)                                             | 355               | (341)          | -                               | 22             | 382            | 418                    |
| Non-current interest-bearing loans and borrowings (excluding items listed below) | 18,624            | 4,871          | (57)                            | -              | (2,678)        | 20,760                 |
| Non-current lease liabilities (Note 302)                                         | 2,734             | -              | -                               | 203            | (384)          | 2,553                  |
| <b>Total liabilities from financing activities</b>                               | <b>26,192</b>     | <b>280</b>     | <b>(67)</b>                     | <b>225</b>     | <b>(175)</b>   | <b>26,455</b>          |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**~~22149~~ Financial assets and financial liabilities (continued)**

**~~2249~~. Changes in liabilities arising from financing activities (continued)**

**6**

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities to current due to the passage of time, the accrual of special dividends that were not yet paid at year-end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities. The Group classifies interest paid as cash flows from operating activities.

Cash flows relating to non-current interest-bearing loans and borrowings are presented within the line item 'Proceeds from borrowings' in the statement of cash flows. Cash flows relating to current interest-bearing loans and borrowings are presented within the line item 'Repayment of borrowings' in the statement of cash flows. Cash flows relating to current lease liabilities are presented within the line item 'Payment of principal portion of lease liabilities' in the statement of cash flows.

Foreign exchange movements are presented within the line item 'Foreign exchange differences on interest-bearing loans and borrowings' in the statement of profit or loss. The amount reclassified as part of disposal group is included within 'Liabilities directly associated with the assets held for sale' in the statement of financial position.

**~~2320~~ Inventories**

|                                                                        | <b>2025</b>           | <b>2024</b>           |
|------------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                        | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> |
| Raw materials (at cost)                                                | 6,240                 | 7,136                 |
| Work in progress (at cost)                                             | 13,357                | 9,722                 |
| Finished goods (at lower of cost and net realisable value)             | 6,430                 | 6,972                 |
| <b>Total inventories at the lower of cost and net realisable value</b> | <b><u>26,027</u></b>  | <b><u>23,830</u></b>  |

The cost of inventories recognised as an expense is \$RMXXX,XXX (2024: \$RMXXX,XXX). During 2025, \$RMXXX,XXX (2024: \$RMXXX,XXX) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales. For a subsequent event related to inventories, refer to Note 368.

**~~24324~~ Trade receivables and contract assets**

***Trade receivables***

|                                                   | <b>2025</b>           | <b>2024</b>           |
|---------------------------------------------------|-----------------------|-----------------------|
|                                                   | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> |
| Receivables from third-party customers            | 24,845                | 21,376                |
| Receivables from an associate (Note 346)          | 551                   | 582                   |
| Receivables from other related parties (Note 364) | 620                   | 550                   |
|                                                   | 26,016                | 22,508                |
| Allowance for expected credit losses (Note 123.8) | (344)                 | (218)                 |
|                                                   | <b><u>25,672</u></b>  | <b><u>22,290</u></b>  |

Trade receivables are non-interest bearing and are generally on terms of XX to XX days.

For terms and conditions relating to related party receivables, refer to Note 364.

***Contract assets***

As at 31 December 2025, the Group has contract assets of RMX,XXX,XXX (2024: RMX,XXX,XXX) which is net of an allowance for expected credit losses of RMX,XXX (2024: RMX,XXX).

~~Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:~~

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**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**243 Trade receivables and contract assets (continued)**

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

|                                                                                                   | 2025           | 2024           |
|---------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                   | <u>\$RM000</u> | <u>\$RM000</u> |
| As at 1 January                                                                                   | 223            | 244            |
| Provision for expected credit losses ( <u>included in 'Administrative expenses' Note 123.89</u> ) | 185            | 76             |
| Write-off                                                                                         | (54)           | (95)           |
| Foreign exchange movement                                                                         | (4)            | (2)            |
| <b>As at 31 December</b>                                                                          | <b>350</b>     | <b>223</b>     |

The significant changes in the balances of trade receivables and contract assets are disclosed in Note 4.2 while the information about the credit exposures are disclosed in Note ~~224~~49.5.

**242 Prepayments**

|                              | 2025           | 2024           |
|------------------------------|----------------|----------------|
|                              | <u>\$RM000</u> | <u>\$RM000</u> |
| Prepaid insurance            | 168            | 89             |
| Creditable withholding taxes | 76             | 76             |
|                              | <b>244</b>     | <b>165</b>     |

~~In 20XX, the Group paid for an insurance policy covering three years. The prepayments pertain to the unexpired portion of the insurance.~~

**253 Cash and short-term deposits**

|                           | 2025           | 2024           |
|---------------------------|----------------|----------------|
|                           | <u>\$RM000</u> | <u>\$RM000</u> |
| Cash at banks and on hand | 11,732         | 11,125         |
| Short-term deposits       | 5,796          | 3,791          |
|                           | <b>17,528</b>  | <b>14,916</b>  |

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates (Note 132.3).

At 31 December 2025, the Group had available RMX,XXX,XXX (2024: RMX,XXX,XXX) of undrawn committed borrowing facilities.

The Group has pledged a part of its short-term deposits to fulfil collateral requirements. Refer to Note ~~224~~49.5 for further details.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**253 Cash and short-term deposits (continued)**

|                                                                                  | 2025           | 2024           |
|----------------------------------------------------------------------------------|----------------|----------------|
|                                                                                  | <b>\$RM000</b> | <b>\$RM000</b> |
| Cash at banks and on hand                                                        | 11,732         | 11,125         |
| Short-term deposits                                                              | 5,796          | 3,791          |
| Cash at banks and short-term deposits attributable to discontinued operations    | 1,294          | -              |
|                                                                                  | <b>18,822</b>  | <b>14,916</b>  |
| <del>Bank overdrafts (included in 'Interest-bearing loans and borrowings')</del> |                |                |
| <del>overdrafts</del>                                                            | (966)          | (2,650)        |
| <b>Cash and cash equivalents</b>                                                 | <b>17,856</b>  | <b>12,266</b>  |

**264 Issued capital and reserves**

**Authorised shares**

|                                                         | 2025              | 2024              |
|---------------------------------------------------------|-------------------|-------------------|
|                                                         | <b>Thousands</b>  | <b>Thousands</b>  |
| <del>Ordinary shares of \$X each</del>                  | <del>22,588</del> | <del>20,088</del> |
| <del>X% convertible preference shares of \$X each</del> | <del>2,500</del>  | <del>2,500</del>  |
|                                                         | <b>25,088</b>     | <b>22,588</b>     |

**Ordinary shares issued and fully paid, at no par value**

|                                                                                     | Thousands     | <b>\$RM000</b> |
|-------------------------------------------------------------------------------------|---------------|----------------|
| <b>At 1 January 2024</b>                                                            | <b>19,388</b> | <b>19,388</b>  |
| Issued on X XXX 20XX for acquisition of <insert Company name> (Note <del>87</del> ) | -             | -              |
| <b>At 31 December 2024</b>                                                          | <b>19,388</b> | <b>19,388</b>  |
| Issued on X XXX 20XX for acquisition of <insert Company name> (Note <del>87</del> ) | 2,500         | 2,500          |
| <b>At 31 December 2025</b>                                                          | <b>21,888</b> | <b>21,888</b>  |

**Treasury shares**

|                                              | Thousands  | <b>RM000</b> |
|----------------------------------------------|------------|--------------|
| <b>At 1 January 2024</b>                     | <b>335</b> | <b>854</b>   |
| Issued for cash on exercise of share options | (65)       | (200)        |
| <b>At 31 December 2024</b>                   | <b>270</b> | <b>654</b>   |
| Issued for cash on exercise of share options | (75)       | (146)        |
| <b>At 31 December 2025</b>                   | <b>195</b> | <b>508</b>   |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**264 Issued capital and reserves (continued)**

**Other individually immaterial capital reserves**

|                                               | Share-based payments | Convertible preference shares | Total        |
|-----------------------------------------------|----------------------|-------------------------------|--------------|
|                                               | \$RM000              | \$RM000                       | \$RM000      |
| <b>As at 1 January 2024</b>                   | <b>338</b>           | <b>228</b>                    | <b>566</b>   |
| Share-based payments expensed during the year | 298                  | -                             | 298          |
| <b>At 31 December 2024</b>                    | <b>636</b>           | <b>228</b>                    | <b>864</b>   |
| Share-based payments expensed during the year | 307                  | -                             | 307          |
| <b>At 31 December 2025</b>                    | <b>943</b>           | <b>228</b>                    | <b>1,171</b> |

**Nature and purpose of reserves**

**Other individually immaterial capital reserves**

***Share-based payments***

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 340 for further details of these plans.

***Convertible preference shares***

The convertible preference share reserve covers the equity component of the issued convertible preference shares. The liability component is included in 'Interest-bearing loans and borrowings' (see Note 2249.2).

**Other capital reserves**

All other reserves are as stated in the consolidated statement of changes in equity.

**OCI items, net of tax:**

The disaggregation of changes of OCI by each type of reserve in equity is shown below:

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**264 Issued capital and reserves (continued)**

**Nature and purpose of reserves (continued)**

**Other capital reserves (continued)**

All other reserves are as stated in the consolidated statement of changes in equity.

**OCI items, not of tax:**

The disaggregation of changes of OCI by each type of reserve in equity is shown below:

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

264 Issued capital and reserves (continued)

Nature and purpose of reserves (continued)

OCI items, net of tax: (continued)

|                                                           | Cash flow<br>hedge<br>reserve | Cost of<br>hedging<br>reserve | Fair value<br>reserve of<br>financial<br>assets at<br>FVOCI | Foreign<br>currency<br>translation<br>reserve | Asset<br>revaluation<br>surplus | Retained<br>earnings | Total          |
|-----------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-----------------------------------------------|---------------------------------|----------------------|----------------|
| <b>Year ended 31 December 2025</b>                        | <b>\$RM000</b>                | <b>\$RM000</b>                | <b>\$RM000</b>                                              | <b>\$RM000</b>                                | <b>\$RM000</b>                  | <b>\$RM000</b>       | <b>\$RM000</b> |
| Net gain on a hedge of net investment                     | -                             | -                             | -                                                           | 195                                           | -                               | -                    | 195            |
| Exchange differences on translation of foreign operations | -                             | -                             | -                                                           | (246)                                         | -                               | -                    | (246)          |
| Currency forward contracts                                | 197                           | 4                             | -                                                           | -                                             | -                               | -                    | 201            |
| Commodity forward contracts                               | (617)                         | (23)                          | -                                                           | -                                             | -                               | -                    | (640)          |
| Reclassified to statement of profit or loss               | (198)                         | (3)                           | (6)                                                         | -                                             | -                               | -                    | (207)          |
| Fair value loss on debt instruments at FVOCI              | -                             | -                             | (9)                                                         | -                                             | -                               | -                    | (9)            |
| Reclassification to statement of profit or loss           | -                             | -                             | -                                                           | -                                             | -                               | -                    | -              |
| Fair value loss on equity instruments designated at FVOCI | -                             | -                             | (18)                                                        | -                                             | -                               | -                    | (18)           |
| Fair value gain on equity instruments designated at FVOCI | -                             | -                             | -                                                           | -                                             | -                               | -                    | -              |
| Share of OCI of an associate                              | -                             | -                             | (30)                                                        | -                                             | 30                              | -                    | -              |
| Remeasurement on defined benefit plan                     | -                             | -                             | -                                                           | -                                             | -                               | 257                  | 257            |
| Revaluation of office properties in <insert country>      | -                             | -                             | -                                                           | -                                             | 592                             | -                    | 592            |
|                                                           | <b>(618)</b>                  | <b>(22)</b>                   | <b>(363)</b>                                                | <b>(51)</b>                                   | <b>59622</b>                    | <b>257</b>           | <b>125</b>     |
|                                                           |                               |                               | Fair value<br>reserve of                                    | Foreign<br>currency                           | Asset                           |                      |                |
|                                                           | Cash flow<br>hedge<br>reserve | Cost of<br>hedging<br>reserve | financial<br>assets at<br>FVOCI                             | translation<br>reserve                        | revaluation<br>surplus          | Retained<br>earnings | Total          |
| <b>Year ended 31 December 2024</b>                        | <b>\$RM000</b>                | <b>\$RM000</b>                | <b>\$RM000</b>                                              | <b>\$RM000</b>                                | <b>\$RM000</b>                  | <b>\$RM000</b>       | <b>\$RM000</b> |
| Net gain on a hedge of net investment                     | -                             | -                             | -                                                           | -                                             | -                               | -                    | -              |
| Exchange differences on translation of foreign operations | -                             | -                             | -                                                           | (117)                                         | -                               | -                    | (117)          |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**264** Issued capital and reserves (continued)

Nature and purpose of reserves (continued)

OCI items, net of tax: (continued)

| Year ended 31 December 2024                               | Cash flow<br>hedge<br>reserve | Cost of<br>hedging<br>reserve | Fair value<br>reserve of<br>financial<br>assets at<br>FVOCI | Foreign<br>currency<br>translation<br>reserve | Asset<br>revaluation<br>surplus | Retained<br>earnings | Total          |
|-----------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-----------------------------------------------|---------------------------------|----------------------|----------------|
|                                                           | <b>\$RM000</b>                | <b>\$RM000</b>                | <b>\$RM000</b>                                              | <b>\$RM000</b>                                | <b>\$RM000</b>                  | <b>\$RM000</b>       | <b>\$RM000</b> |
| Currency forward contracts                                | (265)                         | -                             | -                                                           | -                                             | -                               | -                    | (265)          |
| Commodity forward contracts                               | -                             | -                             | -                                                           | -                                             | -                               | -                    | -              |
| Reclassified to statement of profit or loss               | 289                           | -                             | -                                                           | -                                             | -                               | -                    | 289            |
| Fair value loss on debt instruments at FVOCI              | -                             | -                             | (4)                                                         | -                                             | -                               | -                    | (4)            |
| Reclassification to statement of profit or loss           | -                             | -                             | 3                                                           | -                                             | -                               | -                    | 3              |
| Fair value loss on equity instruments designated at FVOCI | -                             | -                             | 7                                                           | -                                             | -                               | -                    | 7              |
| Fair value gain on equity instruments designated at FVOCI | -                             | -                             | -                                                           | -                                             | -                               | -                    | -              |
| Share of OCI of an associate                              | -                             | -                             | -                                                           | -                                             | -                               | -                    | -              |
| Remeasurement on defined benefit plan                     | -                             | -                             | -                                                           | -                                             | -                               | (273)                | (273)          |
| Revaluation of office properties in <insert country>      | -                             | -                             | -                                                           | -                                             | -                               | -                    | -              |
|                                                           | <b>24</b>                     | <b>-</b>                      | <b>6</b>                                                    | <b>(117)</b>                                  | <b>-</b>                        | <b>(273)</b>         | <b>(360)</b>   |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

275 Distributions made and proposed

|                                                                                 | 2025           | 2024           |
|---------------------------------------------------------------------------------|----------------|----------------|
|                                                                                 | <u>\$RM000</u> | <u>\$RM000</u> |
| <b>Cash dividends on ordinary shares declared and paid:</b>                     |                |                |
| Final dividend for 2024: X.XX cents per share (2023: X.XX cents per share)      | 1,089          | 749            |
| Interim dividend for 2025: X.XX cents per share (2024: X.XX cents per share)    | 890            | 851            |
|                                                                                 | <u>1,979</u>   | <u>1,600</u>   |
| <b>Special cash dividends on ordinary shares declared but not paid:</b>         |                |                |
| Special dividends for 2025: X.XX cents per share (2024: Nil)                    | <u>410</u>     | -              |
| <b>Proposed dividends on ordinary shares:</b>                                   |                |                |
| Final cash dividend for 2025: X.XX cents per share (2024: X.XX cents per share) | <u>1,087</u>   | <u>1,082</u>   |

Special dividends were approved by an extraordinary shareholders meeting on XX XXXX 2025 and are included as a separate line item in to the statement of financial position. Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**286 Provisions**

|                                                                        | Assurance-<br>type<br>warranties | Re-<br>Structuring | De-commissioning | Social<br>security<br>contributions<br>on share options | Waste<br>description<br>≤ | Contingent<br>liability<br>recognised in<br>a business<br>combination | Onerous<br>contracts | Total        |
|------------------------------------------------------------------------|----------------------------------|--------------------|------------------|---------------------------------------------------------|---------------------------|-----------------------------------------------------------------------|----------------------|--------------|
|                                                                        | \$RM000                          | \$RM000            | \$RM000          | \$RM000                                                 | \$RM000                   | \$RM000                                                               | \$RM000              | \$RM000      |
| <b>At 1 January 2025</b>                                               | <b>118</b>                       | -                  | -                | <b>4</b>                                                | <b>53</b>                 | -                                                                     | -                    | <b>175</b>   |
| Acquisition of a subsidiary                                            | -                                | 900                | 1,200            | -                                                       | -                         | 380                                                                   | -                    | 2,480        |
| Arising during the year (Note 87)                                      | 112                              | -                  | -                | 26                                                      | 102                       | 20                                                                    | 20                   | 280          |
| Utilised                                                               | (60)                             | (59)               | -                | (19)                                                    | (8)                       | -                                                                     | -                    | (146)        |
| Unused amounts reversed                                                | (6)                              | (6)                | -                | -                                                       | -                         | -                                                                     | -                    | (12)         |
| Unwinding of discount and changes<br>in the discount rate (Note 123.4) | 2                                | 17                 | 21               | 1                                                       | 2                         | -                                                                     | -                    | 43           |
| <b>At 31 December 2025</b>                                             | <b>166</b>                       | <b>852</b>         | <b>1,221</b>     | <b>12</b>                                               | <b>149</b>                | <b>400</b>                                                            | <b>20</b>            | <b>2,820</b> |
| Current                                                                | 166                              | 305                | -                | 3                                                       | 28                        | 400                                                                   | 20                   | 922          |
| Non-current                                                            | -                                | 547                | 1,221            | 9                                                       | 121                       | -                                                                     | -                    | 1,898        |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**286 Provisions (continued)**

|                                                                        | Assurance-<br>type<br>warranties | Re-<br>structuring | De-commissioning | Social<br>security<br>contributions<br>on share options | Waste<br>description<br><insert description> | Contingent<br>liability<br>recognised in<br>a business<br>combination | Onerous<br>contracts | Total      |
|------------------------------------------------------------------------|----------------------------------|--------------------|------------------|---------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|----------------------|------------|
|                                                                        | \$RM000                          | \$RM000            | \$RM000          | \$RM000                                                 | \$RM000                                      | \$RM000                                                               | \$RM000              | \$RM000    |
| <b>At 1 January 2024</b>                                               | <b>66</b>                        | -                  | -                | <b>3</b>                                                | <b>31</b>                                    | -                                                                     | -                    | <b>100</b> |
| Acquisition of a subsidiary                                            | -                                | -                  | -                | -                                                       | -                                            | -                                                                     | -                    | -          |
| Arising during the year (Note 87)                                      | 52                               | -                  | -                | 1                                                       | 22                                           | -                                                                     | -                    | 75         |
| Utilised                                                               | -                                | -                  | -                | -                                                       | -                                            | -                                                                     | -                    | -          |
| Unused amounts reversed                                                | -                                | -                  | -                | -                                                       | -                                            | -                                                                     | -                    | -          |
| Unwinding of discount and changes<br>in the discount rate (Note 123.4) | -                                | -                  | -                | -                                                       | -                                            | -                                                                     | -                    | -          |
| <b>At 31 December 2024</b>                                             | <b>118</b>                       | -                  | -                | <b>4</b>                                                | <b>53</b>                                    | -                                                                     | -                    | <b>175</b> |
| Current                                                                | 118                              | -                  | -                | -                                                       | 38                                           | -                                                                     | -                    | 156        |
| Non-current                                                            | -                                | -                  | -                | 4                                                       | 15                                           | -                                                                     | -                    | 19         |

Unwinding of discount and changes in the discount rates (Note 123.4) are included within the line item 'Interest expenses on other liabilities' in the statement of profit or loss.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**286 Provisions (continued)**

**Assurance-type warranties**

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

**Restructuring**

<insert Company name> recorded a restructuring provision prior to being acquired by the Group. The provision relates principally to the elimination of certain of its product lines. The restructuring plan was drawn up and announced to the employees of <insert Company name> in 20XX when the provision was recognised in its financial statements. The restructuring is expected to be completed by 20XX.

