



TEK SENG HOLDINGS BERHAD
Registration No. 200201011909 (579572-M)
(Incorporated in Malaysia)

ANNUAL REPORT 2025

ROOTED IN GROWTH



ROOTED IN GROWTH

24TH

ANNUAL GENERAL MEETING

Ballroom I, Level 1,
Gurney Bay Hotel of 53,
Persiaran Gurney,
10250 Penang

Thursday
11 June 2026
9.30 am

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Tek Seng continues to advance with a grounded sense of purpose, rooted in the strength that has shaped its journey thus far. The Group remains responsible in every action, ensuring that progress is both deliberate and considerate of long-term sustainability. With each step forward, Tek Seng rises toward tomorrow with intention, guided by resilience and the commitment to create outcomes that endure. This theorem reflects how strength, responsibility, and forward ambition remain the driving forces that shape the Group's evolving future.



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For more information, visit our website
<https://www.tekseng.com.my/>



Corporate Profile

Introduction



ABOUT
TEK SENG



Tek Seng Holdings Berhad (“Tek Seng” or “the Company”) was incorporated in Malaysia under the Companies Act, 1965 on 10 May 2002 as a private limited company under the name of Tek Seng Holdings Sdn. Bhd.. On 16 May 2003, it was converted to a public limited company and assumed its present name. Tek Seng was listed on the Second Board of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 2 November 2004. On 22 September 2006, Tek Seng was successfully transferred from the Second Board to the Main Board of Bursa Securities.

Tek Seng is an investment holding company and its subsidiaries are principally involved in the manufacturing and trading of Polyvinyl Chloride (“PVC”) related products, manufacturing of Polypropylene (“PP”) Non-Woven related products, trading of photovoltaic products, generate and supply the renewable energy and renting of properties.

The Group (Tek Seng and its subsidiaries) has a track record of more than 30 years in the PVC industry with the late Loh Phah Seng @ Loh Boon Teik as the original founder until 1989, when Loh Kok Beng, his eldest son took over the management of the business.

Corporate Information

BOARD OF DIRECTORS

Mr. Loh Kok Beng
Executive Chairman

Mr. Loh Kok Cheng
Managing Director

Mr. Loh Eng Chun
Executive Director

Mr. Loh Jia Wooi
Executive Director

Mr. Leow Chan Kiang
Independent Non-Executive
Director

Mdm. Tan Soo Mooi
Independent Non-Executive
Director

Mr. Loh Chin Phang
Independent Non-Executive
Director

AUDIT & RISK MANAGEMENT COMMITTEE

Chairman:

Mr. Leow Chan Kiang
Independent Non-Executive
Director

Members:

Mdm. Tan Soo Mooi
Independent Non-Executive
Director

Mr. Loh Chin Phang
Independent Non-Executive
Director

REMUNERATION COMMITTEE

Chairman:

Mdm. Tan Soo Mooi
Independent Non-Executive
Director

Members:

Mr. Leow Chan Kiang
Independent Non-Executive
Director

Mr. Loh Chin Phang
Independent Non-Executive
Director

NOMINATING COMMITTEE

Chairman:

Mr. Loh Chin Phang
Independent Non-Executive
Director

Members:

Mdm. Tan Soo Mooi
Independent Non-Executive
Director

Mr. Leow Chan Kiang
Independent Non-Executive
Director

COMPANY SECRETARIES

Mr. Lee Peng Loon
(MACS 01258)
SSM PC No. 201908002340

Ms. P'ng Chiew Keem
(MAICSA 7026443)
SSM PC No. 201908002334

REGISTERED OFFICE

51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shah, 10050
George Town, Penang
Telephone No : (04) 210 8833
Email : corporatenet21@gmail.com

SHARE REGISTRAR

Plantation Agencies Sdn Bhd

195501000033 (2603-D)
3rd Floor, 2 Lebuhr Pantai
10300 George Town, Penang
Telephone No : (04) 262 5333
Facsimile No : (04) 262 2018
Email :
sharereg@plantationagencies.com.my

EXTERNAL AUDITORS

BDO PLT (201906000013 (LLP0018825-
LCA) & AF 0206)
Chartered Accountants
51-21-F, Menara BHL
Jalan Sultan Ahmad Shah, 10050
George Town, Penang

PRINCIPAL BANKERS

Citibank Berhad
199401011410 (297089-M)

Malayan Banking Berhad
196001000142 (3813-K)

Public Bank Berhad
196501000672 (6463-H)

**United Overseas Bank (Malaysia)
Bhd.** 199301017069 (271809-K)

RHB Asset Management Sdn. Bhd.
198801007231 (174588-X)

SOLICITORS

Salina, Lim Kim Chuan & Co.
Advocates & Solicitors
(Corporate Division)
9-9 Livingston Tower
170, Jalan Argyll,
10050 George Town, Penang

Anual & Foong
Advocates & Solicitors
Level 5, Tamarins House,
No. 46, Weld Quay
10300 Pulau Pinang

STOCK EXCHANGE LISTING

**Bursa Malaysia Securities Berhad
Main Market**
Stock Name : TEKSENG
Stock Code : 7200

Corporate Structure



Board of Directors

Leadership



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1



2



5



6



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1. **Mr. Loh Kok Beng**
Executive Chairman
2. **Mr. Loh Kok Cheng**
Managing Director
3. **Mr. Loh Eng Chun**
Executive Director
4. **Mr. Loh Jia Wooi**
Executive Director
5. **Mr. Leow Chan Khiang**
Independent Non-Executive Director
6. **Mdm. Tan Soo Mooi**
Independent Non-Executive Director
7. **Mr. Loh Chin Phang**
Independent Non-Executive Director

Profile of Directors



Mr. Loh Kok Beng
Executive Chairman

Mr. Loh Kok Beng was appointed as a Director of Tek Seng on 16 August 2004.