**Decommissioning**

A provision has been recognised for decommissioning costs associated with a factory owned by <insert Company name>. The Group is committed to decommissioning the site as a result of the construction of the manufacturing facility for the production of <insert description>.

**Social security contributions on share options**

The provision for social security contributions on share options is calculated based on the number of options outstanding at the reporting date that are expected to be exercised. The provision is based on market price of the shares at the reporting date which is the best estimate of the market price at the date of exercise. It is expected that the costs will be incurred during the exercise period of 1 January 2025 to 31 December 20XX.

**Waste <insert description>**

The provision for waste <insert description> is calculated based on sales after XX XXXX 20XX (new waste) and expected disposals of historical waste (sales up to XX XXXX 20XX).

**Onerous contracts**

A provision is recognised for certain contracts with suppliers for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. It is anticipated that these costs will be incurred in the next financial year.

**297 Government grants**

|                                                                                                        | 2025         | 2024         |
|--------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                        | \$RM000      | \$RM000      |
| <b>At 1 January</b>                                                                                    | <b>1,551</b> | <b>1,450</b> |
| <u>Receipt of government grants (included in the statement of cash flows) Received during the year</u> | 2,951        | 642          |
| <u>Released to the statement of profit or loss (Note 1323.1)</u>                                       | (1,053)      | (541)        |
| <b>At 31 December</b>                                                                                  | <b>3,449</b> | <b>1,551</b> |
| Current                                                                                                | 149          | 151          |
| Non-current                                                                                            | 3,300        | 1,400        |

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants. Government grants recognised in the statement of profit or loss (Note 1332.1) are included within the line item 'Other individually immaterial operating income' in the statement of profit or loss.-

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**3028 Contract liabilities**

|                                               | 2025         | 2024         |
|-----------------------------------------------|--------------|--------------|
|                                               | \$RM000      | \$RM000      |
| Long-term advances for equipment              | 2,820        | 844          |
| Short-term advances for installation services | 1,374        | 1,258        |
| Customer loyalty points                       | 900          | 678          |
| Service-type warranties                       | 524          | 410          |
| Equipment received from customers             | 224          | 184          |
| <b>Total contract liabilities (Note 4)</b>    | <b>5,842</b> | <b>3,374</b> |
| Current                                       | 2,880        | 2,486        |
| Non-current                                   | 2,962        | 888          |

**3028. Loyalty program transactions**

1

|                                       | 2025       | 2024       |
|---------------------------------------|------------|------------|
|                                       | \$RM000    | \$RM000    |
| <b>At 1 January</b>                   | <b>678</b> | <b>551</b> |
| Deferred during the year              | 1,381      | 1,256      |
| Recognised as revenue during the year | (1,159)    | (1,129)    |
| <b>At 31 December</b>                 | <b>900</b> | <b>678</b> |
| Current                               | 398        | 346        |
| Non-current                           | 502        | 332        |

These amounts relate to the accrual and release of <name of the loyalty program> transactions. As at 31 December 2025, the estimated liability for unredeemed points amounted to \$RMXXX,XXX (2024: \$RMXXX,XXX).

**3129 Trade, ~~and other~~ and related party payables**

|                   | 2025          | 2024          |
|-------------------|---------------|---------------|
|                   | \$RM000       | \$RM000       |
| Trade payables    | 15,421        | 18,551        |
| Other payables    | 1,508         | 1,450         |
| Interest payables | -             | -             |
| Related parties   | 40            | 22            |
|                   | <b>16,969</b> | <b>20,023</b> |

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled terms by the Group on XX-day terms, including those trade payables that are included in the Group's supplier finance arrangement
- Other payables are non-interest bearing and have an average term of X months
- Interest payable is normally settled quarterly throughout the financial year
- For terms and conditions with related parties, refer to Note 364

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

3129 Trade and other payables (continued)

For explanations on the Groups liquidity risk management processes, refer to Note 22419.5.

The Group has established a supplier finance arrangement that is offered to some of the Group's key suppliers in <insert country>. Participation in the arrangement is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangement will receive early payment on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payment, they pay a fee to the finance provider, to which the Group is not party. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by the Group. Payments to suppliers ahead of the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date described above. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Group provides no security to the finance provider.

All trade payables subject to the supplier finance arrangement are included in 'Trade, and other and related party payables' in the consolidated statement of financial position and within trade payables in the table above.

|                                                                                   | 31<br>December<br>2025 | 31<br>December<br>2024 | 1 January<br>2024 |
|-----------------------------------------------------------------------------------|------------------------|------------------------|-------------------|
|                                                                                   | \$RM000                | \$RM000                | \$RM000           |
|                                                                                   |                        |                        | Restated          |
| Carrying amount of trade payables that are part of a supplier finance arrangement | 8,278                  | 7,437                  | 6,238             |
| Of which suppliers have received payment                                          | 4,697                  | 4,140                  | 3,389             |

There were no significant non-cash changes in the carrying amount of the trade payables included in the Groups supplier finance arrangement.

3230 Leases

Group as a lessee

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between X and XX years, while motor vehicles and other equipment generally have lease terms between X and X years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of machinery with lease terms of XX months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**3230 Leases (continued)**

**Group as a lessee (continued)**

|                               | Plant and<br>machinery | Motor<br>vehicles | Other<br>equipment | Total          |
|-------------------------------|------------------------|-------------------|--------------------|----------------|
|                               | <u>\$RM000</u>         | <u>\$RM000</u>    | <u>\$RM000</u>     | <u>\$RM000</u> |
| <b>As at 1 January 2024</b>   | <b>1,552</b>           | <b>699</b>        | <b>664</b>         | <b>2,915</b>   |
| Additions (Note 87)           | 124                    | 58                | 46                 | 228            |
| Depreciation expense          | (158)                  | (131)             | (122)              | (411)          |
| <b>As at 31 December 2024</b> | <b>1,518</b>           | <b>626</b>        | <b>588</b>         | <b>2,732</b>   |
| Additions (Note 87)           | 424                    | 108               | 78                 | 610            |
| Depreciation expense          | (173)                  | (136)             | (125)              | (434)          |
| <b>As at 31 December 2025</b> | <b>1,769</b>           | <b>598</b>        | <b>541</b>         | <b>2,908</b>   |

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

|                                                                         | 2025           | 2024           |
|-------------------------------------------------------------------------|----------------|----------------|
|                                                                         | <u>\$RM000</u> | <u>\$RM000</u> |
| <b>As at 1 January</b>                                                  | <b>2,971</b>   | <b>3,089</b>   |
| Additions                                                               | 593            | 225            |
| Accretion of interest (Note 132.4)                                      | 178            | 185            |
| Payments                                                                | (581)          | (528)          |
| <b>As at 31 December</b>                                                | <b>3,161</b>   | <b>2,971</b>   |
| Current (Note 2249.2)                                                   | 455            | 418            |
| Non-current (Note 2249.2)                                               | 2,706          | 2,553          |
| The maturity analysis of lease liabilities is disclosed in Note 2249.5. |                |                |

The following are the amounts recognised in profit or loss:

|                                                                                                          | 2025           | 2024           |
|----------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                          | <u>\$RM000</u> | <u>\$RM000</u> |
| Depreciation expense of right-of-use assets (included in 'Cost of sales')                                | 434            | 411            |
| Interest expense on lease liabilities (included in 'Interest expense on other liabilities', Note 1323.4) | 178            | 185            |
| Expense relating to short-term leases (included in 'Cost of sales')                                      | 22             | 21             |
| Expense relating to leases of low-value assets (included in 'Administrative expenses')                   | 18             | 17             |
| Variable lease payments (included in 'Cost of sales')                                                    | 32             | 28             |
| <b>Total amount recognised in profit or loss</b>                                                         | <b>684</b>     | <b>662</b>     |

The Group had total cash outflows for leases of RMXXX,XXX in 2025 (RMXXX,XXX in 2024). The Group also had non-cash additions to right-of-use assets and lease liabilities of RMXXX,XXX in 2025 (RMXXX,XXX in 2024). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 335.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**320 Leases (continued)**

**Group as a lessee (continued)**

The Group has lease contracts for machinery that contain variable payments based on the number of units to be manufactured. These terms are negotiated by management for certain machinery that is used to manufacture products without steady customer demand. Management's objective is to align the lease expense with the units manufactured and revenue earned. The following table provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

|                                    | <b>Fixed<br/>payments<br/>\$RM000</b> | <b>Variable<br/>payments<br/>\$RM000</b> | <b>Total<br/>\$RM000</b> |
|------------------------------------|---------------------------------------|------------------------------------------|--------------------------|
| <b>2025</b>                        |                                       |                                          |                          |
| Fixed rent                         | 352                                   | -                                        | 352                      |
| Variable rent with minimum payment | 176                                   | 47                                       | 223                      |
| Variable rent only                 | -                                     | 24                                       | 24                       |
|                                    | <b>528</b>                            | <b>71</b>                                | <b>599</b>               |
| <b>2024</b>                        |                                       |                                          |                          |
| Fixed rent                         | 392                                   | -                                        | 392                      |
| Variable rent with minimum payment | 189                                   | 45                                       | 234                      |
| Variable rent only                 | -                                     | 21                                       | 21                       |
|                                    | <b>581</b>                            | <b>66</b>                                | <b>647</b>               |

A X% increase in units produced for the relevant products would increase total lease payments by X%.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

|                                                | <b>Within five<br/>years<br/>\$RM000</b> | <b>More than<br/>five years<br/>\$RM000</b> | <b>Total<br/>\$RM000</b> |
|------------------------------------------------|------------------------------------------|---------------------------------------------|--------------------------|
| Extension options expected not to be exercised | 525                                      | 403                                         | 928                      |
| Termination options expected to be exercised   | 424                                      | 202                                         | 626                      |
|                                                | <b>949</b>                               | <b>605</b>                                  | <b>1,554</b>             |
| Extension options expected not to be exercised | 504                                      | 398                                         | 902                      |
| Termination options expected to be exercised   | 388                                      | 176                                         | 564                      |
|                                                | <b>892</b>                               | <b>574</b>                                  | <b>1,466</b>             |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

329 Leases (continued)

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of certain office and manufacturing buildings (see Note 1986). These leases have terms of between X and XX years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties. Rental income recognised by the Group during the year is RMX,XXX,XXX (2024: RMX,XXX,XXX).

Future undiscounted lease payments to be received under operating leases as at 31 December are as follows:

|                                | 2025          | 2024          |
|--------------------------------|---------------|---------------|
|                                | \$RM000       | \$RM000       |
| Within one year                | 1,418         | 1,390         |
| Between 1 and 2 years          | 1,387         | 1,371         |
| Between 2 and 3 years          | 1,411         | 1,389         |
| Between 3 and 4 years          | 1,452         | 1,420         |
| Between 4 and 5 years          | 1,380         | 1,340         |
| More than five years           | 5,901         | 5,864         |
| <b>Total expected payments</b> | <b>12,949</b> | <b>12,774</b> |

334 Pensions and other post-employment benefit plans

Net employee defined benefit liabilities

|                                                          | 2025         | 2024         |
|----------------------------------------------------------|--------------|--------------|
|                                                          | \$RM000      | \$RM000      |
| <insert country> post-employment healthcare benefit plan | 339          | 197          |
| <insert country> pension plan                            | 2,711        | 2,780        |
| <b>Total</b>                                             | <b>3,050</b> | <b>2,977</b> |

The Group has a defined benefit pension plan in <insert country> (funded). Also, in the <insert country>, the Group provides certain post-employment healthcare benefits to employees (unfunded). The Group's defined benefit pension plan is a final salary plan for <insert country> employees, which requires contributions to be made to a separately administered fund.

This plan is governed by the employment laws of <insert country>, which require final salary payments to be adjusted for the consumer price index upon payment during retirement. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the legal form of a foundation, and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**334 Pensions and other post-employment benefit plans (continued)**

**Net employee defined benefit liabilities (continued)**

Each year, the Board of Trustees reviews the level of funding in the <insert country> pension plan as required by <insert country>'s employment legislation. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of a combined XX% in equity and property and XX% in debt instruments. <insert country>'s employment legislation requires the Group to clear any plan deficit (based on a valuation performed in accordance with the regulations in <insert country>) over a period of no more than five years after the period in which the deficit arises. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed in accordance with the regulations in <insert country>) will arise.

Since the pension liability is adjusted to the consumer price index, the pension plan is exposed to <insert country>'s inflation, interest rate risks and changes in the life expectancy for pensioners. As the plan assets include significant investments in listed equity shares of entities in <insert sector>, the Group is also exposed to equity market risk arising in the <insert sector>.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the statement of financial position for the respective plans:

**Post-employment healthcare benefit plan**

**Net benefit expense (recognised in profit or loss)**

|                                                                                                                                                                                                              | <b>2025</b>           | <b>2024</b>           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                                                                                                                                                              | <b><u>\$RM000</u></b> | <b><u>\$RM000</u></b> |
| <u>Current service cost (included in 'Cost of sales', 'Research and development expenses', 'Selling expenses', 'Distribution expenses' and 'Administrative expenses')</u><br><del>Current service cost</del> | 142                   | 108                   |
| <u>Interest cost on benefit obligation (included in 'Interest expenses on other liabilities')</u>                                                                                                            | 11                    | 5                     |
| <b>Net benefit expense</b>                                                                                                                                                                                   | <b><u>153</u></b>     | <b><u>113</u></b>     |

**Changes in the present value of the defined benefit obligations:**

|                                                       | <b><u>\$RM000</u></b> |
|-------------------------------------------------------|-----------------------|
| <b>Defined benefit obligation at 1 January 2024</b>   | <b><u>88</u></b>      |
| Interest cost                                         | 5                     |
| Current service cost                                  | 108                   |
| Benefits paid                                         | (34)                  |
| Exchange differences                                  | 30                    |
| <b>Defined benefit obligation at 31 December 2024</b> | <b><u>197</u></b>     |
| Interest cost                                         | 11                    |
| Current service cost                                  | 142                   |
| Benefits paid                                         | (21)                  |
| Exchange differences                                  | 10                    |
| <b>Defined benefit obligation at 31 December 2025</b> | <b><u>339</u></b>     |

### 2025 Changes in the defined benefit obligation and fair value of plan assets

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Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

**334 Pensions and other post-employment benefit plans (continued)**

<insert country> Plan (continued)

**2025 Changes in the defined benefit obligation and fair value of plan assets (continued)**

|                            | Actuarial<br>changes<br>arising from<br>changes in<br>financial<br>assumptions | Experience<br>adjustments | Sub-Total<br>included in<br>OCI | Contribution<br>s by 31 December<br>employer | Remeasurement gains/(losses) in OCI<br>2025 |
|----------------------------|--------------------------------------------------------------------------------|---------------------------|---------------------------------|----------------------------------------------|---------------------------------------------|
|                            | <b>\$RM000</b>                                                                 | <b>\$RM000</b>            | <b>\$RM000</b>                  | <b>\$RM000</b>                               | <b>\$RM000</b>                              |
| Defined benefit obligation | (80)                                                                           | (20)                      | 111                             | -                                            | (6,154)                                     |
| Fair value of plan assets  | -                                                                              | -                         | 256                             | 1,100                                        | 3,443                                       |
| <b>Benefit liability</b>   | <b>(80)</b>                                                                    | <b>(20)</b>               | <b>367</b>                      | <b>1,100</b>                                 | <b>(2,711)</b>                              |

**2024 Changes in the defined benefit obligation and fair value of plan assets**

|                            | 1 January<br>2024 | Service cost   | Net interest<br>expense | Sub-total<br>included in<br>profit or loss<br>(Note 132.75) | Benefits paid  | Return on<br>plan assets<br>(excluding<br>amounts<br>included in<br>net interest<br>expense) | Actuarial<br>changes<br>arising from<br>changes in<br>demographic<br>assumptions |
|----------------------------|-------------------|----------------|-------------------------|-------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
|                            | <b>\$RM000</b>    | <b>\$RM000</b> | <b>\$RM000</b>          | <b>\$RM000</b>                                              | <b>\$RM000</b> | <b>\$RM000</b>                                                                               | <b>\$RM000</b>                                                                   |
| Defined benefit obligation | (5,248)           | (1,144)        | (283)                   | (1,427)                                                     | 1,166          | -                                                                                            | (201)                                                                            |
| Fair value of plan assets  | 2,810             | -              | 161                     | 161                                                         | (1,166)        | (289)                                                                                        | -                                                                                |
| <b>Benefit liability</b>   | <b>(2,438)</b>    | <b>(1,144)</b> | <b>(122)</b>            | <b>(1,266)</b>                                              | <b>-</b>       | <b>(289)</b>                                                                                 | <b>(201)</b>                                                                     |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

343 Pensions and other post-employment benefit plans (continued)

<insert country> Plan (continued)

2024 Changes in the defined benefit obligation and fair value of plan assets (continued)

|                            | Remeasurement gains/(losses) in OCI                                            |                           |                                 |                                              |                |
|----------------------------|--------------------------------------------------------------------------------|---------------------------|---------------------------------|----------------------------------------------|----------------|
|                            | Actuarial<br>changes<br>arising from<br>changes in<br>financial<br>assumptions | Experience<br>adjustments | Sub-Total<br>included in<br>OCI | Contribution<br>s by 31 December<br>employer | 2024           |
|                            | <u>\$RM000</u>                                                                 | <u>\$RM000</u>            | <u>\$RM000</u>                  | <u>\$RM000</u>                               | <u>\$RM000</u> |
| Defined benefit obligation | 70                                                                             | 30                        | (101)                           | -                                            | (5,610)        |
| Fair value of plan assets  | -                                                                              | -                         | (289)                           | 1,314                                        | 2,830          |
| <b>Benefit liability</b>   | <b>70</b>                                                                      | <b>30</b>                 | <b>(390)</b>                    | <b>1,314</b>                                 | <b>(2,780)</b> |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

334 Pensions and other post-employment benefit plans (continued)

The acquisitions of <insert Company name> in 2025 and <insert Company name> in 2024 did not affect plan assets or the defined benefit obligation, as neither of the entities had defined benefit plans.