He graduated from Han Chiang High School in 1984 with Sijil Pelajaran Malaysia. After completing his elementary education, he joined the family business whose business activity is trading of PVC based materials. As the Group's Executive Chairman and founder, he has been instrumental in the development, growth and success of the Group. In early 1980s, he started working as sales personnel under the guidance of the late Loh Phah Seng @ Loh Boon Teik,

Age	59 years
Nationality	Malaysian
Gender	Male

Mr. Loh Kok Cheng was appointed as a Director of Tek Seng on 16 August 2004.

He graduated from Chung Ling High School in 1985 with Sijil Pelajaran Malaysia. After completing his elementary education, he joined the family trading business and worked as sales personnel. He is the co-founder of Tek Seng where he had assisted in the development of the Group and accumulated more than 33 years in the PVC industry.

He had travelled to many continents to expand the Group's business as well as exploring new business opportunities. Since year 2000 onwards, the Group had exported its products to more than 50 countries worldwide.

Mr. Loh Kok Cheng is currently responsible in overseeing the overall operations and management of the Group. He is also involved in developing overseas businesses and execution of the Group's strategies.

Age	60 years
Nationality	Malaysian
Gender	Male

the original founder. Subsequently in 1989, he took over the management of the business and together with his brother, Mr. Loh Kok Cheng, they expanded the Group's trading businesses by establishing Pelangi Segi Sdn. Bhd. and Double Grade Non-Woven Industries Sdn. Bhd..

In 1995, he initiated into the manufacturing of PVC products and set-up Wangsaga Industries Sdn. Bhd.. In 2004, Tek Seng was listed on the Second Board of Bursa Securities and 2 years later Tek Seng was successfully transferred to the Main Board of Bursa Securities.

He does not have any other directorships in public companies and listed corporations.

He is the brother of Mr. Loh Kok Cheng, a Director and major shareholder of the Company, father of Mr. Loh Eng Chun, who is also a Director of the Company and uncle of Mr. Loh Jia Wooi, who is also a Director of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

He had attended all five Board meetings held during the financial year ended 31 December 2025.



Mr. Loh Kok Cheng
Managing Director

He does not have any other directorships in public companies and listed corporations.

He is the brother of Mr. Loh Kok Beng, a Director and major shareholder of the Company, father of Mr. Loh Jia Wooi, who is also a Director of the Company and uncle of Mr. Loh Eng Chun, who is also a Director of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

He had attended all five Board meetings held during the financial year ended 31 December 2025.

Profile of Directors

Age	35 years
Nationality	Malaysian
Gender	Male

Mr. Loh Eng Chun was appointed as a Director of Tek Seng on 13 January 2015.

He graduated from University of Melbourne with a Bachelor of Commerce in Business Management and Marketing.

After completed his tertiary education, he began his career as an Executive in a property development company listed on the Main Market of Bursa Securities where he was involved in product positioning strategy, presentations and property sales operation. Subsequently, he joined the property division of another Malaysian public company which is listed since 1964 with diverse business interests ranging from healthcare, automobile, financial services, plantation to property business and development.

Currently, his primary responsibility in Tek Seng Group entails the Public Relations tasks in strategising and implementing revenue enhancement initiatives for the Group's businesses including the Investor Relations functions of the Group. He is also overseeing the sales division in Tek Seng Group.



Mr. Loh Eng Chun
Executive Director

He does not have any other directorships in public companies and listed corporations.

He is the son of Mr. Loh Kok Beng, a Director and major shareholder of the Company, nephew of Mr. Loh Kok Cheng, a Director and major shareholder of the Company and cousin of Mr. Loh Jia Wooi, who is also a Director of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

He had attended all five Board meetings held during the financial year ended 31 December 2025.



Mr. Loh Jia Wooi
Executive Director

Age	31 years
Nationality	Malaysian
Gender	Male

Currently, he is responsible in overseeing the sales division in Tek Seng Group. He is also involved in developing and implementing sales and marketing strategies and initiatives.

He does not have any other directorships in public companies and listed corporations.

He is the son of Mr. Loh Kok Cheng, a Director and major shareholder of the Company and nephew of Mr. Loh Kok Beng, a Director and major shareholder of the Company and cousin of Mr. Loh Eng Chun, who is also a Director of the Company. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.

He had attended all five Board meetings held during the financial year ended 31 December 2025.

Mr. Loh Jia Wooi was appointed as a Director of Tek Seng on 01 January 2022.

He graduated from University of Edinburgh with a Bachelor of Science in Biological Science.

He has overseas working experience in a global company whereby he was involved in project coordinating, which includes design, develop and test of experiments and presentation of research developments.

Profile of Directors



Mr. Leow Chan Kiang

- Independent Non-Executive Director
- Chairman of Audit & Risk Management Committee
- Member of Remuneration Committee
- Member of Nominating Committee

Mr. Leow Chan Kiang was appointed as a Director of Tek Seng on 01 July 2017.

Leow Chan Kiang is a Chartered Accountant and a member of the Malaysia Institute of Accountants (“MIA”) and a Fellow member of the Association of Chartered Certified Accountants, United Kingdom (“FCCA”). He also holds a Master Degree in Business Administration from Northern University of Malaysia and a Bachelor Degree in Economics from University of Malaya.

He began his career in 1991 as Executive in corporate banking department in Hong Leong Bank Berhad until 1996 when he left to join Malaysian International Merchant Bankers Berhad (“MIMB”).

Age	59 years
Nationality	Malaysian
Gender	Female

Mdm. Tan Soo Mooi was appointed as a Director of Tek Seng on 01 July 2019.

Mdm. Tan graduated from the University of Malaya with Bachelor Degree in Accounting (Honour) and obtained accounting professional qualification from Malaysian Institute of Certified Public Accountants (“MICPA”). She is a Chartered Accountant registered with Malaysia Institute of Accountants (“MIA”).