The fair values of each major class of plan assets are as follows:

|                                               | <insert country> plan |         |
|-----------------------------------------------|-----------------------|---------|
|                                               | 2025                  | 2024    |
|                                               | \$RM000               | \$RM000 |
| Investments quoted in active markets:         |                       |         |
| Listed equity investments                     |                       |         |
| <insert sector>                               | 830                   | 655     |
| <insert sector>                               | 45                    | 33      |
| Bonds issued by <insert country> Government   | 1,670                 | 1,615   |
| Cash and cash equivalents                     | 400                   | 250     |
| Unquoted investments:                         |                       |         |
| Debt instruments issued by <insert Bank name> | 428                   | 222     |
| Property                                      | 70                    | 55      |
| Total                                         | 3,443                 | 2,830   |

The plan assets include a property occupied by the Group with a fair value of RMXX,XXX (2024: RMXX,XXX).

The principal assumptions used in determining pension and post-employment medical benefit obligations for the Group’s plans are shown below:

|                                        | 2025 | 2024 |
|----------------------------------------|------|------|
|                                        | %    | %    |
| Discount rate:                         |      |      |
| <insert country> pension plan          | 4.9  | 5.5  |
| Post-employment medical plan           | 5.7  | 5.9  |
| Future salary increases:               |      |      |
| <insert country> pension plan          | 3.5  | 4.0  |
| Future consumer price index increases: |      |      |
| <insert country> pension plan          | 2.1  | 2.1  |
|                                        | 7.2  | 7.4  |
| Healthcare cost increase rate          |      |      |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**334 Pensions and other post-employment benefit plans (continued)**

|                                                          | Years | Years |
|----------------------------------------------------------|-------|-------|
| <b>Life expectation for pensioners at the age of 65:</b> |       |       |
| <insert country> pension plan                            |       |       |
| Male                                                     | 20.0  | 20.0  |
| Female                                                   | 23.0  | 23.0  |
| Post-employment healthcare benefit plan                  |       |       |
| Male                                                     | 19.0  | 19.0  |
| Female                                                   | 22.0  | 22.0  |

A quantitative sensitivity analysis for significant assumptions as at 31 December is, as shown below:

|                                                                                        | <b>Impact on defined<br/>benefit obligation</b> |                |
|----------------------------------------------------------------------------------------|-------------------------------------------------|----------------|
|                                                                                        | <b>2025</b>                                     | <b>2024</b>    |
|                                                                                        | <b>\$RM000</b>                                  | <b>\$RM000</b> |
| <b>Assumptions for &lt;insert country&gt; pension plan:</b>                            |                                                 |                |
| Future pension cost increase:                                                          |                                                 |                |
| X% increase                                                                            | 70                                              | 60             |
| X% decrease                                                                            | (80)                                            | (70)           |
| Discount rate:                                                                         |                                                 |                |
| X.X% increase                                                                          | (90)                                            | (100)          |
| X.X% decrease                                                                          | 80                                              | 70             |
| Future salary increases:                                                               |                                                 |                |
| X.X% increase                                                                          | 120                                             | 110            |
| X.X% decrease                                                                          | (110)                                           | (130)          |
| Life expectancy of male pensioners:                                                    |                                                 |                |
| Increase by X year                                                                     | 110                                             | 100            |
| Decrease by X year                                                                     | (120)                                           | (130)          |
| Life expectancy of female pensioners:                                                  |                                                 |                |
| Increase by X year                                                                     | 70                                              | 60             |
| Decrease by X year                                                                     | (60)                                            | (70)           |
| <b>Assumptions for &lt;insert country&gt; post-employment healthcare benefit plan:</b> |                                                 |                |
| Future pension cost increase:                                                          |                                                 |                |
| X% increase                                                                            | 110                                             | 105            |
| X% decrease                                                                            | (90)                                            | (95)           |
| Discount rate:                                                                         |                                                 |                |
| X.X% increase                                                                          | (90)                                            | (120)          |
| X.X% decrease                                                                          | 100                                             | 80             |
| Future salary increases:                                                               |                                                 |                |
| X.X% increase                                                                          | -                                               | -              |
| X.X% decrease                                                                          | -                                               | -              |
| Life expectancy of male pensioners:                                                    |                                                 |                |
| Increase by X year                                                                     | 130                                             | 125            |
| Decrease by X year                                                                     | (150)                                           | (155)          |

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

334 Pensions and other post-employment benefit plans (continued)

|                                       |      |      |
|---------------------------------------|------|------|
| Life expectancy of female pensioners: |      |      |
| Increase by X year                    | 90   | 75   |
| Decrease by X year                    | (80) | (95) |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The following are the expected payments or contributions to the defined benefit plan in future years:

|                                                          | 2025         | 2024         |
|----------------------------------------------------------|--------------|--------------|
|                                                          | \$RM000      | \$RM000      |
| Within the next XX months (next annual reporting period) | 1,500        | 1,350        |
| Between X and X years                                    | 2,150        | 2,050        |
| Between X and XX years                                   | 2,160        | 2,340        |
| Beyond XX years                                          | 3,000        | 2,600        |
| <b>Total expected payments</b>                           | <b>8,810</b> | <b>8,340</b> |

The average duration of the defined benefit plan obligation at the end of the reporting period is XX.X years (2024: XX.X years).

342 Share-based payments

<insert name of the plan 1>

Under the <insert name of the plan 1>, share options of the parent are granted to senior executives of the parent with more than XX months' service. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest if and when the Group's <insert condition for vesting> (non-market condition) increases by XX% within three years from the date of grant and the senior executive remains employed on such date. The share options granted will not vest if the <insert condition for vesting> performance condition is not met.

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions on which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The share options can be exercised up to two years after the three-year vesting period and therefore, the contractual term of each option granted is five years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the <insert name of the plan> as an equity-settled plan.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

342 Share-based payments (continued)

<insert name of the plan 2>

Under the <insert name of the plan 2>, the Group, at its discretion, may grant share options of the parent to employees other than senior executives, once the employee has completed two years of service. Vesting of the share options is dependent on the Group's total shareholder return (TSR) as compared to a group of principal competitors. Employees must remain in service for a period of three years from the date of grant. The fair value of share options granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share options were granted. The model simulates the TSR and compares it against the group of principal competitors. It takes into account historical and expected dividends, and the share price volatility of the Group relative to that of its competitors so as to predict the share performance.

The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The contractual term of the share options is five years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards.

Share Appreciation Rights

The Group's business development employees are granted share appreciation rights (SARs), settled in cash. The SARs vest when a specified target number of new sales contracts (non-market vesting condition) are closed within three years from the date of grant and the employee continues to be employed by the Group at the vesting date. The share options can be exercised up to three years after the three-year vesting period and therefore, the contractual term of the SARs is six years. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered services to date.

The carrying amount of the liability relating to the SARs at 31 December 2025 was RMXXX,XXX (2024: RMXXX,XXX). No SARs had vested, granted or forfeited at 31 December 2025 and 2024, respectively.

The expense recognised for employee services received during the year is shown in the following table:

|                                                                                 | 2025       | 2024       |
|---------------------------------------------------------------------------------|------------|------------|
|                                                                                 | \$RM000    | \$RM000    |
| Expense arising from equity-settled share-based payment transactions            | 307        | 298        |
| Expense arising from cash-settled share-based payment transactions              | 105        | 194        |
| <b>Total expense arising from share-based payment transactions (Note 132.5)</b> | <b>412</b> | <b>492</b> |

The expense arising from share-based payment transactions is allocated to 'Cost of sales', 'Research and development expenses', 'Selling expenses', and 'Administrative expenses'.

There were no cancellations or modifications to the awards in 2025 or 2024.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

342 Share-based payments (continued)

|                            | 2025     | 2025     | 2024     | 2024     |
|----------------------------|----------|----------|----------|----------|
|                            | Number   | WAEP     | Number   | WAEP     |
| Outstanding at 1 January   | 575,000  | \$RM2.75 | 525,000  | \$RM2.75 |
| Granted during the year    | 250,000  | \$RM3.85 | 155,000  | \$RM3.13 |
| Forfeited during the year  | -        | -        | (25,000) | \$RM2.33 |
| Exercised during the year  | (75,000) | \$RM2.33 | (65,000) | \$RM3.08 |
| Expired during the year    | (25,000) | \$RM3.02 | (15,000) | \$RM2.13 |
| Outstanding at 31 December | 725,000  | \$RM3.24 | 575,000  | \$RM2.85 |
| Exercisable at 31 December | 110,000  | \$RM2.98 | 100,000  | \$RM2.51 |

\* The weighted average share price at the date of exercise of these options was RMX.XX.

\*\* The weighted average share price at the date of exercise of these options was RMX.XX.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2025 was X.XX years (2024: X.XX years).

The weighted average fair value of options granted during the year was RMX.XX (2024: RMX.XX).

The range of exercise prices for options outstanding at the end of the year was RMX.XX to RMX.XX (2024: RMX.XX to RMX.XX).

The following tables list the inputs to the models used for the three plans for the years ended 31 December 2025 and 2024, respectively:

|                                                      | 2025                    | 2025                    | 2025     |
|------------------------------------------------------|-------------------------|-------------------------|----------|
|                                                      | <insert name of plan 1> | <insert name of plan 2> | SAR      |
| Weighted average fair values at the measurement date | \$RM3.45                | \$RM3.10                | \$RM2.80 |
| Dividend yield (%)                                   | 3.13                    | 3.13                    | 3.13     |
| Expected volatility (%)                              | 15.00                   | 16.00                   | 18.00    |
| Risk-free interest rate (%)                          | 5.10                    | 5.10                    | 5.10     |
| Expected life of share options/SARs (years)          | 4.25                    | 3.00                    | 6.00     |
| Weighted average share price (\$RM)                  | 3.10                    | 3.10                    | 3.12     |
| Model used                                           | Binomial                | Monte Carlo             | Binomial |

|                                                      | 2024                    | 2024                    | 2024     |
|------------------------------------------------------|-------------------------|-------------------------|----------|
|                                                      | <insert name of plan 1> | <insert name of plan 2> | SAR      |
| Weighted average fair values at the measurement date | \$RM3.30                | \$RM3.00                | \$RM2.60 |
| Dividend yield (%)                                   | 3.01                    | 3.01                    | 3.01     |
| Expected volatility (%)                              | 16.30                   | 17.50                   | 18.10    |
| Risk-free interest rate (%)                          | 5.00                    | 5.00                    | 5.00     |
| Expected life of share options/SARs (years)          | 4.25                    | 3.00                    | 6.00     |
| Weighted average share price (\$RM)                  | 2.86                    | 2.86                    | 2.88     |
| Model used                                           | Binomial                | Monte Carlo             | Binomial |

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**342 Share-based payments (continued)**

The expected life of the share options and SARs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**Modifications**

The Board permitted XXX <specify, e.g. by number of employees, name or function> to retain a pro-rated (based on time and performance) portion of the awards made under the 20XX LTI plan. As the options were no longer subject to these employees employment with the Group, the expense relating to XXX <indicate the number> unvested options at departure has been accelerated and recognised in profit or loss. The incremental fair value granted as a result of this modification was XXX <indicate the amount>. This incremental fair value has been measured using the <insert description of option pricing model used and the inputs used>.

**353 Commitments and contingencies**

**Commitments**

At 31 December 2025, the Group had commitments of RMX,XXX,XXX (2024: RMX,XXX,XXX) including RMX,XXX,XXX (2024: RMNil) relating to <insert description> and RMXXX,XXX, (2024: RMXXX,XXX) relating to trade purchase commitments by the Group's joint venture.

The Group has various lease contracts that have not yet commenced as at 31 December 2025. The future lease payments for these non-cancellable lease contracts are RMXX,XXX within one year, RMXXX,XXX within five years and RMXXX,XXX thereafter.

**Legal claim contingency**

An overseas customer has commenced an action against the Group in respect of equipment claimed to be defective. The estimated payout is RMXXX,XXX should the action be successful. A trial date has not yet been set. Therefore, it is not practicable to state the timing of the payment, if any.

The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

**Guarantees**

The Group has provided the following guarantees at 31 December 2025:

- Guarantee to an unrelated party for the performance in a contract by the joint venture. No liability is expected to arise
- Guarantee of its share of RMXX,XXX (2024: RMXX,XXX) of the associate's contingent liabilities which have been incurred jointly with other investors

**Contingent liabilities**

The Group recognised a contingent liability of RMXXX,XXX in the course of the acquisition of <insert Company name> (see Notes 78 and 286).

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**364 Related party disclosures**

Note 67 provides information about the Group's structure, including details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

|                                                      |      | <b>Sales to<br/>related<br/>parties</b> | <b>Purchases<br/>from related<br/>parties</b> | <b>Amounts<br/>owned by<br/>related<br/>parties*</b> | <b>Amounts<br/>owned to<br/>related<br/>parties*</b> |
|------------------------------------------------------|------|-----------------------------------------|-----------------------------------------------|------------------------------------------------------|------------------------------------------------------|
|                                                      |      | <b>\$RM000</b>                          | <b>\$RM000</b>                                | <b>\$RM000</b>                                       | <b>\$RM000</b>                                       |
| Entity with significant influence<br>over the Group: |      |                                         |                                               |                                                      |                                                      |
| <insert Company name>                                | 2025 | 7,115                                   | -                                             | 620                                                  | -                                                    |
| <insert Company name>                                | 2024 | 5,975                                   | -                                             | 550                                                  | -                                                    |
| Associate:                                           |      |                                         |                                               |                                                      |                                                      |
| <insert Company name>                                | 2025 | 2,900                                   | -                                             | 551                                                  | -                                                    |
| <insert Company name>                                | 2024 | 2,100                                   | -                                             | 582                                                  | -                                                    |
| Joint venture in which the parent is<br>a venturer:  |      |                                         |                                               |                                                      |                                                      |
| <insert Company name>                                | 2025 | -                                       | 590                                           | -                                                    | 30                                                   |
| <insert Company name>                                | 2024 | -                                       | 430                                           | -                                                    | 12                                                   |
| Key management personnel of the<br>Group:            |      |                                         |                                               |                                                      |                                                      |
| Other directors' interests                           | 2025 | 225                                     | 510                                           | -                                                    | 10                                                   |
| Other directors' interests                           | 2024 | 135                                     | 490                                           | -                                                    | 10                                                   |

\* The amounts are classified as trade receivables and trade payables, respectively (see Notes 2434 and 3129).

|                                        |      | <b>Interest<br/>received</b> | <b>Amounts<br/>owned by<br/>related<br/>parties</b> |
|----------------------------------------|------|------------------------------|-----------------------------------------------------|
|                                        |      | <b>\$RM000</b>               | <b>\$RM000</b>                                      |
| Loans from/to related parties          |      |                              |                                                     |
| Associate:                             |      |                              |                                                     |
| <insert Company name>                  | 2025 | 20                           | 200                                                 |
| <insert Company name>                  | 2024 | -                            | -                                                   |
| Key management personnel of the Group: |      |                              |                                                     |
| Directors' loans                       | 2025 | 1                            | 13                                                  |
| Directors' loans                       | 2024 | -                            | 8                                                   |

There were no transactions other than dividends paid between the Group and <insert Company name>, the ultimate parent during the financial year (2024: \$RMNil).

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**364 Related party disclosures (continued)**

***Loan to an associate (Note 242.1)***

The loan granted to <insert Company name> is intended to finance an acquisition of new machines for the manufacturing of <insert description>. The loan is fully-secured and repayable in full on X XXXX 2025. Interest is charged at XX%.

***Terms and conditions of transactions with related parties***

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Group recognised provision for expected credit losses of RMX,XXX relating to amounts owed by related parties (2024: RMX,XXX).

***Commitments with related parties***

On X XXXX 2025, <insert Company name> entered into a two-year agreement ending XX XXXX 20XX with <insert Company name> to purchase specific <insert description of product> that <insert Company name> uses in its production cycle. <insert Company name> expects the potential purchase volume to be RMXXX,XXX in 20XX and RMXXX,XXX in the first X months of 20XX. The purchase price is based on <insert Company name>'s actual cost plus a X% margin and will be settled in cash within XX days of receiving the inventories.

The Group has provided a contractual commitment to <insert Company name>, whereby if the assets held as collateral by <insert Company name> for its borrowing fall below a credit rating of 'AA', the parent will substitute assets of an equivalent of 'AA' rating. The maximum fair value of the assets to be replaced is RMXXX,XXX as at 31 December 2025 (2024: RMXXX,XXX).

**Transactions with key management personnel**

***Directors' loans (Note 242.1)***

The Group offers senior management a facility to borrow up to RMXX,XXX, repayable within five years from the date of disbursement. Such loans are unsecured and the interest rate is based on XX plus X.X%. Any loans granted are included in financial instruments on the face of the statement of financial position.

***Other directors' interests***

During both 2025 and 2024, Group companies made purchases at market prices from <insert Company name>, of which the spouse of one of the directors of the Group is a director and controlling shareholder.

One director has a XX% (2024: XX%) equity interest in <insert Company name>. The Group has a contract for the supply of <insert description of product> to <insert Company name>. During 2025 and 2024, the Group supplied <insert description of product> to <insert Company name> at market prices.

***Investments***

During the year, TR Example Group acquired an equity interest of XX% in the shares of <name of company>, a company which is XX% owned by one of TR Example Group's directors. The amount paid for the interest acquired was XXX.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

**364 Related party disclosures (continued)**

**Compensation of key management personnel of the Group**

|                                                            | 2025           | 2024           |
|------------------------------------------------------------|----------------|----------------|
|                                                            | <u>\$RM000</u> | <u>\$RM000</u> |
| Short-term employee benefits                               | 435            | 424            |
| Post-employment pension and medical benefits               | 110            | 80             |
| Termination benefits                                       | 40             | -              |
| Share-based payment transactions                           | 18             | 12             |
| <b>Total compensation paid to key management personnel</b> | <b>603</b>     | <b>516</b>     |

The amounts disclosed in the table are the amounts recognised as ~~an 'Administrative expenses' expense~~ during the reporting period related to key management personnel. Senior management personnel of the Group, excluding non-executive directors, are included in an annual cash bonus scheme. Bonuses in this scheme are determined on the basis of both financial and non-financial KPIs, such as emission reduction targets and recycling targets, depending on their roles. Amounts awarded under this scheme are included in short-term employee benefits in the table above.

Generally, the non-executive directors do not receive pension entitlements from the Group. During 2025, an amount of RMXX,XXX was paid to a director who retired from an executive director's position in 2024.

**Directors' interests in the <insert name of plan>**

Share options held by executive members of the Board of Directors under the <insert name of plan> to purchase ordinary shares have the following expiry dates and exercise prices:

| Date of grant | Expiry date | Exercise price | 2025               | 2024               |
|---------------|-------------|----------------|--------------------|--------------------|
|               |             |                | Number outstanding | Number outstanding |
| 20XX          | 20XX        | RM2.33         | 10,000             | 10,000             |
| 20XX          | 20XX        | RM3.13         | 83,000             | 83,000             |
| 20XX          | 20XX        | RM3.85         | 27,000             | -                  |
| <b>Total</b>  |             | <b>RM9.31</b>  | <b>120,000</b>     | <b>93,000</b>      |

No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 324 for further details on the scheme.

**375 Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

| <u>Description</u>                                                                                                | <u>Effective for annual periods beginning on or after</u> |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| <u>Annual Improvements to MFRS Accounting Standards – Volume 11</u>                                               | <u>1 January 2026</u>                                     |
| <u>Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments</u> | <u>1 January 2026</u>                                     |

Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity 1 January 2026

MFRS 19: Subsidiaries without Public Accountability: Disclosures 1 January 2027

Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures 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

The directors expects that the adoption of the above new and amended standards will have no material impact on the consolidated financial statements in the period of initial application.

### **IFRS~~IFRS~~MFRS 19 Subsidiaries without Public Accountability: Disclosures**

In ~~May~~July 2024, the ~~IASB~~~~IASB~~~~IASB~~~~IASB~~ issued ~~IFRS~~~~IFRS~~~~IFRS~~~~IFRS~~MFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other ~~IFRS~~~~IFRS~~~~IFRS~~~~IFRS~~MFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in ~~IFRS~~~~IFRS~~~~IFRS~~~~IFRS~~MFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with ~~IFRS~~~~IFRS~~~~IFRS~~~~IFRS~~MFRS accounting standards.

Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025

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

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

***The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Group's financial statements are, as follows:***

- Rental income, change in fair value from investment properties and share of profit or an associate and a joint venture will be classified in the investing category within the statement of profit or loss.
- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rise to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

**Notes to consolidated financial statements (continued)  
for the year ended 31 December 2025**

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

**IFRS/MFRS 19 Subsidiaries without Public Accountability: Disclosures  
(continued)**

IFRS/MFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS/MFRS 19.

**Amendments to the Classification and Measurement of Financial Instruments—Amendments to  
IFRS/MFRS 9 and IFRS/MFRS 7**

In May/July 2024, the IASB/MASB issued Amendments to IFRS/MFRS 9 and IFRS/MFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's financial statements.

**Annual Improvements to IFRS/MFRS Accounting Standards - Volume 11**

In July/September 2024, the IASB/MASB issued nine narrow scope amendments as part of its periodic maintenance of

IFRS/MFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes

to improve consistency in IFRS/MFRS 1 First-time Adoption of International Financial Reporting Standards,

IFRS/MFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS/MFRS 7,

IFRS/MFRS 9 Financial Instruments, IFRS/MFRS 10 Consolidated Financial Statements and IAS 7/MFRS 107 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

## Notes to consolidated financial statements (continued) for the year ended 31 December 2025

### 375 Standards issued but not yet effective (continued)

#### Contracts Referencing Nature-dependent Electricity – Amendments to ~~IFRS~~MFRS 9 and ~~IFRS~~MFRS 7

In ~~December~~February 2025<sup>4</sup>, the ~~IASB~~MASB issued Amendments to ~~IFRS~~MFRS 9 and ~~IFRS~~MFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the ~~IFRS~~MFRS 7 disclosure amendments must be implemented alongside the ~~IFRS~~MFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its financial statements.

### 386 Events after the reporting period

On XX XXXX 20XX, a building with a net book value of \$RMX,XXX,XXX was severely damaged by flooding and inventories with a net book value of \$RMXXX,XXX were destroyed. It is expected that insurance proceeds will fall short of the costs of rebuilding and loss of inventories by \$RMXXX,XXX.

## Appendix 1 -

### MFRS 1 First-time Adoption of International Financial Reporting Standards

#### 1 Material accounting policies

##### (a) First-time adoption of MFRS

These financial statements, for the year ended 31 December 2025, are the first the Group has prepared in accordance with MFRS. For periods up to and including the year ended 31 December 2024, the Group prepared its financial statements in accordance with local generally accepted accounting principles (Local GAAP).

Accordingly, the Group has prepared financial statements that comply with MFRS applicable as at 31 December 2025, together with the comparative period data for the year ended 31 December 2024, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2024, the Group's date of transition to MFRS. This note explains the principal adjustments made by the Group in restating its Local GAAP financial statements, including the statement of financial position as at 1 January 2024 and the financial statements as of, and for, the year ended 31 December 2024.

#### Exemptions applied

MFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under MFRS.

The Group has applied the following exemptions:

- MFRS 3 Business Combinations has not been applied to either acquisitions of subsidiaries that are considered businesses under MFRS, or acquisitions of interests in associates and joint ventures that occurred before 1 January 2024. Use of this exemption means that the Local GAAP carrying amounts of assets and liabilities, that are required to be recognised under MFRS, are their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with MFRS. Assets and liabilities that do not qualify for recognition under MFRS are excluded from the opening MFRS statement of financial position. The Group did not recognise any assets or liabilities that were not recognised under the Local GAAP or exclude any previously recognised amounts as a result of MFRS recognition requirements. MFRS 1 also requires that the Local GAAP carrying amount of goodwill must be used in the opening MFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with MFRS 1, the Group has tested goodwill for impairment at the date of transition to MFRS. There was no impairment recognised on goodwill at 1 January 2024.
- The Group has not applied ~~IAS 21~~MFRS 121 The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to MFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.
- Freehold land and buildings, other than investment property, were carried in the statement of financial position prepared in accordance with Local GAAP on the basis of valuations performed on <insert date>. The Group has elected to regard those values as deemed cost at the date of the revaluation since they were broadly comparable to fair value.
- Certain items of property, plant and equipment have been measured at fair value at the date of transition to MFRS.

## Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards (continued)

### 1 Material accounting policies (continued)

#### (a) First-time adoption of MFRS (continued)

##### Exemptions applied (continued)

- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2024.
- MFRS 2 Share-based Payment has not been applied to equity instruments in share-based payment transactions that were granted on or before 7 November 2002, nor has it been applied to equity instruments granted after 7 November 2002 that vested before 1 January 2024. For cash-settled share-based payment transactions, the Group has not applied MFRS 2 to liabilities that were settled before 1 January 2024.
- The Group assessed all contracts existing at 1 January 2024 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2024.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2024. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2024. The lease payments associated with leases for which the lease term ends within XX months of the date of transition to MFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.
- The Group has applied the transitional provisions in ~~IAS 23~~MFRS 123 Borrowing Costs and capitalises borrowing costs relating to all qualifying assets after the date of transition. Similarly, the Group has not restated for borrowing costs capitalised under Local GAAP on qualifying assets prior to the date of transition to MFRS.
- The Group has designated investments in equity instruments including unquoted equity instruments as equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that exist at 1 January 2024.

##### Estimates

The estimates at 1 January 2024 and at 31 December 2024 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Local GAAP did not require estimation:

- Pensions and other postemployment benefits
- Share-based payment transactions
- Investments in equity instruments - unquoted equity shares

The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2024, the date of transition to MFRS and as at 31 December 2024.

**Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards**  
**- (continued)**

**Group reconciliation of equity as at 1 January 2024 (date of transition to MFRS)**

|                                                            |                       | Local<br>GAAP | Reclassifications<br>and<br>remeasurements | MFRS as<br>at 1<br>January<br>2024 |
|------------------------------------------------------------|-----------------------|---------------|--------------------------------------------|------------------------------------|
|                                                            | Notes                 | RM000         | RM000                                      | RM000                              |
| <b>Assets</b>                                              |                       |               |                                            |                                    |
| <b>Non-current assets</b>                                  |                       |               |                                            |                                    |
| Property, plant and equipment                              | (l), (m),<br>(n), (o) | 19,436        | (496)                                      | 18,940                             |
| Investment properties                                      |                       | 7,091         | -                                          | 7,091                              |
| Start-up expenses                                          | (a)                   | 300           | (300)                                      | -                                  |
| Intangible assets                                          | (f)                   | 2,114         | -                                          | 2,114                              |
| Right-of-use assets                                        | (o)                   | -             | 2,915                                      | 2,915                              |
| Investment in subsidiaries                                 |                       | 1,878         | -                                          | 1,878                              |
| Investment in an associate and a joint venture             | (b)                   | 2,123         | 150                                        | 2,273                              |
| Non-current financial assets                               |                       | 321           | -                                          | 321                                |
| Deferred tax assets                                        |                       | -             | -                                          | -                                  |
|                                                            |                       | <b>33,263</b> | <b>2,269</b>                               | <b>35,532</b>                      |
| <b>Current assets</b>                                      |                       |               |                                            |                                    |
| Inventories                                                | (p)                   | 25,152        | (856)                                      | 24,296                             |
| Right of return assets                                     | (p)                   | -             | 856                                        | 856                                |
| Trade receivables                                          | (c), (r)              | 29,115        | (3,578)                                    | 25,537                             |
| Contract assets                                            | (r)                   | -             | 3,450                                      | 3,450                              |
| Prepayments                                                |                       | 226           | -                                          | 226                                |
| Other current financial assets                             | (d)                   | -             | 137                                        | 137                                |
| Cash and short-term deposits                               | (s)                   | 11,066        | -                                          | 11,066                             |
|                                                            |                       | <b>65,559</b> | <b>9</b>                                   | <b>65,568</b>                      |
| <b>Total assets</b>                                        |                       | <b>98,822</b> | <b>2,278</b>                               | <b>101,100</b>                     |
| <b>Equity and liabilities</b>                              |                       |               |                                            |                                    |
| <b>Equity</b>                                              |                       |               |                                            |                                    |
| Issued capital                                             |                       | 19,388        | -                                          | 19,388                             |
| Share premium                                              |                       | -             | -                                          | -                                  |
| Treasury shares                                            |                       | (774)         | -                                          | (774)                              |
| Other capital reserves                                     | (j)                   | 228           | 338                                        | 566                                |
| Retained earnings                                          |                       | 25,615        | (4,033)                                    | 21,582                             |
| Other components of equity                                 | (b), (d),<br>(i), (k) | (706)         | 288                                        | (418)                              |
| Reserves of a disposal group held for sale                 |                       | -             | -                                          | -                                  |
| <b>Equity attributable to equity holders of the parent</b> |                       | <b>43,751</b> | <b>(3,407)</b>                             | <b>40,344</b>                      |
| Non-controlling interests                                  |                       | 198           | 10                                         | 208                                |
| <b>Total equity</b>                                        |                       | <b>43,949</b> | <b>(3,397)</b>                             | <b>40,552</b>                      |

**Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards**  
**- (continued)**

**Group reconciliation of equity as at 1 January 2024 (date of transition to MFRS)**

|                                          |           | Local GAAP    | Reclassifications and remeasurements | MFRS as at 1 January 2024 |
|------------------------------------------|-----------|---------------|--------------------------------------|---------------------------|
|                                          | Notes     | RM000         | RM000                                | RM000                     |
| <b>Non-current liabilities</b>           |           |               |                                      |                           |
| Interest-bearing loans and borrowing     | (o)       | 20,247        | 1,111                                | 21,358                    |
| Other non-current financial liabilities  |           | -             | -                                    | -                         |
| Provisions                               | (h)       | 140           | (125)                                | 15                        |
| Government grants                        |           | 1,300         | -                                    | 1,300                     |
| Deferred revenue                         | (r)       | 692           | (692)                                | -                         |
| Contract liabilities                     | (r)       | -             | 692                                  | 692                       |
| Net employee defined benefit liabilities | (g)       | -             | 2,526                                | 2,526                     |
| Deferred tax liabilities                 | (i)       | (727)         | 1,507                                | 780                       |
|                                          |           | <b>21,652</b> | <b>5,019</b>                         | <b>26,671</b>             |
| <b>Current liabilities</b>               |           |               |                                      |                           |
|                                          | (e), (p), |               |                                      |                           |
| Trade and other payables                 | (q)       | 21,993        | (3,745)                              | 18,248                    |
| Deferred revenue                         | (r)       | 1,836         | (1,836)                              | -                         |
| Contract liabilities                     | (r)       | -             | 1,836                                | 1,836                     |
| Refund liabilities                       | (p), (q)  | -             | 3,796                                | 3,796                     |
| Interest-bearing loans and borrowings    | (o)       | 4,500         | 334                                  | 4,834                     |
| Other current financial liabilities      | (d)       | 32            | 271                                  | 303                       |
| Government grants                        |           | 150           | -                                    | 150                       |
| Income tax payable                       |           | 4,625         | -                                    | 4,625                     |
| Provisions                               |           | 85            | -                                    | 85                        |
|                                          |           | <b>33,221</b> | <b>656</b>                           | <b>33,877</b>             |
| <b>Total liabilities</b>                 |           | <b>54,873</b> | <b>5,675</b>                         | <b>60,548</b>             |
| <b>Total liabilities and equity</b>      |           | <b>98,822</b> | <b>2,278</b>                         | <b>101,100</b>            |

**Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards**  
**- (continued)**

**Group reconciliation of equity as at 31 December 2024**

|                                                            |                       |                | Reclassifications<br>Local<br>GAAP and<br>remeasurements | MFRS as<br>at 31<br>December<br>2024 |
|------------------------------------------------------------|-----------------------|----------------|----------------------------------------------------------|--------------------------------------|
|                                                            | Notes                 | RM000          | RM000                                                    | RM000                                |
| <b>Assets</b>                                              |                       |                |                                                          |                                      |
| <b>Non-current assets</b>                                  |                       |                |                                                          |                                      |
| Property, plant and equipment                              | (l), (m),<br>(n), (o) | 24,797         | (468)                                                    | 24,329                               |
| Investment properties                                      |                       | 7,983          | -                                                        | 7,983                                |
| Start-up expenses                                          | (a)                   | 200            | (200)                                                    | -                                    |
| Intangible assets                                          | (f)                   | 2,461          | -                                                        | 2,461                                |
| Right-of-use assets                                        | (o)                   | -              | 2,732                                                    | 2,732                                |
| Investment in subsidiaries                                 |                       | 2,516          | -                                                        | 2,516                                |
| Investment in an associate and a joint venture             | (b)                   | 2,691          | 125                                                      | 2,816                                |
| Non-current financial assets                               |                       | 365            | -                                                        | 365                                  |
| Deferred tax assets                                        |                       | -              | -                                                        | -                                    |
|                                                            |                       | <b>41,013</b>  | <b>2,189</b>                                             | <b>43,202</b>                        |
| <b>Current assets</b>                                      |                       |                |                                                          |                                      |
| Inventories                                                | (p)                   | 24,759         | (929)                                                    | 23,830                               |
| Right of return assets                                     | (p)                   | -              | 929                                                      | 929                                  |
| Trade receivables                                          | (c), (r)              | 27,604         | (5,314)                                                  | 22,290                               |
| Contract assets                                            | (r)                   | -              | 5,180                                                    | 5,180                                |
| Prepayments                                                |                       | 165            | -                                                        | 165                                  |
| Other current financial assets                             | (d)                   | -              | 153                                                      | 153                                  |
| Cash and short-term deposits                               | (s)                   | 14,916         | -                                                        | 14,916                               |
|                                                            |                       | <b>67,444</b>  | <b>19</b>                                                | <b>67,463</b>                        |
| <b>Total assets</b>                                        |                       | <b>108,457</b> | <b>2,208</b>                                             | <b>110,665</b>                       |
| <b>Equity and liabilities</b>                              |                       |                |                                                          |                                      |
| <b>Equity</b>                                              |                       |                |                                                          |                                      |
| Issued capital                                             |                       | 19,388         | -                                                        | 19,388                               |
| Share premium                                              |                       | 80             | -                                                        | 80                                   |
| Treasury shares                                            |                       | (654)          | -                                                        | (654)                                |
| Other capital reserves                                     | (j)                   | 294            | 570                                                      | 864                                  |
| Retained earnings                                          |                       | 30,673         | (4,744)                                                  | 25,929                               |
| Other components of equity                                 | (b), (d),<br>(i), (k) | (798)          | 293                                                      | (505)                                |
| Reserves of a disposal group held for sale                 |                       | -              | -                                                        | -                                    |
| <b>Equity attributable to equity holders of the parent</b> |                       | <b>48,983</b>  | <b>(3,881)</b>                                           | <b>45,102</b>                        |
| Non-controlling interests                                  |                       | 728            | 12                                                       | 740                                  |
| <b>Total equity</b>                                        |                       | <b>49,711</b>  | <b>(3,869)</b>                                           | <b>45,842</b>                        |

**Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards**  
**- (continued)**

**Group reconciliation of equity as at 31 December 2024**

|                                          |           | Reclassifications<br>Local<br>GAAP and<br>remeasurements |              | MFRS as<br>at 31<br>December<br>2024 |
|------------------------------------------|-----------|----------------------------------------------------------|--------------|--------------------------------------|
|                                          | Notes     | RM000                                                    | RM000        | RM000                                |
| <b>Non-current liabilities</b>           |           |                                                          |              |                                      |
| Interest-bearing loans and borrowing     | (o)       | 22,222                                                   | 1,091        | 23,313                               |
| Other non-current financial liabilities  |           | -                                                        | -            | -                                    |
| Provisions                               | (h)       | 144                                                      | (125)        | 19                                   |
| Government grants                        |           | 1,400                                                    | -            | 1,400                                |
| Deferred revenue                         | (r)       | 888                                                      | (888)        | -                                    |
| Contract liabilities                     | (r)       | -                                                        | 888          | 888                                  |
| Net employee defined benefit liabilities | (g)       | -                                                        | 2,977        | 2,977                                |
| Deferred tax liabilities                 | (i)       | (671)                                                    | 1,278        | 607                                  |
|                                          |           | <b>23,983</b>                                            | <b>5,221</b> | <b>29,204</b>                        |
| <b>Current liabilities</b>               |           |                                                          |              |                                      |
|                                          | (e), (p), |                                                          |              |                                      |
| Trade and other payables                 | (q)       | 25,518                                                   | (5,495)      | 20,023                               |
| Deferred revenue                         | (r)       | 2,486                                                    | (2,486)      | -                                    |
| Contract liabilities                     | (r)       | -                                                        | 2,486        | 2,486                                |
| Refund liabilities                       | (p), (q)  | -                                                        | 5,844        | 5,844                                |
| Interest-bearing loans and borrowings    | (o)       | 2,840                                                    | 302          | 3,142                                |
| Other current financial liabilities      | (d)       | 49                                                       | 205          | 254                                  |
| Government grants                        |           | 151                                                      | -            | 151                                  |
| Income tax payable                       |           | 3,563                                                    | -            | 3,563                                |
| Provisions                               |           | 156                                                      | -            | 156                                  |
|                                          |           | <b>34,763</b>                                            | <b>856</b>   | <b>35,619</b>                        |
| <b>Total liabilities</b>                 |           | <b>58,746</b>                                            | <b>6,077</b> | <b>64,823</b>                        |
| <b>Total liabilities and equity</b>      |           | <b>108,457</b>                                           | <b>2,208</b> | <b>110,665</b>                       |

**Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards**  
**- (continued)**

**Group reconciliation of total comprehensive income for the year ended 31 December 2024**

|                                                                                                                    |                    | Local GAAP     | Remeasurements | MFRS for the year ended 31 December 2024 |
|--------------------------------------------------------------------------------------------------------------------|--------------------|----------------|----------------|------------------------------------------|
|                                                                                                                    | Notes              | RM000          | RM000          | RM000                                    |
| <b>Continuing operations</b>                                                                                       |                    |                |                |                                          |
| Revenue from contracts with customers                                                                              | (q)                | 159,719        | (631)          | 159,088                                  |
| Rental income                                                                                                      |                    | 1,377          | -              | 1,377                                    |
| <b>Revenue</b>                                                                                                     |                    | <b>161,096</b> | <b>(631)</b>   | <b>160,465</b>                           |
| Cost of sales                                                                                                      | (l), (m), (n), (o) | (128,274)      | (112)          | (128,386)                                |
| <b>Gross profit/(loss)</b>                                                                                         |                    | <b>32,822</b>  | <b>(743)</b>   | <b>32,079</b>                            |
| Other operating income                                                                                             |                    | 2,548          | -              | 2,548                                    |
| Selling and distribution expenses                                                                                  | (c), (g)           | (12,885)       | (79)           | (12,964)                                 |
| Administrative expenses                                                                                            | (j), (p)           | (11,748)       | (263)          | (12,011)                                 |
| Other operating expenses                                                                                           | (a)                | (453)          | 100            | (353)                                    |
| <b>Operating profit/(loss)</b>                                                                                     |                    | <b>10,284</b>  | <b>(985)</b>   | <b>9,299</b>                             |
| Finance costs                                                                                                      | (o)                | (1,156)        | (112)          | (1,268)                                  |
| Finance income                                                                                                     |                    | 145            | -              | 145                                      |
| Other income                                                                                                       |                    | 66             | -              | 66                                       |
| Share of profit of an associate and a joint venture                                                                |                    | 638            | -              | 638                                      |
| <b>Profit/(loss) before tax from continuing operations</b>                                                         |                    | <b>9,977</b>   | <b>(1,097)</b> | <b>8,880</b>                             |
| Income tax expense                                                                                                 | (i)                | (2,345)        | 112            | (2,233)                                  |
| <b>Profit/(loss) for the year from continuing operations</b>                                                       |                    | <b>7,632</b>   | <b>(985)</b>   | <b>6,647</b>                             |
| Profit/(loss) after tax for the year from discontinued operations                                                  |                    | (188)          | -              | (188)                                    |
| <b>Profit/(loss) for the year</b>                                                                                  |                    | <b>7,444</b>   | <b>(985)</b>   | <b>6,459</b>                             |
| <b>Other comprehensive income</b>                                                                                  |                    |                |                |                                          |
| <i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>                |                    |                |                |                                          |
| Exchange differences on translation of foreign operations                                                          |                    | (117)          | -              | (117)                                    |
| Net gain/(loss) on cash flow hedges                                                                                | (d)                | -              | 24             | 24                                       |
| Net loss on debt instruments at fair value through other comprehensive income                                      |                    | (1)            | -              | (1)                                      |
| <b>Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods</b>      |                    | <b>(118)</b>   | <b>24</b>      | <b>(94)</b>                              |
| Net gain/(loss) on equity instruments designated at fair value through other comprehensive income                  | (b)                | 32             | (25)           | 7                                        |
| Remeasurement gain/(loss) on defined                                                                               | (g)                | -              | (273)          | (273)                                    |
| <b>Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</b> |                    | <b>32</b>      | <b>(298)</b>   | <b>(266)</b>                             |

Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards  
- (continued)

Group reconciliation of total comprehensive income for the year ended 31 December 2024

|                                                            |       | Local GAAP | Remeasurements | MFRS for the year ended 31 December 2024 |
|------------------------------------------------------------|-------|------------|----------------|------------------------------------------|
|                                                            | Notes | RM000      | RM000          | RM000                                    |
| Other comprehensive loss for the year, net of tax          |       | (86)       | (274)          | (360)                                    |
| Total comprehensive income/(loss) for the year, net of tax |       | 7,358      | (1,259)        | 6,099                                    |

Notes to the reconciliation of equity as at 1 January 2024 and 31 December 2024 and total comprehensive income for the year ended 31 December 2024

a Start-up expenses

Under Local GAAP, the Group capitalised the cost of incorporation of a new subsidiary and depreciated this on a straight-line basis over five years. As such cost does not qualify for recognition as an asset under MFRS, this asset is derecognised against retained earnings.

b Equity instrument as at fair value through other comprehensive income

Under Local GAAP, the Group accounted for investments in unquoted equity shares as financial instruments measured at cost. Under MFRS, the Group has designated such investments as an equity instrument as at fair value through other comprehensive income. At the date of transition to MFRS, the fair value of these assets is RMX,XXX,XXX and their previous Local GAAP carrying amount was RMXXX,XXX. The RMXXX,XXX difference between the instruments' fair value and Local GAAP carrying amount has been recognised as other components of equity, in fair value reserve of financial assets at FVOCI, net of related deferred taxes.

c Trade and other receivables

The adoption of MFRS has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing incurred loss approach under Local GAAP with a forward-looking expected credit loss (ECL) approach. MFRS requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. At the date of transition to MFRS, the Group recognised additional impairment on its Trade receivables of RMXXX,XXX (31 December 2024: RMXXX,XXX), which resulted in a decrease in retained earnings by the same amount.

d Other financial assets and liabilities

The fair value of forward foreign exchange contracts is recognised under MFRS, and was not recognised under Local GAAP. The contracts have been designated as at the date of transition to MFRS as hedging instruments in cash flow hedges of either expected future sales, for which the group has firm commitments, or expected purchases from suppliers that are highly probable. The corresponding adjustment has been recognised as a separate component of equity, in the cash flow hedge reserve.

## **Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards**

- (continued)

### **Notes to the reconciliation of equity as at 1 January 2024 and 31 December 2024 and total comprehensive income for the year ended 31 December 2024 (continued)**

#### **e Trade and other payables**

Under Local GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under MFRS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. In the case of the Group, the declaration of dividend occurs after period end. Therefore, the liability recorded for this dividend has been derecognised against retained earnings.

#### **f Intangible assets**

Under Local GAAP, the Group recognised indefinite lived intangible assets amounting to RMXX,XXX on a business combination that does not qualify for recognition under MFRS. These intangible assets have been reclassified as part of goodwill on transition to MFRS. Goodwill has been presented within Intangible assets on the Statement of Financial Position.

#### **g Defined benefit obligation**

Under Local GAAP, the Group recognised costs related to its pension plan on a cash basis. Under MFRS, defined benefit plan obligations are recognised and are measured using the projected unit credit method. The pension liability has been recognised in full against retained earnings.

#### **h Provisions**

Under Local GAAP, a restructuring provision has been recorded relating to downsizing head office activities. The provision does not qualify for recognition as a liability according to ~~IAS 37~~MFRS 137, and has been derecognised against retained earnings.

#### **i Deferred tax**

The various transitional adjustments resulted in various temporary differences. According to the accounting policies in Note 2.3, the Group has to recognise the tax effects of such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

#### **j Share-based payments**

Under Local GAAP, the Group recognised only the cost for the long-term incentive plan as an expense. MFRS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense of RMXXX,XXX has been recognised in profit or loss for the year ended 31 December 2024. Share options with grant date fair value totalling RMXXX,XXX, which were granted before and still vesting at 1 January 2024, have been recognised as a separate component of equity against retained earnings at 1 January 2024.

#### **k Foreign currency translation**

Under Local GAAP, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2024. The resulting adjustment was recognised against retained earnings.

**Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards**  
**- (continued)**

**Notes to the reconciliation of equity as at 1 January 2024 and 31 December 2024 and total comprehensive income for the year ended 31 December 2024 (continued)**

**l Property, plant and equipment**

The group has elected to measure certain items of property, plant and equipment at fair value at the date of transition to MFRS. At the date of transition to MFRS, the aggregate of those fair values was RMXX,XXX,XXX and an increase of RMXXX,XXX (31 December 2024: RMXXX,XXX) was recognised in property, plant and equipment. This amount has been recognised against retained earnings.

**m Depreciation of property, plant and equipment**

~~IAS 16~~**MFRS 116** requires significant component parts of an item of property, plant and equipment to be depreciated separately. As explained in Note 2.3, the cost of major inspections is capitalised and depreciated separately over the period to the next major inspection. At the date of transition to MFRS, an increase of RMXXX,XXX (31 December 2024: RMXXX,XXX) was recognised in property, plant and equipment net of accumulated depreciation due to separate depreciation of significant components of property, plant and equipment. This amount has been recognised against retained earnings.

**n Impairment of property, plant and equipment**

Under Local GAAP, long-lived assets were reviewed for impairment when events or changes in circumstances indicated that their carrying value may exceed the sum of the undiscounted future cash flows expected from use and eventual disposal. For the purposes of assessing impairment, assets were grouped at the lowest level for which identifiable cash flows were largely independent of the cash flows of other assets. If the estimated undiscounted cash flows for the asset group were less than the asset group's carrying amount, the impairment loss was measured as the excess of the carrying value over fair value. Under MFRS, as explained in Note 2.3), impairment of assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, is assessed at the CGU level based on the CGU's recoverable amount. At the date of transition to MFRS, as a result of the changes in methodology, the Group determined that the recoverable amount of its manufacturing plant, which is considered a CGU was less than its carrying amount. The recoverable amount was RMX,XXX,XXX, based on the CGU's value in use using a pre-tax discount rate of X%. This resulted in an impairment loss of RMXXX,XXX being recognised as at 1 January 2024. This amount has been recognised against retained earnings. Additionally, depreciation for the year ended 31 December 2024 was reduced by RMXX,XXX.

## **Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards**

**- (continued)**

### **Notes to the reconciliation of equity as at 1 January 2024 and 31 December 2024 and total comprehensive income for the year ended 31 December 2024 (continued)**

#### **o Leases**

Under Local GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under MFRS, as explained in Note 2.3), a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to MFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to MFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Group recognised an increase of RMX,XXX,XXX (31 December 2024: RMX,XXX,XXX) of lease liabilities included under interest-bearing loans and borrowings and RMX,XXX,XXX (31 December 2024: RMX,XXX,XXX) of right-of-use assets. The difference between lease liabilities and right-of-use assets has been recognised in retained earnings. Under Local GAAP, assets held under finance leases are capitalised and included in property, plant and equipment. Under MFRS, they are presented in right-of-use assets. At the date of transition to MFRS, RMX,XXX,XXX (31 December 2024: RMX,XXX,XXX) was reclassified from property, plant and equipment to right-of-use assets. Additionally, depreciation increased by RMXX,XXX (RMXX,XXX was included in cost of sales, RMXX,XXX was included in administrative expenses) and finance costs increased by RMXXX,XXX for the year ended 31 December 2024.

#### **p Rights of return**

Under Local GAAP, the amount of revenue related to the expected returns was deferred and recognised in the statement of financial position within trade and other payables with a corresponding adjustment to cost of sales. The initial carrying amount of goods expected to be returned was included in Inventories. Under MFRS, the consideration received from the customer is variable because the contract allows the customer to return the products. For goods expected to be returned, the Group presented a refund liability and an asset for the right to recover products from a customer separately in the statement of financial position. At the date of transition to MFRS, the Group reclassified trade and other payables of RMX,XXX,XXX (31 December 2024: RMX,XXX,XXX) to refund liabilities and Inventories of RMXXX,XXX (31 December 2024: RMXXX,XXX) to right of return assets.

#### **q Volume rebates**

Under Local GAAP, the Group estimated the expected volume rebates using the probability-weighted average amount of rebates approach and included an allowance for rebates in trade and other payables. Under MFRS, retrospective volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Group applied the 'most likely amount method' for contracts with a single volume threshold and the 'expected value method' for contracts with more than one volume threshold. At the date of transition to MFRS, the Group recognised refund liabilities of RMX,XXX,XXX (31 December 2024: RMX,XXX,XXX) for the expected future rebates. The Group also derecognised the provision included in trade and other payables of RMX,XXX,XXX (31 December 2024: RMX,XXX,XXX), and reduced the retained earnings for the difference of RMXXX,XXX (31 December 2024: RMX,XXX,XXX). Additionally, revenue from contracts with customers for the year ended 31 December 2024 was reduced by RMXXX,XXX.

**Appendix 1 MFRS 1 First-time Adoption of International Financial Reporting Standards**  
**(continued)**

**Notes to the reconciliation of equity as at 1 January 2024 and 31 December 2024 and total comprehensive income for the year ended 31 December 2024 (continued)**

**r Contract assets and contract liabilities**

Under Local GAAP, the Group recognised trade receivables, even if the receipt of the total consideration was conditional on successful completion of installation services. Under MFRS, any earned consideration that is conditional should be recognised as a contract asset rather than a receivable. Therefore, at the date of transition to MFRS, the Group reclassified RMX,XXX,XXX (31 December 2024: RMX,XXX,XXX) from trade receivables to contract assets. Under Local GAAP, the Group recognised deferred revenue for an obligation to transfer goods or services to a customer for which the entity has received consideration or the amount is due from the customer. Under MFRS, the obligation should be recognised as a contract liability rather than deferred revenue. Therefore, at the date of transition to MFRS, the Group reclassified RMX,XXX,XXX (31 December 2024: RMX,XXX,XXX) from deferred revenue to contract liabilities.