She started her career as an Auditor from year 1992 to 1994 where she gained her audit experience in auditing of clients of different type of industries ranging in trading, manufacturing and stockbroking. She then switched her career path to commercial industries by joining subsidiary companies of public listed companies as an Accountant from year 1994 to 1998. She subsequently joined a multinational company from year 1998 to 2017 where she first started as Deputy Finance Manager and promoted as Group Financial Controller thereafter. She also sat on the Board of group of companies in Malaysia and Thailand since year 2011. Her job responsibilities in the commercial industries were mainly in the areas of accounting, finance, taxation, internal control, corporate governance, purchasing and administration.

Age	60 years
Nationality	Malaysian
Gender	Male

In MIMB, he was responsible for various corporate debts and fund raising exercises as well as general advisory works. In 2001, he resigned from his position as an Assistant Manager of MIMB and joined a local logistic company for a short stint of one year. In 2002, he joined CAB Cakaran Sdn. Bhd. as a Director of corporate finance and subsequently in 2003 appointed to the Board of CAB Cakaran Corporation Berhad (“CAB”) as an Executive Director where he was responsible for corporate planning, accounting and tax as well as joint ventures matters. In 2007, he resigned from CAB and was subsequently appointed to the Board of SLP Resources Berhad (“SLP”) as a Non-Independent Non-Executive Director, a position he held until March 2021. At present, he is running his family business in the manufacture of food and confectionery.

He does not have any other directorships in public companies and listed corporations.

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company or its subsidiaries.

He had attended all five Board meetings held during the financial year ended 31 December 2025.



Mdm. Tan Soo Mooi

- Independent Non-Executive Director
- Chairman of Remuneration Committee
- Member of Audit & Risk Management Committee
- Member of Nominating Committee

Currently, she is an Independent Non-Executive Chairwoman of Sin-Kung Logistics Berhad. She is also a director in EMPG Group Berhad and Butterfield FB Berhad.

She does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company or its subsidiaries.

She had attended all five Board meetings held during the financial year ended 31 December 2025.

Profile of Directors

Age	68 years
Nationality	Malaysian
Gender	Male

Mr. Loh Chin Phang was appointed as a Director of Tek Seng on 01 July 2022.

He graduated from Saint Xavier Institution with Malaysia Certificate of Examination (“MCE”). He started his career as a Team Leader with Public Bank Berhad Internal Audit Division From 1983 to 1991. He continued his career in Public Bank Berhad as Assistant Branch Manager from year 1991 to 1995 and he was promoted to Branch Manager in the same year until 2021.

His job responsibilities were mainly to oversee the overall branch operations in banking operations, wealth management, credit operations and to comply and adhere to statutory regulations. As the appointed Branch Anti-Money Laundering Officer, he has to ensure compliance with Bank Negara Malaysia policies.

He does not have any other directorships in public companies and listed corporations.



Mr. Loh Chin Phang

- Independent Non-Executive Director
- Chairman of Nominating Committee
- Member of Remuneration Committee
- Member of Audit & Risk Management Committee

He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company or its subsidiaries.

He had attended all five Board meetings held during the financial year ended 31 December 2025.



Profile of Key Senior Management



Mdm. Loh Joo Eng
Group Purchasing Manager

Age	66 years
Nationality	Malaysian
Gender	Female

Mdm. Loh Joo Eng graduated from Penang Chinese Girls' High School in 1978 with Malaysia Certificate of Education. She has been with the Group since 1978 and was appointed as Senior Management on 01 January 2022. She is responsible for the daily operations and procurement of raw materials for the Group. She has more than 40 years of experience in PVC based industry.

She does not have any directorships in public companies and listed corporations.

She is the sister of Mr. Loh Kok Beng and Mr. Loh Kok Cheng, who are the Directors and major shareholders of the Company and aunt of Mr. Loh Eng Chun and Mr. Loh Jia Wooi, the Directors of the Company. She does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries.



Ms. Lim Li Ming
Deputy General Manager

Age	41 years
Nationality	Malaysian
Gender	Female

Ms. Lim Li Ming graduated from Sheffield Hallam University with a Bachelor Degree in Accounting and Finance in 2007 and completed her professional degree ("ACCA") in year 2011. She has more than 18 years experience in accounting, auditing and taxation and has experienced in serving at Big Four accounting firm. She was appointed to the position of Deputy General Manager of TS Solartech Sdn. Bhd. on 29 September 2015. Currently, she is overseeing the financial and administrative affairs of the Group.

She does not have any directorships in public companies and listed corporations.

She does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company or its subsidiaries.

Notes:

Disclosure of Conflict of Interest with the Company and its subsidiaries:

The potential conflict of interest involving Loh Kok Beng, Loh Kok Cheng, Loh Eng Chun, Loh Jia Wooi and Loh Joo Eng are disclosed in page 55 to 57 of the Audit and Risk Management Committee Report of this Annual Report. Save as mentioned, none of the other Directors and key senior management have any conflict of interest or potential conflict of interest with the Company or its subsidiaries.

CONVICTION OF OFFENCES

None of the Directors and key senior management have been convicted for offences within the past 5 years or any public sanction or penalty imposed by the regulatory bodies during the financial year other than traffic offences (if any).

DIRECTORS' SHAREHOLDINGS

The details of the Directors' shareholdings in the Company are set out under the Analysis of Shareholdings in page 129 of this Annual Report.

Financial Highlights

	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Revenue	152,433	156,799	152,912	182,634	181,142
Profit Before Tax	15,823	13,310	11,044	14,587	25,123
Profit Attributable to Owners of The Parent	11,282	8,448	6,632	10,165	18,469
Total Assets	341,107	339,671	328,060	316,690	311,970
Total Liabilities	48,601	56,783	53,104	49,716	51,353
Shareholders' Funds	247,682	240,007	233,362	226,730	220,178
Performance Indicators					
Earnings Per Share (Sen)	##3.13	#2.34	@1.84	^2.82	*5.12
Dividend Per Share (Sen)	1.50	1.50	0.00	1.00	3.00
Dividend Per Share (%)	6.00	6.00	0.00	4.00	12.00
Net Assets Per Share (RM)	0.81	0.78	0.76	0.74	0.72
Net Gearing Ratio (Times)	0.08	0.08	0.09	0.09	0.10
Return on Equity (%)	4.56	3.52	2.84	4.48	8.39

Based on 360,668,137 weighted average number of ordinary shares as at financial year ended 2025.