**s Statement of cash flows**

Under Local GAAP, a lease is classified as a finance lease or an operating lease. Cash flows arising from operating lease payments are classified as operating activities. Under MFRS, a lessee generally applies a single recognition and measurement approach for all leases and recognises lease liabilities. Cash flows arising from payments of principal portion of lease liabilities are classified as financing activities. Therefore, cash outflows from operating activities decreased by RMXXX,XXX and cash outflows from financing activities increased by the same amount for the year ended 31 December 2024.

**Appendix 2 Simple revenue disclosure by “Type of revenue”.**

-

**1 Disaggregated revenue information**

Set out below is the disaggregation of the Group’s revenue from contracts with customers:

|                                                    | <b>For year<br/>ended 31<br/>December<br/>2025</b> | <b>For year<br/>ended 31<br/>December<br/>2024</b> |
|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| <i>Revenue from contracts with customers</i>       |                                                    |                                                    |
| Sale of goods                                      | 154,701                                            | 137,452                                            |
| Rendering of services                              | 24,357                                             | 21,636                                             |
| <b>Total revenue from contracts with customers</b> | <b>179,058</b>                                     | <b>159,088</b>                                     |
|                                                    | <b>31</b>                                          | <b>31</b>                                          |
|                                                    | <b>December</b>                                    | <b>December</b>                                    |
|                                                    | <b>2025</b>                                        | <b>2024</b>                                        |
| <i>Other revenue</i>                               |                                                    |                                                    |
| Rent from investment properties                    | 1,404                                              | 1,377                                              |
| Other revenue                                      | -                                                  | -                                                  |
| <b>Total other revenue</b>                         | <b>1,404</b>                                       | <b>1,377</b>                                       |
| <b>Total revenue from continuing operations</b>    | <b>180,462</b>                                     | <b>160,465</b>                                     |

**Appendix 3 Consolidated statement of financial position with separate presentation lease liability, including disclosure**

**Consolidated statement of financial position as at 31 December 2025**

|                                                |       | 2025           | 2024                                     | As at 1<br>January<br>2024               |
|------------------------------------------------|-------|----------------|------------------------------------------|------------------------------------------|
|                                                | Notes | <u>\$RM000</u> | <u>\$RM000</u><br>Restated<br>(Note 2.5) | <u>\$RM000</u><br>Restated<br>(Note 2.5) |
| <b>Assets</b>                                  |       |                |                                          |                                          |
| <b>Non-current assets</b>                      |       |                |                                          |                                          |
| Property, plant and equipment                  | 15    | 32,979         | 24,329                                   | 18,940                                   |
| Investment properties                          | 16    | 8,893          | 7,983                                    | 7,091                                    |
| Intangible assets                              | 17    | 6,019          | 2,461                                    | 2,114                                    |
| Right-of-use assets                            | 30    | 2,908          | 2,732                                    | 2,915                                    |
| Investment in subsidiaries                     |       | -              | -                                        | -                                        |
| Investment in an associate and a joint venture | 9, 10 | 3,187          | 2,516                                    | 1,878                                    |
| Non-current financial assets                   | 19    | 3,761          | 2,816                                    | 2,273                                    |
| Deferred tax assets                            | 14    | 389            | 365                                      | 321                                      |
| Non-current trade and other receivables        |       | -              | -                                        | -                                        |
|                                                |       | <b>58,136</b>  | <b>43,202</b>                            | <b>35,532</b>                            |
| <b>Current assets</b>                          |       |                |                                          |                                          |
| Inventories                                    | 20    | 26,027         | 23,830                                   | 24,296                                   |
| Right of return assets                         | 4     | 1,124          | 929                                      | 856                                      |
| Trade receivables                              | 4, 21 | 25,672         | 22,290                                   | 25,537                                   |
| Contract assets                                | 4, 21 | 4,541          | 5,180                                    | 3,450                                    |
| Prepayments                                    | 22    | 244            | 165                                      | 226                                      |
| Other current financial assets                 | 19    | 551            | 153                                      | 137                                      |
| Cash and short-term deposits                   | 23    | 17,528         | 14,916                                   | 11,066                                   |
|                                                |       | <b>75,687</b>  | <b>67,463</b>                            | <b>65,568</b>                            |
| Assets held for sale                           | 13    | 13,554         | -                                        | -                                        |
|                                                |       | <b>89,241</b>  | <b>67,463</b>                            | <b>65,568</b>                            |
| <b>Total assets</b>                            |       | <b>147,377</b> | <b>110,665</b>                           | <b>101,100</b>                           |
| <b>Equity and liabilities</b>                  |       |                |                                          |                                          |

**Appendix 3 Consolidated statement of financial position with separate presentation lease liability, including disclosure (continued)**

**Consolidated statement of financial position as at 31 December 2025 (continued)**

|                                                               |       | 2025          | 2024                              | As at 1<br>January<br>2024        |
|---------------------------------------------------------------|-------|---------------|-----------------------------------|-----------------------------------|
|                                                               | Notes | \$RM000       | \$RM000<br>Restated<br>(Note 2.5) | \$RM000<br>Restated<br>(Note 2.5) |
| <b>Equity</b>                                                 |       |               |                                   |                                   |
| Issued capital                                                | 24    | 21,888        | 19,388                            | 19,388                            |
| Share premium                                                 | 24    | 4,780         | 80                                | -                                 |
| Treasury shares                                               | 24    | (508)         | (654)                             | (774)                             |
| Other capital reserves                                        | 24    | 1,171         | 864                               | 566                               |
| Retained earnings                                             |       | 31,622        | 25,929                            | 21,582                            |
| Other components of equity                                    |       | (642)         | (505)                             | (418)                             |
| Reserves of a disposal group held for sale                    | 13    | 46            | -                                 | -                                 |
| <b>Equity attributable to equity holders of the parent</b>    |       | <b>58,357</b> | <b>45,102</b>                     | <b>40,344</b>                     |
| Non-controlling interests                                     |       | 2,410         | 740                               | 208                               |
| <b>Total equity</b>                                           |       | <b>60,767</b> | <b>45,842</b>                     | <b>40,552</b>                     |
| <b>Non-current liabilities</b>                                |       |               |                                   |                                   |
| Interest-bearing loans and borrowing                          | 19    | 19,441        | 20,760                            | 21,358                            |
| Lease liabilities                                             | 30    | 2,706         | 2,553                             | -                                 |
| Other non-current financial liabilities                       | 19    | 806           | -                                 | -                                 |
| Provisions                                                    | 26    | 1,898         | 19                                | 15                                |
| Government grants                                             | 27    | 3,300         | 1,400                             | 1,300                             |
| Contract liabilities                                          | 4, 28 | 2,962         | 888                               | 692                               |
| Net employee defined benefit liabilities                      | 31    | 3,050         | 2,977                             | 2,526                             |
| Deferred tax liabilities                                      | 14    | 2,454         | 607                               | 780                               |
|                                                               |       | <b>36,617</b> | <b>29,204</b>                     | <b>26,671</b>                     |
| <b>Current liabilities</b>                                    |       |               |                                   |                                   |
| Trade and other payables                                      | 29    | 16,969        | 20,023                            | 18,248                            |
| Contract liabilities                                          | 4, 28 | 2,880         | 2,486                             | 1,836                             |
| Refund liabilities                                            | 4     | 6,242         | 5,844                             | 3,796                             |
| Interest-bearing loans and borrowings                         | 19    | 2,377         | 2,724                             | 4,834                             |
| Lease liabilities                                             | 30    | 455           | 418                               | -                                 |
| Other current financial liabilities                           | 19    | 2,953         | 254                               | 303                               |
| Government grants                                             | 27    | 149           | 151                               | 150                               |
| Income tax payable                                            |       | 3,511         | 3,563                             | 4,625                             |
| Provisions                                                    | 26    | 922           | 156                               | 85                                |
| Dividends payable                                             | 25    | 410           | -                                 | -                                 |
|                                                               |       | <b>36,868</b> | <b>35,619</b>                     | <b>33,877</b>                     |
| Liabilities directly associated with the assets held for sale | 13    | 13,125        | -                                 | -                                 |
|                                                               |       | <b>49,993</b> | <b>35,619</b>                     | <b>33,877</b>                     |
| <b>Total liabilities</b>                                      |       | <b>86,610</b> | <b>64,823</b>                     | <b>60,548</b>                     |

**Appendix 3 Consolidated statement of financial position with separate presentation lease liability, including disclosure (continued)**

**Consolidated statement of financial position as at 31 December 2025 (continued)**

|                                     |       | 2025           | 2024                   | As at 1<br>January<br>2024 |
|-------------------------------------|-------|----------------|------------------------|----------------------------|
|                                     | Notes | \$RM000        | \$RM000                | \$RM000                    |
|                                     |       |                | Restated<br>(Note 2.5) | Restated<br>(Note 2.5)     |
| <b>Total liabilities and equity</b> |       | <b>147,377</b> | <b>110,665</b>         | <b>101,100</b>             |

**1 Financial assets and financial liabilities**

**(a) Financial liabilities: Interest-bearing loans and borrowings**

|                                                                | Interest rate | Maturity    | 2025          | 2024          |
|----------------------------------------------------------------|---------------|-------------|---------------|---------------|
|                                                                | %             |             | \$RM000       | \$RM000       |
| <b>Current interest-bearing loans and borrowings</b>           |               |             |               |               |
| Bank overdrafts                                                | XX            | On demand   | 966           | 2,650         |
| \$RMX,XXX,XXX bank loan                                        | XX            | X XXX 20XX  | 1,411         | -             |
| \$RMX,XXX,XXX bank loan                                        | XX            | XX XXX 20XX | -             | 74            |
| <b>Total current interest-bearing loans and borrowings</b>     |               |             | <b>2,377</b>  | <b>2,724</b>  |
| <b>Non-current interest-bearing loans and borrowings</b>       |               |             |               |               |
| X% debentures                                                  | X.X           | 20XX-20XX   | 3,374         | 3,154         |
| X.XX% secured loan of \$RMX,XXX,XXX                            | *XX           | XX XXX 20XX | 2,246         | -             |
| Secured bank loan                                              | XX            | XX XXX 20XX | 3,479         | 3,489         |
| \$RMX,XXX,XXX bank loan (2024: \$RMX,XXX,XXX)                  | XX            | XX XXX 20XX | -             | 1,357         |
| \$RMX,XXX,XXX bank loan (2024: \$RMX,XXX,XXX)                  | XX            | 20XX-20XX   | 2,486         | 2,229         |
| \$RMX,XXX,XXX bank loan                                        | XX            | XX XXX 20XX | 2,078         | 2,078         |
| \$RMX,XXX,XXX bank loan                                        | X.X           | X XXX 20XX  | -             | 5,809         |
| Loan from a third-party investor in <insert Company name>      | XX.X          | 20XX        | 3,000         | -             |
| Convertible preference shares                                  | XX.X          | 20XX        | 2,778         | 2,644         |
| <b>Total non-current interest-bearing loans and borrowings</b> |               |             | <b>19,441</b> | <b>20,760</b> |
| <b>Total interest-bearing loans and borrowings</b>             |               |             | <b>21,818</b> | <b>23,484</b> |

\*Includes the effects of related interest rate swaps.

**2 Leases**

**Group as a lessee**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

**Appendix 3 Consolidated statement of financial position with separate presentation lease liability, including disclosure (continued)**

**2 Leases (continued)**

**Group as a lessee (continued)**

|                                            |               |           | 2025           | 2024           |
|--------------------------------------------|---------------|-----------|----------------|----------------|
|                                            |               |           | <u>\$RM000</u> | <u>\$RM000</u> |
| <b>As at 1 January</b>                     |               |           | <b>2,971</b>   | <b>3,089</b>   |
| Additions                                  |               |           | 593            | 225            |
| Accretion of interest                      |               |           | 178            | 185            |
| Payments                                   |               |           | (581)          | (528)          |
| <b>As at 31 December</b>                   |               |           | <b>3,161</b>   | <b>2,971</b>   |
|                                            | Interest rate | Maturity  | 2025           | 2024           |
|                                            | %             |           | <u>\$RM000</u> | <u>\$RM000</u> |
| <b>Current lease liabilities</b>           |               |           |                |                |
| Lease liabilities                          | X.X-X.X       | 20XX      | 455            | 418            |
| <b>Total current lease liabilities</b>     |               |           | <b>455</b>     | <b>418</b>     |
| <b>Non-current lease liabilities</b>       |               |           |                |                |
| Lease liabilities                          | X.X-X.X       | 20XX-20XX | 2,706          | 2,553          |
| <b>Total non-current lease liabilities</b> |               |           | <b>2,706</b>   | <b>2,553</b>   |
| <b>Total lease liabilities</b>             |               |           | <b>3,161</b>   | <b>2,971</b>   |

**Appendix 4 Material accounting policy information – an illustrative example**

~~As explained in the introduction to this publication, the~~

**Note 2.3.b) Investment in associates and joint ventures**

~~The~~ primary purpose of these financial statements is to illustrate how the most commonly applicable disclosure requirements can be met. Therefore, they include disclosures that may, in practice, be deemed not material to the Group. To illustrate how the requirement in ~~IAS 8~~~~MFRS 108~~ to disclose material accounting policy information could be applied in practice to a specific accounting policy, we have included the table below relevant considerations in a materiality analysis in the context of the wording included in Note 2.3 b) above regarding investments in associates and joint ventures. In preparing the analysis, the assumption is made that the application of the equity method is not considered to be complex, as ~~IAS-MFRS 10~~~~1.8.27C~~~~117B (e)~~ could otherwise have suggested that further disclosures about the application of the equity method are required. Furthermore, it is assumed that users of financial statements in the relevant market are familiar with ~~IFRS~~~~MFRS~~ accounting standards as other entities in the same market are also preparing financial statements in compliance with ~~IFRS~~~~MFRS~~ accounting standards and have done so for over an extended period of time (PS 2.88F). These assumptions are, however, specific to the Group, and must be assessed by each entity considering their specific facts and circumstances. ~~For further information on the amendments and how to apply them, please refer to our publication Applying IFRS: Disclosure of accounting policy information.~~

#### Appendix 4— Material accounting policy information — an illustrative example (continued)

| Wording in Note 2.3 b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Alternative wording                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The group holds an interest in a joint venture, <insert company>, and an interest in an associate, <insert company>. The financial statements of <insert company> and <insert company> are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition. | The group holds an interest in a joint venture, <insert company>, and an interest in an associate, <insert company>. The financial statements of <insert company> and <insert company> are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition. | New paragraph added in Note 2.3 b) in this version of the Group to provide entity-specific context to the accounting policy disclosure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | As the paragraph summarises the requirements of <del>IAS 28</del> <u>MFRS 128</u> Investments in Associates and Joint Ventures, rather than entity-specific information, it does not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included). <del>IAS 4.117C8</del> <u>MFRS 108.27D</u> clarifies that standardised information, or information that only duplicates or summarises the requirements of the <del>IFRS</del> <u>MFRS</u> accounting standards is less useful than entity-specific information. |

#### Appendix 4 Material accounting policy information – an illustrative example (continued)

| Wording in Note 2.3 b)                                                                                                                                                                                                                                                                                                                                                         | Alternative wording                                                                                                                                                                                                                                                                                    | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. |                                                                                                                                                                                                                                                                                                        | As the paragraph summarises the requirements of <del>IFRS</del> <u>MFRS</u> 11 Joint Arrangements, rather than entity-specific information, it does not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).                                                                                                                                                                    |
| The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.                                                                                                                      |                                                                                                                                                                                                                                                                                                        | As the paragraph does not provide entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).                                                                                                                                                                                                                                                  |
| The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.                                                                         | The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. | Policy derived from principles of <del>IAS 4</del> <u>and IAS 8</u> <del>MFRS 108</del> – presenting the Group's share of profit or loss of an associate and a joint venture outside operating profit. <del>IAS-MFRS 101.117B8.27C</del> c) suggests that this may be an example of information that would likely be considered to be material accounting policy information. If disposals are made in the period, disclosure of the policy for presenting gains and losses may also be material information. |

#### Appendix 4 Material accounting policy information – an illustrative example (continued)

| Wording in Note 2.3 b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Alternative wording                                                                                                                                                                                                                                                                                                                                                                     | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss. | Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss. | The first two sentences of the wording in Note 2.3 b) primarily summarise the requirements of <del>IAS-MFRS</del> 128 and may therefore not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, they have not been included). The third sentence reflects relevant context. In the alternative wording and in Note 2.3 b), an explanation has been included to further explain the implications of the policy. Also the presentation policy has been disclosed since it is not specifically prescribed under <del>IFRS</del> <del>MFRS</del> accounting standards, and, therefore, is developed in accordance with <del>IAS-MFRS</del> 108. |
| The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.                                                 |                                                                                                                                                                                                                                                                                                                                                                                         | As the paragraph summarises the requirements of <del>IAS-MFRS</del> 128, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).                                                                                                                                                                                                                                                                                                                                                                                                                      |

#### Appendix 4 Material accounting policy information – an illustrative example (continued)

| Wording in Note 2.3 b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Alternative wording | Commentary                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.                                                                                                                                                                                                                                                                                                                                          |                     | As the paragraph summarises the requirements of <del>IAS-MFRS</del> 128, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included). |
| The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies of the associate or joint venture in line with those of the Group.                                                                                                                                                                                                                                                                                                                                                                                    |                     | As the paragraph summarises the requirements of <del>IAS-MFRS</del> 128, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included). |
| After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss. |                     | As the paragraph summarises the requirements of <del>IAS-MFRS</del> 128, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included). |

#### Appendix 4 Material accounting policy information – an illustrative example (continued)

| Wording in Note 2.3 b)                                                                                                                                                                                                                                                                                                                                                                                                 | Alternative wording | Commentary                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss. |                     | As the paragraph summarises the requirements of <del>IAS-MFRS</del> 128, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included). |

#### Appendix 5 Example of a “Auditors’ remuneration Note”

##### Auditors’ remuneration

|                                                                                                                                                                                                                                           | 2025           | 2024           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                                                                                                                           | <u>\$RM000</u> | <u>\$RM000</u> |
| <b>Fees to &lt;insert Auditors&gt;</b>                                                                                                                                                                                                    |                |                |
| Fees for auditing the statutory financial report and auditing the statutory financial reports                                                                                                                                             | -              | -              |
| Fees for assurance services that are required by legislation to be provided by the auditor                                                                                                                                                | -              | -              |
| Assurance related                                                                                                                                                                                                                         | -              | -              |
| Special audits as required by jurisdictional regulators                                                                                                                                                                                   | -              | -              |
| Fees for other services                                                                                                                                                                                                                   | -              | -              |
| Tax compliance                                                                                                                                                                                                                            | -              | -              |
| <b>Total fees to &lt;insert Auditors&gt;</b>                                                                                                                                                                                              | -              | -              |
| Fees for other assurances and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm [List where appropriate] |                |                |
| Assurance compliance procedures                                                                                                                                                                                                           | -              | -              |
| Fees for other services                                                                                                                                                                                                                   | -              | -              |
| Taxation services                                                                                                                                                                                                                         | -              | -              |
| Other non-audit services                                                                                                                                                                                                                  | -              | -              |
| <b>Total fees to overseas member firms of &lt;insert Auditors&gt;</b>                                                                                                                                                                     | -              | -              |
| <b>Total auditor’s remuneration</b>                                                                                                                                                                                                       | -              | -              |

#### Appendix 6 Illustrative disclosure about Pillar Two taxes

As the Group’s consolidated revenues are less than EUR 750 million, the equivalent of which translated is XXX in <Currency>, it is not in the scope of the Pillar Two model rules. Therefore, neither the mandatory recognition and disclosure exception in ~~IAS-MFRS~~ 12.4A nor the disclosure requirements in ~~IAS-MFRS~~ 112.88A-88D apply to the Group.

## Appendix 6 Illustrative disclosure about Pillar Two taxes (continued)

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If the Group had annual revenues in excess of EUR 750 million, the equivalent of which translated is XXX in <Currency>, and Pillar Two model rules were (substantively) enacted in some or all of the jurisdictions it operates, it would have included the following information in Note 14 to meet the disclosure requirements:

### Pillar Two rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalisation of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million, the equivalent of which translated is XXX in <Currency>, per their consolidated financial statements.

The Pillar Two model rules introduce four new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)
- The Under Taxed Payments/Profits Rule (UTPR)

The Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax.

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform-Pillar Two Model Rules - Amendments to ~~IAS~~ MFRS 112 (the Amendments). The Amendments clarify that ~~IAS~~ MFRS 112 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements a QDMTT. The Group has adopted these amendments, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules;

And

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

The Pillar Two model rules were adopted in <insert country> at the end of 2024 and are applicable starting from 1 January 2025. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2025.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2024 country-by-country reporting and 2025 financial information for the constituent entities in the

Group. The Pillar Two effective tax rates in most of the jurisdictions in which the Group operates is above 15%.

#### Appendix 6 Illustrative disclosure about Pillar Two taxes (continued)

-

However, the Group has recognised a Pillar Two current tax expense of ~~€RM~~78,000, the equivalent of which translated is XXX in <Currency>, that arises in <insert country> - which is not subject to the transitional safe harbour relief- because of low statutory tax rates.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

#### Appendix 7 Financial guarantees contracts

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The Group enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees provided to <insert name 1, name 2, etc.> (collectively “Beneficiaries”) in relation to <insert the purpose>. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Group.

Guarantees commit the Group to make payments on behalf of Beneficiaries in the event of a specific act, generally related to the import or export of goods. Guarantees carry a similar credit risk to loans. The nominal values of such commitments are listed below:

|                          | 2025                | 2024                |
|--------------------------|---------------------|---------------------|
|                          | <del>\$RM</del> 000 | <del>\$RM</del> 000 |
| Financial guarantees     | XXX                 | XXX                 |
| Other commitments        | XXX                 | XXX                 |
| <b>As at 31 December</b> | <b>XXX</b>          | <b>XXX</b>          |

Information regarding the ECL allowance for financial guarantees, letters of credit and other undrawn commitments respectively is presented in Note XX.

## Appendix 8 Convertible Financial Liabilities

-

### Debt issued and other borrowed funds

On XX XXXX 202X, the Group issued XX million X.X% convertible bonds at a nominal value of \$RMX per bond. The contractual interest rate on the bonds is X.X% but, excluding the equity conversion option, the EIR is X.X%. The bonds mature XX years from the issue date at the nominal value unless converted into the Group's ordinary shares at the holder's option at the rate of 1 share per \$RMXX.

The convertible bonds are callable at the option of the Group at par any time after 2025 provided that the holders have not already exercised their conversion option. The equity component of the convertible bonds is recorded in the Other capital reserve. During the year, the effective interest on the bond recorded in Interest expense was \$RMXX million (2024: \$RMXX million). The actual interest paid during the year was \$RMXX million (2024: \$RMXX million).

## Appendix 9—Consolidated statement of profit or loss and other comprehensive income (example of a single statement) (Additional appendix)

|                                                    |         | 2025          | 2024                   |
|----------------------------------------------------|---------|---------------|------------------------|
|                                                    |         | €RM000        | €RM000                 |
|                                                    | Notes   |               | Restated<br>(Note 2.5) |
| <b>Continuing operations</b>                       |         |               |                        |
| Revenue from contracts with customers              | 4, 5    | 179,058       | 159,088                |
| Cost of sales                                      | 5       | (136,366)     | (127,946)              |
| <b>Gross profit</b>                                |         | <b>42,692</b> | <b>31,142</b>          |
| <br>Other individually immaterial operating income | 5, 13.1 | 2,435         | 2,548                  |
| Research and development expenses                  | 13.6    | (2,235)       | (1,034)                |

|                                                                                                                         |                   |                      |                      |
|-------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|----------------------|
| <u>Selling expenses</u>                                                                                                 | <u>3, 5</u>       | <u>(9,940)</u>       | <u>(8,875)</u>       |
| <u>Distribution expenses</u>                                                                                            | <u>3, 5</u>       | <u>(4,009)</u>       | <u>(4,041)</u>       |
| <u>Administrative expenses</u>                                                                                          | <u>5, 13.8</u>    | <u>(16,177)</u>      | <u>(11,420)</u>      |
| <u>Foreign exchange differences</u>                                                                                     | <u>13.7</u>       | <u>(302)</u>         | <u>(306)</u>         |
| <u>Other individually immaterial operating expenses</u>                                                                 | <u>5, 13.2</u>    | <u>(2,248)</u>       | <u>(53)</u>          |
| <b><u>Operating profit</u></b>                                                                                          |                   | <b><u>10,216</u></b> | <b><u>8,061</u></b>  |
| <br><u>Share of profit of an associate and a joint venture</u>                                                          | <br><u>10, 11</u> | <br><u>671</u>       | <br><u>638</u>       |
| <u>Rental income</u>                                                                                                    | <u>19</u>         | <u>1,404</u>         | <u>1,377</u>         |
| <u>Foreign exchange difference on cash and cash equivalents</u>                                                         | <u>13.7</u>       | <u>270</u>           | <u>254</u>           |
| <u>Change in fair value of investment properties</u>                                                                    | <u>19</u>         | <u>(306)</u>         | <u>(300)</u>         |
| <u>Other individually immaterial income from investment</u>                                                             | <u>13.3</u>       | <u>243</u>           | <u>144</u>           |
| <b><u>Profit before financing and income taxes</u></b>                                                                  |                   | <b><u>12,498</u></b> | <b><u>10,174</u></b> |
| <br><u>Interest expenses on loans and borrowings</u>                                                                    | <br><u>22</u>     | <br><u>(1,036)</u>   | <br><u>(1,020)</u>   |
| <u>Interest expenses on other liabilities</u>                                                                           | <u>13.4</u>       | <u>(431)</u>         | <u>(341)</u>         |
| <u>Foreign exchange gains on interest-bearing loans and borrowings</u>                                                  | <u>13.7</u>       | <u>57</u>            | <u>67</u>            |
| <b><u>Profit before income tax from continuing operations</u></b>                                                       |                   | <b><u>11,088</u></b> | <b><u>8,880</u></b>  |
| <br><u>Income tax expense</u>                                                                                           | <br><u>15</u>     | <br><u>(3,092)</u>   | <br><u>(2,233)</u>   |
| <b><u>Profit from continuing operations</u></b>                                                                         |                   | <b><u>7,996</u></b>  | <b><u>6,647</u></b>  |
| <br><b><u>Discontinued operations</u></b>                                                                               |                   |                      |                      |
| <u>Profit/(loss) after tax from discontinued operations</u>                                                             | <u>14</u>         | <u>220</u>           | <u>(188)</u>         |
| <b><u>Profit</u></b>                                                                                                    |                   | <b><u>8,216</u></b>  | <b><u>6,459</u></b>  |
| <br><b><u>Other comprehensive income</u></b>                                                                            |                   |                      |                      |
| <i><u>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</u></i> |                   |                      |                      |
| <u>Net gain on hedge of net investment</u>                                                                              | <u>22.3, 26</u>   | <u>278</u>           | <u>-</u>             |
| <u>Exchange differences on translation of foreign operations</u>                                                        | <u>22.3, 26</u>   | <u>(246)</u>         | <u>(117)</u>         |

**for the year ended 31 December 2025**

|                                                                                                                    |          | <b>2025</b>   | <b>2024</b>         |
|--------------------------------------------------------------------------------------------------------------------|----------|---------------|---------------------|
|                                                                                                                    |          | <b>€RM000</b> | <b>€RM000</b>       |
| Net gain/(loss) on cash flow hedges                                                                                | 22.3, 26 | (883)         | 34                  |
| Net change in costs of hedging                                                                                     |          | (32)          | =                   |
| Net loss on debt instruments at fair value through OCI                                                             | 13.3     | (21)          | (1)                 |
| Share of other comprehensive loss of an associate                                                                  | 11       | (30)          | =                   |
| Income tax effect relating to the components of OCI                                                                | 15       | 198           | (10)                |
| <b>Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods</b>               |          | <b>(736)</b>  | <b>(94)</b>         |
| <i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>           |          |               |                     |
| Net gain/(loss) on equity instruments designated at fair value through OCI                                         |          | (26)          | 10                  |
| Remeasurement gain/(loss) on defined benefit plans                                                                 | 33       | 367           | (390)               |
| Revaluation of office properties in <insert country>                                                               | 18       | 846           | =                   |
| Share of other comprehensive income of an associate                                                                | 11       | 30            | =                   |
| Income tax effect relating to the components of OCI                                                                | 15       | (356)         | 114                 |
| <b>Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</b> |          | <b>861</b>    | <b>(266)</b>        |
| <b>Other comprehensive income/(loss) net of tax</b>                                                                |          | <b>125</b>    | <b>(360)</b>        |
| <b>Total comprehensive income, net of tax</b>                                                                      |          | <b>8,341</b>  | <b>6,099</b>        |
| Profit attributable to:                                                                                            |          |               |                     |
| Equity holders of the parent                                                                                       |          | 7,928         | (Note 2.5)<br>6,220 |
| Non-controlling interests                                                                                          |          | 288           | 239                 |
|                                                                                                                    |          | <b>8,216</b>  | <b>6,459</b>        |
| Total comprehensive income attributable to:                                                                        |          |               |                     |
| Equity holders of the parent                                                                                       |          | 8,053         | 5,860               |
| Non-controlling interests                                                                                          |          | 288           | 239                 |
|                                                                                                                    |          | <b>8,341</b>  | <b>6,099</b>        |
| Earnings per share                                                                                                 |          |               |                     |
|                                                                                                                    | 17       |               |                     |
| Basic profit for the year attributable to ordinary equity holders of the parent                                    |          | €RM0.38       | €RM0.33             |
| Diluted profit for the year attributable to ordinary equity holders of the parent                                  |          | €RM0.38       | €RM0.32             |
| Earnings per share for continuing operations                                                                       |          |               |                     |
|                                                                                                                    | 17       |               |                     |
| Basic profit from continuing operations attributable to ordinary equity holders of the parent                      |          | €RM0.37       | €RM0.34             |
| Diluted profit from continuing operations attributable to ordinary equity holders of the parent                    |          | €RM0.37       | €RM0.33             |



Appendix 10 – Consolidated statement of profit or loss (example of expenses disclosed by nature) (Additional appendix)  
for the year ended 31 December 2025

|                                                                                                  |            | 2025          | 2024                   |
|--------------------------------------------------------------------------------------------------|------------|---------------|------------------------|
|                                                                                                  |            | €RM000        | €RM000                 |
|                                                                                                  | Notes      |               | Restated<br>(Note 2.5) |
| <b>Continuing operations</b>                                                                     |            |               |                        |
| Revenue from contracts with customers                                                            | 4, 5       | 179,058       | 159,088                |
| Other individually immaterial operating income                                                   | 5, 13.1    | 2,435         | 2,548                  |
| Changes in inventories of finished goods and work in progress                                    | 23         | (1,133)       | (3,342)                |
| Raw materials and consumables used                                                               | 23         | (129,390)     | (116,921)              |
| Employee benefits expense                                                                        | 13.5       | (33,648)      | (29,085)               |
| Depreciation and amortisation                                                                    | 18, 20, 32 | (4,356)       | (3,667)                |
| Impairment of non-current assets                                                                 | 18, 21     | (200)         | (301)                  |
| Foreign exchange differences                                                                     | 13.7       | (302)         | (206)                  |
| Other individually immaterial operating expenses                                                 | 13.2       | (2,248)       | (53)                   |
| <b>Operating profit</b>                                                                          |            | <b>10,216</b> | <b>8,061</b>           |
| Share of profit of an associate and a joint venture                                              | 10, 11     | 671           | 638                    |
| Rental income                                                                                    | 19         | 1,404         | 1,377                  |
| Foreign exchange difference on cash and short-term deposits                                      | 13.7       | 270           | 254                    |
| Change in fair value of investment properties                                                    | 19         | (306)         | (300)                  |
| Other individually immaterial income from investment                                             | 13.3       | 243           | 144                    |
| <b>Profit before financing and income taxes</b>                                                  |            | <b>12,498</b> | <b>10,174</b>          |
| Interest expenses on loans and borrowings                                                        | 22         | (1,036)       | (1,020)                |
| Interest expenses on other liabilities                                                           | 13.4       | (431)         | (341)                  |
| Foreign exchange gains on interest-bearing loans and borrowings                                  | 13.7       | 57            | 67                     |
| <b>Profit before income tax</b>                                                                  |            | <b>11,088</b> | <b>8,880</b>           |
| Income tax expense                                                                               | 15         | (3,092)       | (2,233)                |
| <b>Profit from continuing operations</b>                                                         |            | <b>7,996</b>  | <b>6,647</b>           |
| <b>Discontinued operations</b>                                                                   |            |               |                        |
| Profit/(loss) after tax from discontinued operations                                             | 14         | 220           | (188)                  |
| <b>Profit</b>                                                                                    |            | <b>8,216</b>  | <b>6,459</b>           |
| Attributable to:                                                                                 |            |               |                        |
| Equity holders of the parent                                                                     |            | 7,928         | 6,220                  |
| Non-controlling interests                                                                        |            | 288           | 239                    |
|                                                                                                  |            | <b>8,216</b>  | <b>6,459</b>           |
| Earnings per share                                                                               | 17         |               |                        |
| Basic, profit for the year attributable to ordinary equity holders of the parent                 |            | €RM0.38       | €RM0.33                |
| Diluted, profit for the year attributable to ordinary equity holders of the parent               |            | €RM0.38       | €RM0.32                |
| Earnings per share for continuing operations                                                     | 17         |               |                        |
| Basic, profit from continuing operations attributable to ordinary equity holders of the parent   |            | €RM0.37       | €RM0.34                |
| Diluted, profit from continuing operations attributable to ordinary equity holders of the parent |            | €RM0.37       | €RM0.33                |

Appendix 11 – Consolidated statement of cash flows (example of the direct method) (Additional appendix)  
**for the year ended 31 December 2025**

|                                                           | Notes    | 2025<br>€RM000 | 2024<br>€RM000                |
|-----------------------------------------------------------|----------|----------------|-------------------------------|
| <b>Operating activities</b>                               |          |                | <b>Restated</b><br>(Note 2.5) |
| Receipts from customers                                   |          | 177,529        | 161,832                       |
| Payments to suppliers                                     |          | (129,054)      | (115,205)                     |
| Payments to employees                                     |          | (33,749)       | (29,151)                      |
| Income tax paid                                           |          | (2,935)        | (3,999)                       |
| <b>Net cash flows from operating activities</b>           |          | <b>11,791</b>  | <b>13,477</b>                 |
| <b>Investing activities</b>                               |          |                |                               |
| Proceeds from sale of property, plant and equipment       |          | 1,990          | 2,319                         |
| Purchase of property, plant and equipment                 | 18       | (10,167)       | (7,581)                       |
| Purchase of investment properties                         | 19       | (1,216)        | (1,192)                       |
| Purchase of financial instruments                         |          | (272)          | (225)                         |
| Proceeds from sale of financial instruments               |          | 328            | 145                           |
| Purchase of intangible assets                             | 20       | (587)          | (390)                         |
| Acquisition of a subsidiary, net of cash acquired         | 8        | 230            | (1,450)                       |
| Receipt of government grants                              | 29       | 2,951          | 642                           |
| Interest received                                         |          | 250            | 221                           |
| <b>Net cash flows used in investing activities</b>        |          | <b>(6,493)</b> | <b>(7,511)</b>                |
| <b>Financing activities</b>                               |          |                |                               |
| Proceeds from exercise of share options                   | 26       | 175            | 200                           |
| Acquisition of non-controlling interests                  | 8        | (325)          | =                             |
| Transaction costs of issue of shares                      | 26       | (32)           | =                             |
| Payment of principal portion of lease liabilities         | 22.6, 32 | (406)          | (341)                         |
| Proceeds from borrowings                                  | 22.6     | 5,649          | 4,871                         |
| Repayment of borrowings                                   | 22.6     | (2,032)        | (4,250)                       |
| Interest paid                                             |          | (1,067)        | (1,173)                       |
| Dividends paid to equity holders of the parent            | 27       | (1,979)        | (1,600)                       |
| Dividends paid to non-controlling interests               |          | (30)           | (49)                          |
| <b>Net cash flows from/(used in) financing activities</b> |          | <b>(47)</b>    | <b>(2,342)</b>                |
| Net increase in cash and cash equivalents                 |          | 5,251          | 3,624                         |
| Net foreign exchange difference                           |          | 339            | 326                           |
| Cash and cash equivalents at 1 January                    |          | 12,266         | 8,316                         |
| <b>Cash and cash equivalents at 31 December</b>           | 25       | <b>17,856</b>  | <b>12,266</b>                 |

Appendix – GAAP Overlay

Appendix – GAAP Overlay 1

XXX XXX XXX

**TR Example Group**  
(Incorporated in Malaysia)

**Directors' report**

The directors have pleasure in presenting their report together with the audited financial statements of TR Example Sdn. Bhd. ("the Company") and its subsidiaries (collectively, the Group) for the financial year ended 31 December 2025.