Based on 360,668,137 weighted average number of ordinary shares as at financial year ended 2024.

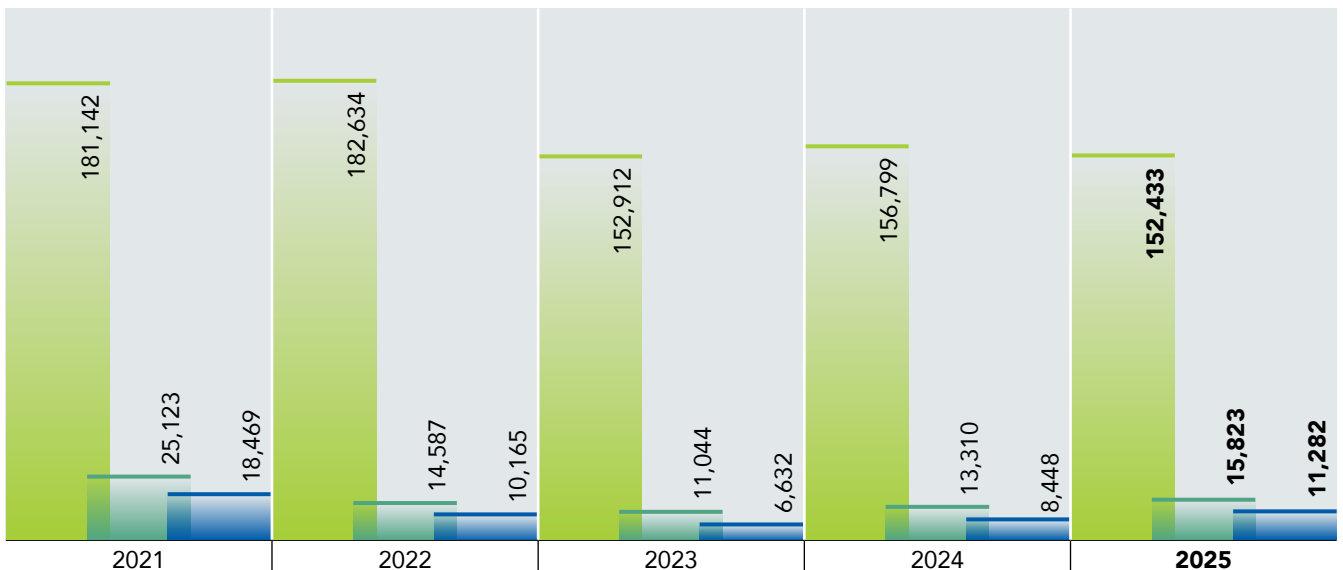
@ Based on 360,668,137 weighted average number of ordinary shares as at financial year ended 2023.

^ Based on 360,668,137 weighted average number of ordinary shares as at financial year ended 2022.

* Based on 360,668,137 weighted average number of ordinary shares as at financial year ended 2021.

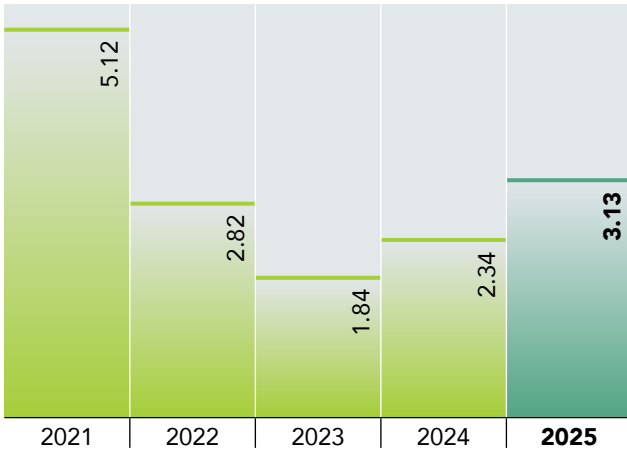
GROUP FINANCIAL RESULTS (RM'000)

Revenue Profit Before Tax Profit Attributable to Owners of The Parent

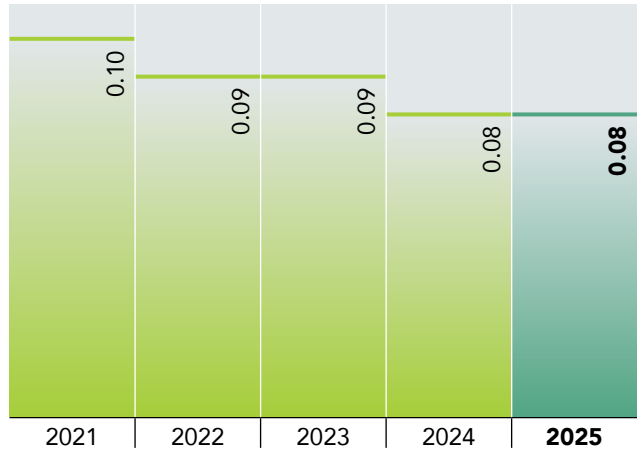


Financial Highlights

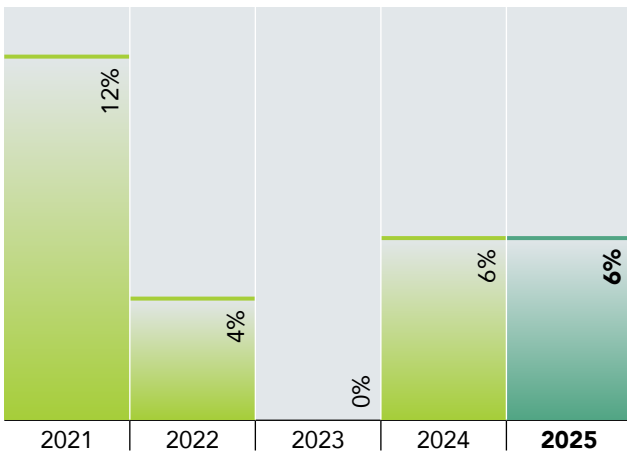
EARNINGS PER SHARE (SEN)



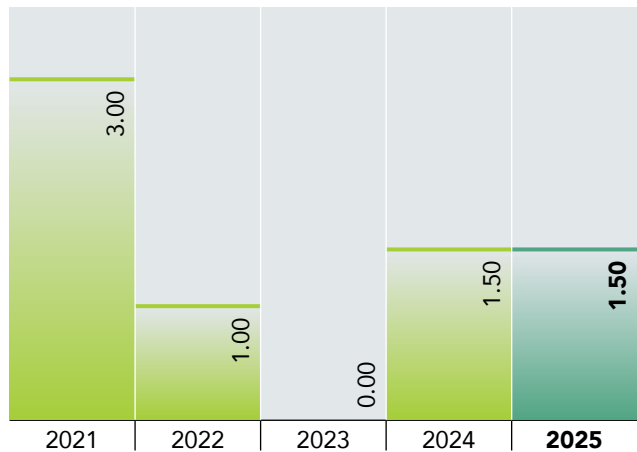
NET GEARING RATIO (TIMES)



PERCENTAGE OF DIVIDEND

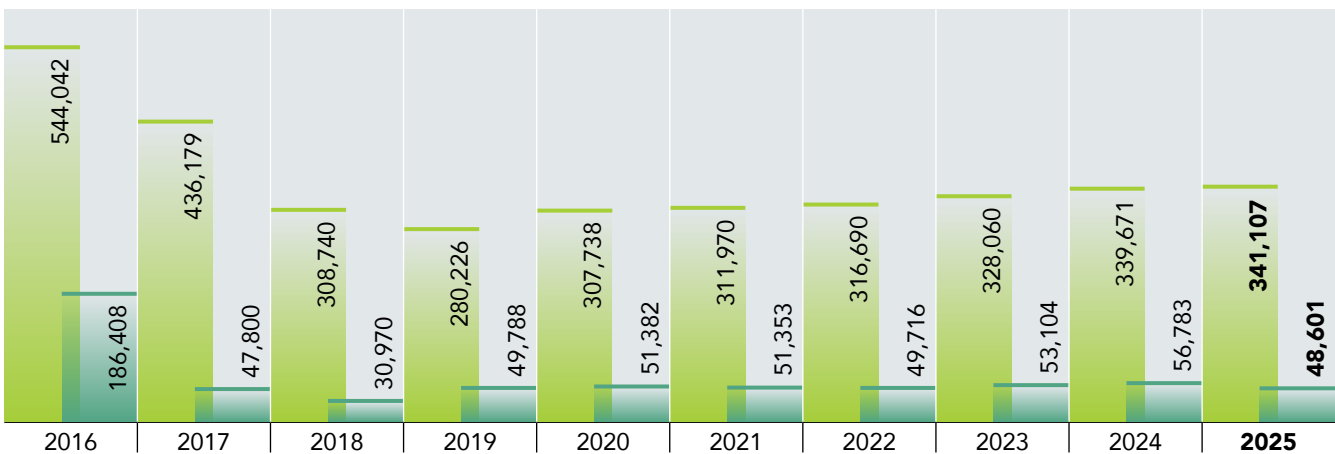


DIVIDEND PER SHARE (SEN)



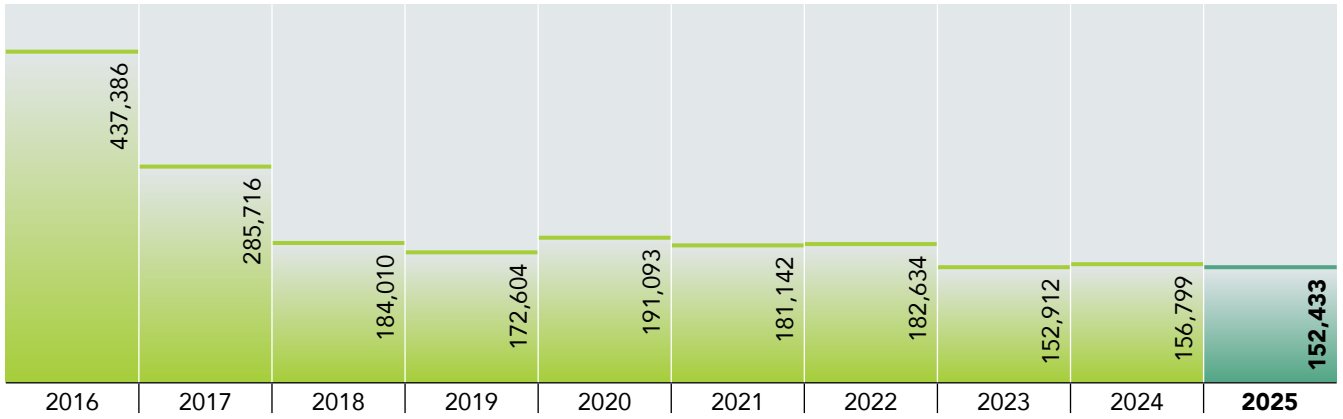
GROUP FINANCIAL RESULTS (RM'000)