**Principal activities**

The principal activities of the Company are <insert description of the business activities>.

The principal activities and other information of the subsidiaries are as follows:

| <b>Name</b>             | <b>Principal activities</b>   | <b>Country of incorporation</b> | <b>% equity interest<br/>31 December 20XX</b> |
|-------------------------|-------------------------------|---------------------------------|-----------------------------------------------|
| <insert Company name>   | <insert principal activities> | <insert country>                | XX.XX                                         |
| <insert Company name>   | <insert principal activities> | <insert country>                | XX.XX                                         |
| <insert Company name>*  | <insert principal activities> | <insert country>                | XX.XX                                         |
| <insert Company name>   | <insert principal activities> | <insert country>                | XX.XX                                         |
| <insert Company name>   | <insert principal activities> | <insert country>                | XX.XX                                         |
| <insert Company name>   | <insert principal activities> | <insert country>                | XX.XX                                         |
| <insert Company name>   | <insert principal activities> | <insert country>                | XX.XX                                         |
| <insert Company name>** | <insert principal activities> | <insert country>                | XX.XX                                         |

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

**Results**

|                                                       | <b>Group</b> | <b>Company</b> |
|-------------------------------------------------------|--------------|----------------|
|                                                       | <b>RM000</b> | <b>RM000</b>   |
| Profit from continuing operations, net of tax         | 7,996        | 6,647          |
| Profit/(loss) from discontinued operation, net of tax | 220          | (188)          |
| Profit net of tax                                     | <u>8,216</u> | <u>6,459</u>   |

Profit attributable to:

|                               |              |              |
|-------------------------------|--------------|--------------|
| Equity holders of the parent  | 7,928        | 6,220        |
| Non-controlling interest      | 288          | 239          |
| Profit for the financial year | <u>8,216</u> | <u>6,459</u> |

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

In the opinion of the directors, the results of the operations of the Group during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

**Dividends**

The amount of dividends paid by the Company since 31 December 2024 were as follows:

## Appendix - GAAP Overlay (cont'd.)

### Appendix - GAAP Overlay 1 (cont'd.)

XXX XXX XXX

**TR Example Group**  
(Incorporated in Malaysia)

#### Directors' report (cont'd.)

#### Dividends (cont'd.)

**RM000**

In respect of the financial year ended 31 December 2024 as reported in the directors' report of that year:

Final tax exempt (single-tier) dividend of X.XX% on XX,XXX,XXX ordinary shares, declared on XX XXX XXXX and paid on XX XX XXXX 841

In respect of the financial year ended 31 December 2025:

Interim tax exempt (single-tier) dividend of X.XX% on XX,XXX,XXX ordinary shares, declared on XX October 20XX and paid on XX November 20XX 545  
1,386

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2025 of X.XX% on XX,XXX,XXX ordinary shares, amounting to a dividend payable of RMXXX,XXX (X.XX cents per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

#### Directors

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

Ahmad bin Kassim  
Chandra Govindasamy  
Shandra Leong  
Mohd Rizal bin Abdul Zaid\*\*  
Lee Jun Yan (appointed on 3 February 2025)

\*\*These directors are also directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Chan Chee Sun  
Chan Sun Chee

#### Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Senior Executive Plan.

## Appendix - GAAP Overlay (cont'd.)

### Appendix - GAAP Overlay 1 (cont'd.)

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#### TR Example Group (Incorporated in Malaysia)

#### Directors' report (cont'd.)

#### Directors' benefits (cont'd.)

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

The directors' benefits are as follows:

|                               | <b>Group<br/>RM000</b> | <b>Company<br/>RM000</b> |
|-------------------------------|------------------------|--------------------------|
| Salaries and other emoluments | 1,283                  |                          |
| Fees                          | 40                     |                          |
| Bonus                         | 230                    |                          |
| Benefits-in-kind              | 89                     |                          |
|                               | <u>1,642</u>           |                          |

The Company has agreed to indemnify its directors as part of the terms of their appointment against claims by third parties. No payment has been made to indemnify the directors for the financial year ended 31 December 2025.

#### Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

| <b>Name of director</b>                                           | <b>Number of ordinary shares</b> |                 |             | <b>At</b> |
|-------------------------------------------------------------------|----------------------------------|-----------------|-------------|-----------|
|                                                                   | <b>At 1.1.2025</b>               | <b>Acquired</b> | <b>Sold</b> |           |
| Direct interest:                                                  |                                  |                 |             |           |
| Ordinary shares of the holding company (Singapore Example Group.) |                                  |                 |             |           |
| Ahmad bin Kassim                                                  | 1,950,000                        | -               | -           | 1,950,000 |
| Chandra Govindasamy                                               | 1,000,000                        | -               | -           | 1,000,000 |

**Name of director**

Share option of the Company:  
Ahmad bin Kassim

**Number of ordinary shares under the option  
pursuant to the Senior Executive Plan**

| <b>At 1.1.2025</b> | <b>Acquired</b> | <b>Sold</b> | <b>At 31.12.2025</b> |
|--------------------|-----------------|-------------|----------------------|
| 100,000            | -               | -           | 100,000              |

## Appendix - GAAP Overlay (cont'd.)

### Appendix - GAAP Overlay 1 (cont'd.)

XXX XXX XXX

TR Example Group  
(Incorporated in Malaysia)

#### Directors' report (cont'd.)

#### Directors' interests (cont'd.)

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

#### Issue of shares

During the financial year, Company increased its issued and paid-up ordinary share capital from RMXX,XXX,XXX to RMXX,XXX,XXX by way of the issuance of xxx,xxx ordinary shares at an issue price of RMX.XX per ordinary share for [insert the purpose of increase its share capital].

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

#### Treasury shares

As at 31 December 2025, the Company held as treasury shares a total of XXX,XXX of its XX,XXX,XXX issued ordinary shares. Such treasury shares are held at a carrying amount of RMXXX,XXX and details are as follows:

| <b>Treasury shares</b>                       | <b>Notes</b> | <b>Thousands</b> | <b>RM000</b> |
|----------------------------------------------|--------------|------------------|--------------|
| <b>At 1 January 2024</b>                     |              | 335              | 854          |
| Issued for cash on exercise of share options |              | (65)             | (200)        |
| <b>At 31 December 2024</b>                   |              | 270              | 654          |
| Issued for cash on exercise of share options |              | (75)             | (146)        |
| <b>At 31 December 2025</b>                   |              | 195              | 508          |

#### Share option schemes

The Group has two share option schemes under which options to subscribe for the Group's shares have been granted to certain senior executives and certain other employees.

Share options exercised in each respective year have been settled using the treasury shares of the Group. The reduction in the treasury share equity component is equal to the cost incurred to acquire the shares, on a weighted average basis. Any excess of the cash received from employees over the reduction in treasury shares is recorded in < insert name of equity component>.

#### Senior Executive Plan and General Employee Share Option Plan ("Employee Share Options Plan")

At an Extraordinary General Meeting held on XX XXX 20XX, shareholders approved the Employee Share Options Plan for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible senior executives and employees respectively.

The committee administering the Employee Share Options Plan comprise three directors, X, X and X.

## Appendix - GAAP Overlay (cont'd.)

### Appendix - GAAP Overlay 1 (cont'd.)

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TR Example Group  
(Incorporated in Malaysia)

#### Directors' report (cont'd.)

#### Senior Executive Plan and General Employee Share Option Plan ("Employee Share Options Plan") (cont'd.)

The salient features and other terms of the Employee Share Options Plan are disclosed in Note 31 to the financial statements.

During the financial year:

- The Company granted XX,XXX share options under the Senior Executive Plan. These options expire on XX XXX XXX and are exercisable if and when the Group's earnings per share amount increases by XX% within X years from the date of grant.
- The Company also granted XXX,XXX share options under the General Employee Share Option Plan. These options expire on XX XXX XXXX and are exercisable if the employee remains in service for X years from the date of grant and that certain market conditions as detailed in Note 32 to the financial statements are met.
- XX,XXX treasury shares were reissued at a weighted average exercise price of RMX.XX each, upon the exercise of options granted pursuant to the Employee Share Options Plan.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the Employee Share Options Plan as at 31 December 2025 are as follows:

| <b><u>Expiry date</u></b> | <b><u>Exercise price (RM)</u></b> | <b><u>Number of options</u></b> |
|---------------------------|-----------------------------------|---------------------------------|
| 1 January 2021            | 1.22                              | 250,000                         |
| 31 December 2022          | 1.26                              | 225,000                         |
| 30 June 2024              | 1.30                              | 250,000                         |
| <b>Total</b>              |                                   | <b><u>725,000</u></b>           |

#### **Expiry date**

Details of options granted to directors are disclosed in the section on Directors' interests in this report.

#### **Holding company**

The directors regard Singapore Example Group., which is incorporated in X and listed on the Main Board of X Exchange Securities Trading Limited, as the immediate and ultimate holding company.

#### **Other statutory information**

- (a)Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

## **Appendix - GAAP Overlay (cont'd.)**

### **Appendix - GAAP Overlay 1 (cont'd.)**

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**TR Example Group**  
**(Incorporated in Malaysia)**

### **Directors' report (cont'd.)**

#### **Other statutory information (cont'd.)**

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which ) would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the consolidated financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or 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 or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made, except as could arise from the proposed disposal of X, as disclosed in Note 13 to the financial statements.

## **Significant events**

[Remark: To insert the full details of significant events here instead of cross-referencing to notes to FS.]

## Appendix - GAAP Overlay (cont'd.)

### Appendix - GAAP Overlay 1 (cont'd.)

XXX XXX XXX

**TR Example Group**  
(Incorporated in Malaysia)

#### Directors' report (cont'd.)

##### Subsequent event

On XX XXX 20XX, a building with a net book value of RMX,XXX,XXX was severely damaged by flooding and inventories with a net book value of RMXXX,XXX were destroyed. It is expected that insurance proceeds will fall short of the costs of rebuilding and loss of inventories by RMXXX,XXX.

##### Auditors

The auditors, X, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

|               | <b>Group</b><br><b>RM000</b> | <b>Company</b><br><b>RM000</b> |
|---------------|------------------------------|--------------------------------|
| Auditor X     | -                            | -                              |
| Other auditor | -                            | -                              |
|               | <hr/>                        | <hr/>                          |
|               | -                            | -                              |

To the extent permitted by law, the Company has agreed to its auditors, X, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify the auditors for the financial year ended 31 December 2025. *[Note]*

Signed on behalf of the Board in accordance with a resolution of the directors dated [Date of signed DCR on approval of AFS].

---

Ahmad bin Kassim  
Director

---

Chandra Govindasamy  
Director

##### Disclaimer

*[Note] This disclosure is not applicable to the following type of entities:*

- Banks
- Insurance companies
- Takaful companies

- *Labuan financial institutions*
- *Entities subject to US SEC and PCAOB rules*

**Appendix - GAAP Overlay (cont'd.)**

**Appendix - GAAP Overlay 1 (cont'd.)**

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**TR Example Group**  
**(Incorporated in Malaysia)**

**Statement by directors**

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

We, Ahmad bin Kassim and Chandra Govindasamy, being two of the directors of TR Example Group, do hereby state that, in the opinion of the directors, the accompanying consolidated financial statements set out on pages 1 to 202 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated [Date of signed DCR on approval of AFS].

.....  
Ahmad bin Kassim  
Director

.....  
Chandra Govindasamy  
Director

**Appendix - GAAP Overlay (cont'd.)**

**Appendix - GAAP Overlay 1 (cont'd.)**

XXX XXX XXX

**TR Example Group**

**(Incorporated in Malaysia)**

**Statutory declaration**

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

I, Ahmad bin Kassim, being the director primarily responsible for the financial management of TR Example Group, do solemnly and sincerely declare that the accompanying consolidated financial statements set out on pages 1 to 202 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed Ahmad bin Kassim at Kuala Lumpur in  
the Federal Territory on [Date of signed DCR on  
approval of AFS].

Ahmad bin Kassim  
MIA membership No. (if applicable)]

Before me,

## **Appendix - GAAP Overlay (cont'd.)**

### **Appendix - GAAP Overlay 2**

#### **1. Income tax**

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

## Appendix - GAAP Overlay (cont'd.)

### Appendix - GAAP Overlay 2 (cont'd.)

#### 1. Income tax (cont'd.)

##### Deferred tax assets/(liabilities)

|                                                  | 2025           | 2025         |
|--------------------------------------------------|----------------|--------------|
|                                                  | RM000          | RM000        |
| <b>At 1 January</b>                              | (242)          | (459)        |
| Recognised in income statements                  | (233)          | 493          |
| Recognised in other comprehensive income         | (158)          | 104          |
| Discontinued operation                           | (2)            | -            |
| Deferred taxes acquired in business combinations | (1,511)        | (380)        |
| <b>As at 31 December</b>                         | <b>(2,146)</b> | <b>(242)</b> |

##### Presented as follows:

|                                   |                |              |
|-----------------------------------|----------------|--------------|
| Continuing operations             | (2,454)        | (607)        |
| Discontinued operations           | (75)           | -            |
| Deferred tax assets/(liabilities) | 383            | 365          |
|                                   | <b>(2,146)</b> | <b>(242)</b> |

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

|                                          | Revaluation<br>on property,<br>plant and<br>equipment<br>RM000 | Other<br>temporary<br>differences<br>RM000 | Total<br>RM000 |
|------------------------------------------|----------------------------------------------------------------|--------------------------------------------|----------------|
| <b>Deferred tax liabilities</b>          |                                                                |                                            |                |
| <b>At 1 January 2024</b>                 | <b>(538)</b>                                                   | <b>(242)</b>                               | <b>(780)</b>   |
| Recognised in profit or loss             | 417                                                            | (348)                                      | 69             |
| Recognised in other comprehensive income | -                                                              | 104                                        | 104            |
| Discontinued operations                  | -                                                              | -                                          | -              |
| <b>At 31 December 2024</b>               | <b>(121)</b>                                                   | <b>(486)</b>                               | <b>(607)</b>   |
|                                          | Revaluation<br>on property,<br>plant and<br>equipment<br>RM000 | Other<br>temporary<br>differences<br>RM000 | Total<br>RM000 |
| <b>At 1 January 2025</b>                 | <b>(121)</b>                                                   | <b>(486)</b>                               | <b>(607)</b>   |
| Recognised in profit or loss             | (284)                                                          | (1,405)                                    | (1,689)        |
| Recognised in other comprehensive income | -                                                              | (158)                                      | (158)          |
| Discontinued operations                  | -                                                              | (75)                                       | (75)           |
| <b>At 31 December 2025</b>               | <b>(405)</b>                                                   | <b>(2,124)</b>                             | <b>(2,529)</b> |
|                                          | Provisions<br>RM000                                            | Others<br>RM000                            | Total<br>RM000 |

##### Deferred tax asset

|                              |            |           |            |
|------------------------------|------------|-----------|------------|
| <b>At 1 January 2024</b>     | <b>233</b> | <b>88</b> | <b>321</b> |
| Recognised in profit or loss | 42         | 2         | 44         |
| <b>At 31 December 2024</b>   | <b>275</b> | <b>90</b> | <b>365</b> |

**Appendix - GAAP Overlay (cont'd.)**

**Appendix - GAAP Overlay 2 (cont'd.)**

**1. Income tax (cont'd.)**

**Deferred tax assets/(liabilities) (cont'd.)**

|                              |            |           |            |
|------------------------------|------------|-----------|------------|
| <b>At 1 January 2025</b>     | <b>275</b> | <b>90</b> | <b>365</b> |
| Recognised in profit or loss | 21         | (3)       | 18         |
| <b>At 31 December 2025</b>   | <b>296</b> | <b>87</b> | <b>383</b> |

## **Appendix - GAAP Overlay (cont'd.)**

### **Appendix - GAAP Overlay 3**

#### **1 Summary of significant accounting policies**

##### **(a) Investment in subsidiaries**

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

##### **(b) Share capital and share issuance expenses**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the fair value of the cash or other resources received or receivable, net of transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

##### **(c) Employee benefits**

###### ***Short term benefits***

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increases their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when absences occur.

Liabilities for short-term employee benefits are measured at the undiscounted amount expected to be paid in exchange for service received by the Group.

###### ***Defined contribution plans***

The Group participate in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Malaysia companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.