■ Total Assets
 ■ Total Liabilities

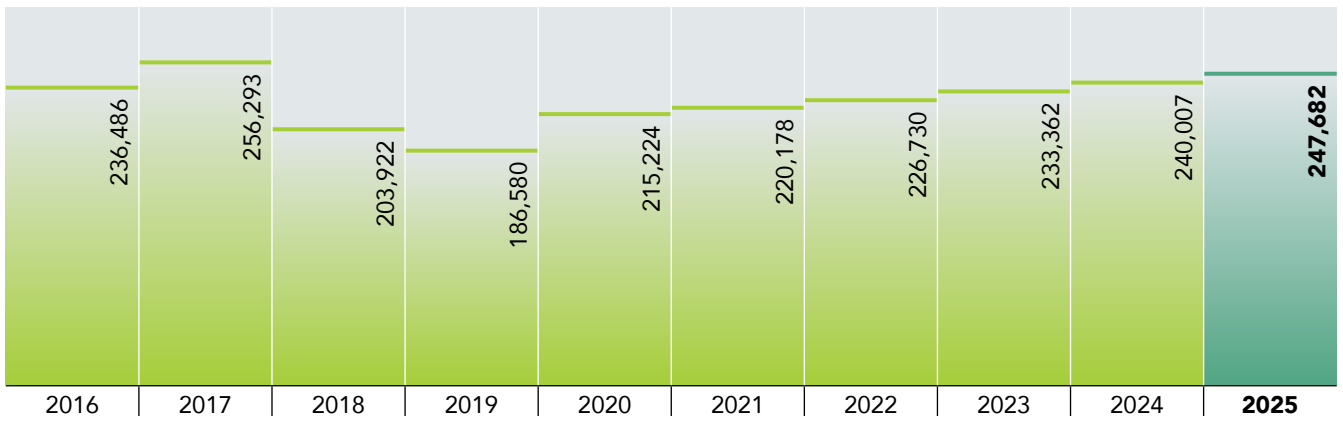


Financial Highlights

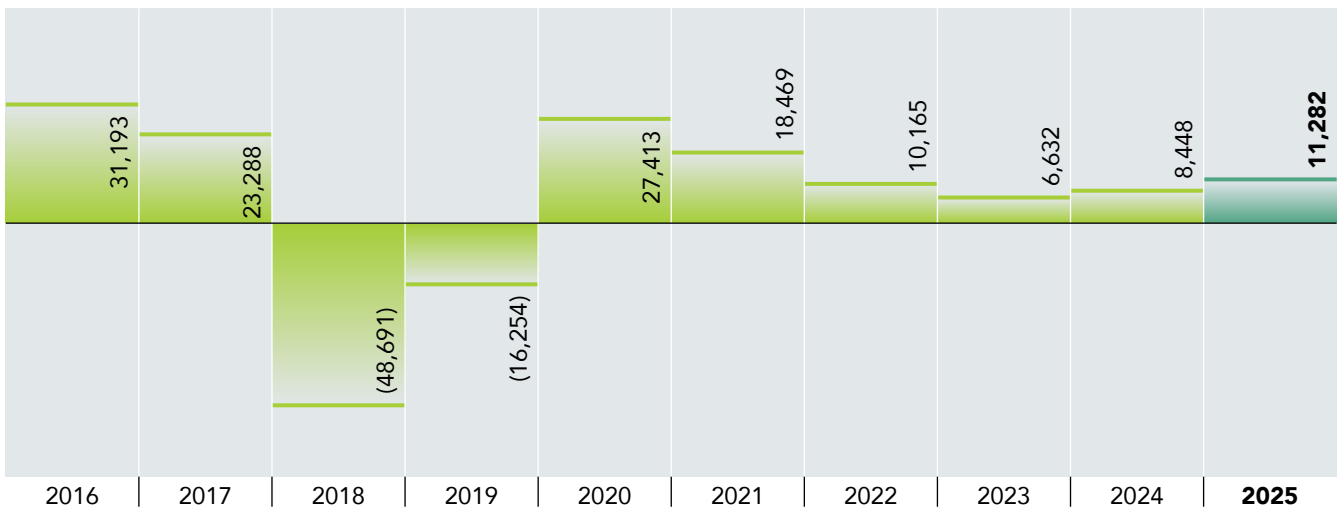
REVENUE (RM'000)



SHAREHOLDERS' FUNDS (RM'000)



PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT (RM'000)



Management Discussion and Analysis

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) provides an analysis of the financial performance of Tek Seng and its subsidiaries for the financial year ended 31 December 2025 (“FYE 2025”). The MD&A contains commentary from the Management on the performance of the Group and of the Company, key business strategies, risks and future prospect of the Group.

The MD&A should be read in conjunction with the audited financial statements of the Group and of the Company in this Annual Report.



OPERATION AND BUSINESS REVIEW

The Company is an investment holding company. The Group operates through three (3) segments:

Polyvinyl Chloride (“PVC”) segment

which is engaged in manufacturing and trading of PVC sheeting, Polypropylene (“PP”) Non-Woven and PVC leather related products;

Photovoltaic Solar segment

which is engaged in trading of solar cell products and generating and supplying the renewable energy; and

Property Investment segment

which is engaged in renting of properties.

The Group has three (3) manufacturing plants all centrally located at Penang industrial areas. Two (2) manufacturing plants are located at Bukit Minyak Industrial Park and one (1) manufacturing plant is located at Penang Science Park.

The Group has more than 30 years of track record in PVC based industry and this serves as a concrete platform for our presence in this industry globally. Our product quality and reputable customer service have also aided us to expand our customer base to more than 450 customers and across different continents, with new orders coming from customers in United States and Sri Lanka in FYE 2025. The Group possesses the ability to manufacture PVC sheeting to suit its customers’ product requirements in terms of PVC design and colour.



Management Discussion and Analysis

FINANCIAL PERFORMANCE

The table below highlights the Group's key financial performance for FYE 2025:

	2025	2024	Changes	%
Revenue (RM'000)	152,433	156,799	(4,366)	(2.78)
Finance Costs (RM'000)	519	544	(25)	(4.60)
Other Operating Income (RM'000)	2,547	3,393	(846)	(24.93)
Gross Profit (RM'000)	38,002	35,091	2,911	8.30
Gross Profit Margin (%)	24.93	22.38	2.55	11.39
Profit Before Tax (RM'000)	15,823	13,310	2,513	18.88
Profit Before Tax Margin (%)	10.38	8.49	1.89	22.26
Profit After Tax (RM'000)	13,225	9,735	3,490	35.85
Profit After Tax Margin (%)	8.68	6.21	2.47	39.77

Revenue

For the FYE 2025, the Group recorded total revenue of RM152.43 million, representing a decrease of RM4.37 million or approximately 2.78% as compared to RM156.80 million in the preceding financial year ended 31 December 2024 ("FYE 2024"). The Group's sales by segments and markets are summarised as follows:

Revenue	2025					2024				
	PVC (RM'000)	Solar (RM'000)	Property Investment (RM'000)	Total (RM'000)	%	PVC (RM'000)	Solar (RM'000)	Property Investment (RM'000)	Total (RM'000)	%
Export	78,411	0	0	78,411	51.44	77,885	0	0	77,885	49.67
Local	62,143	1,765	10,114	74,022	48.56	67,903	1,726	9,285	78,914	50.33
Total	140,554	1,765	10,114	152,433	100.00	145,788	1,726	9,285	156,799	100.00

For the PVC segment, total revenue for FYE 2025 was of RM140.55 million, a decrease of RM5.24 million or 3.59% from RM145.79 million in FYE 2024. The decline was mainly due to lower demand in the local market, but partially offset by higher demand from export market. The decrease was also influenced by foreign exchange rate fluctuations in United States Dollar, the ongoing geopolitical conflicts, as well as the prolonged supply-related disruptions which weighed down the economy globally.

For FYE 2025, export market accounted for 51.44% of the Group's revenue while the remaining 48.56% was from local market. The main export market for PVC segment was South-East Asia markets such as Indonesia, Philippines and Singapore.

For FYE 2025, the Group's photovoltaic solar segment recorded revenue of RM1.77 million, an increase of RM0.04 million or 2.26% from RM1.73 million recorded in FYE 2024 mainly due to higher income from sale of solar energy.

The Group's property investment segment recorded revenue of RM10.11 million in FYE 2025, an increase of RM0.83 million or 8.93% from RM9.28 million recorded in FYE 2024 mainly due to additional rental income by renting out extra space to existing tenants.

Management Discussion and Analysis

FINANCIAL PERFORMANCE (Cont'd)

Other Operating Income

The Group's other operating income decreased by RM0.84 million from RM3.39 million in FYE 2024 to RM2.55 million in FYE 2025. The decrease was mainly due to lower net gain on foreign exchange and transportation charges during the year.

Whilst, there was increase in net reversal of impairment losses on trade receivables amounted to RM0.19 million. The net reversal of impairment losses on trade receivables was RM0.64 million in FYE 2025 as compared to RM0.45 million in FYE 2024.

Operating Expenses

In FYE 2025, carriage outwards decreased by RM0.23 million from RM6.14 million in FYE 2024 to RM5.91 million. Utilities expenses decreased by RM1.86 million from RM12.27 million in FYE 2024 to RM10.41 million in FYE 2025. Employee benefits expenses also decreased by RM0.21 million from RM20.67 million in FYE 2024 to RM20.46 million in FYE 2025. Besides that, finance costs decreased by RM0.02 million from RM0.54 million in FYE 2024 to RM0.52 million in FYE 2025.

Profit Before Tax

In FYE 2025, the Group recorded a profit before tax of RM15.82 million mainly contributed by the PVC segment. When compared to FYE 2024, the profit before tax increased by RM2.51 million from RM13.31 million.

Performance of the Group's operating business segments for FYE 2025 as compared to the FYE 2024 are as follows: -

PVC	Solar	Property Investment
The increase in profit before tax by RM2.13 million from RM9.07 million to RM11.20 million was mainly due to lower operating costs.	The increase in profit before tax by RM0.04 million from RM0.65 million to RM0.69 million was mainly driven by higher solar energy sales.	The increase in profit before tax by RM0.34 million from RM3.59 million to RM3.93 million was mainly due to the additional rental income from renting out extra space to existing tenants.

Profit After Tax

In FYE 2025, the Group recorded a profit after tax of RM13.23 million as compared to RM9.74 million in FYE 2024. The increase of RM3.49 million in profit after tax was mainly due to the higher revenue from property investment segment and lower operating costs of PVC segment.

Financial Position

	2025	2024	Changes
Total Assets (RM'000)	341,107	339,671	1,436
Total Liabilities (RM'000)	48,601	56,783	(8,182)
Shareholders' Equity (RM'000)	247,682	240,007	7,675
Total Equity (RM'000)	292,506	282,888	9,618
Total Borrowing (RM'000)	19,886	19,886	0
Cash and Bank Balances (RM'000)	30,045	31,553	(1,508)
Issued and Fully Paid Capital (RM'000)	115,002	115,002	0
Net Asset Per Share (RM)	0.81	0.78	0.03
Basic Earnings Per Share (sen)	3.13	2.34	0.79
Dividend Per Share (sen)	1.50	1.50	0.00

Management Discussion and Analysis

FINANCIAL PERFORMANCE (Cont'd)

Assets

Non-current assets of the Group comprising of the property, plant and equipment, investment properties as well as right-of-use assets. The non-current assets increased by RM4.84 million from RM240.12 million as at 31 December 2024 to RM244.96 million as at 31 December 2025, which was mainly attributed from the additions of property, plant and equipment, right-of-use assets and investment properties of RM12.36 million after netting depreciation charges of RM7.34 million and disposal of property, plant and equipment of RM0.18 million.

Current assets of the Group decreased by RM3.40 million from RM99.55 million as at 31 December 2024 to RM96.15 million as at 31 December 2025, which was mainly due to decrease in inventories and trade receivables by RM14.68 million and RM2.91 million respectively but was partially offset by an increase in short term funds amounted to RM15.93 million.

Liabilities

Non-current liabilities of the Group comprising of term loans, lease liabilities and deferred tax liabilities, stood at RM13.79 million as at 31 December 2025, showed a decrease of RM9.91 million as compared to RM23.70 million as at 31 December 2024. The said decrease was mainly due to reclassification of term loans from non-current liabilities to current liabilities amounted to RM10.00 million following the loan maturity period in January 2026.

Current liabilities comprising of trade and other payables, contract liabilities, term loans as well as lease liabilities and current tax liabilities, increased by RM1.73 million from RM33.08 million as at 31 December 2024 to RM34.81 million as at 31 December 2025. The said increase was mainly due to reclassification of term loan to current liabilities amounted to RM10.00 million but was partially offset by decrease in trade and other payables amounted to RM6.88 million together with a reduction of RM2.13 million in contract liabilities.

Capital Structure, Capital Resources and Liquidity

As at 31 December 2025, shareholders' equity stood at RM247.68 million as compared to RM240.01 million as at 31 December 2024. The increase in shareholders' equity for FYE 2025 was mainly due to higher retained earnings.

The Group's net assets per share increased by RM0.03 from RM0.78 as at 31 December 2024 to RM0.81 as at 31 December 2025. Whilst the Group's basic earnings per share stood at 3.13 cent per share as at 31 December 2025 as compared to 2.34 cent per share as at 31 December 2024.

The Group's cash and bank balances as at 31 December 2025 stood at RM30.04 million showing a decrease of RM1.51 million as compared to RM31.55 million as at 31 December 2024.

Net cash from operating activities was RM29.82 million in FYE 2025, mainly driven by profits from operation.

Net cash used in investing activities was RM26.68 million in FYE 2025, mainly due to the acquisition of property, plant and equipment and investment properties amounted to RM11.63 million as well as placement into short term money market funds amounting to RM15.48 million.

Net cash used in financing activities was RM4.37 million in FYE 2025 as compared to RM2.59 million in FYE 2024, mainly due to dividend paid and repayments of term loan interest during FYE 2025.

The Management believes that in taking into account the Group's cash and bank balances as well as the funds to be generated from business operations, the Group will have adequate working capital to meet both its present and foreseeable day-to-day business operational requirements.

Whereas for capital commitments, the Group has entered into capital expenditure agreements of RM0.10 million for both property, plant and equipment and investment properties as at 31 December 2025.

Management Discussion and Analysis

RISKS, STRATEGIES AND OUTLOOK

For FYE 2025, the global economy continues to encounter persistent challenges, including inflationary pressures and the weakening of the United States Dollar. In addition, geopolitical tension particularly the economic standoff between the United States and China have continued to pose significant risks to global trade and supply chains.

Amid these external pressures, the Group continues to operate in a challenging environment. Weak domestic market conditions, coupled with reduced purchasing power arising from inflationary pressures, have impacted overall demand. In addition, rising operating costs, driven in part by higher tariffs, may place further strain on margins and profitability.



In response, the Group remains focused on maintaining vigilance and adopting a proactive approach in key operational areas, including cost control, trade activities, and receivables management, to ensure financial resilience and operational stability. The Group has successfully completed the installation of 1.633 MW of solar panels at its plants in January 2026, supporting green energy generation and helping to mitigate rising electricity costs going forward. The PVC segment will continue to be the Group's core focus. Concurrently, with tighter credit policies and an emphasis on receivables management, the Group is committed to maintain a strong and healthy financial position. The Group's solar energy initiatives continue to contribute positively, generating a stable income stream from the 1.180 MW solar panel installation. Meanwhile, the property investment segment remains resilient, with buildings rented out by TS Solartech Sdn. Bhd. providing steady and recurring cash flow.

Looking ahead to FYE 2026, the Group's primary strategy will focus on prudence and preservation of healthy cash flows. Maintaining a strong financial position will provide the flexibility needed to support the Group's long-term strategic objectives.

In summary, the Group will continue to enhance operational efficiency with the aim of delivering improved performance in FYE 2026 and creating sustainable value for shareholders.

DIVIDENDS

A single tier second interim dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2024 has been declared on 28 February 2025 and was paid on 09 April 2025.

A single tier final dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2025 to be paid on 15 July 2026 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

APPRECIATION NOTE

In conclusion, we would like to thank our valued shareholders, customers, suppliers, business associates, bankers and all relevant authorities for their continuous support and confidence in the Group. Most importantly we wish to express our sincere appreciation and acknowledgement to the Board of Directors and the employees for their commitment, dedication and contribution in steering the Group forward.

Thank you

Sustainability Report

Introduction

This Sustainability Report (“Report”) reflects Tek Seng Holdings Berhad and its subsidiaries (“Tek Seng” or “the Group”) efforts and performance in managing its material economic, environmental, social (“EES”) risks and opportunities, in the manner prescribed by Bursa Malaysia Main Market Listing Requirement (“MMLR”).

Reporting Framework

This statement has been prepared in accordance with MMLR of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and with reference to Bursa Malaysia Sustainability Reporting Guide which serves as the foundation for the Report’s framework.

Reporting Scope

This sustainability statement covers Tek Seng Holdings Berhad and all its subsidiaries within our business sector for the financial year end December 31, 2025 (“FYE 2025”, “the year”, and “Reporting Period”). Unless mentioned otherwise, this statement excludes joint ventures. The basis for this exclusion is that we do not have any operational control over these entities.

Where relevant, we will also include data from previous years to track year on year progress and to provide additional context. This statement addresses our response to 12 material sustainability matters which impact our business and our ability in delivering value to all our stakeholders.

Assurance Statement

Information in this statement has not been assured by our internal audit function or any other independent assurance provider.

The Board through management will reassess the necessity to obtain limited assurance on selected information disclosed in the statement through engagement with key stakeholders such as lenders, investors, and customers.

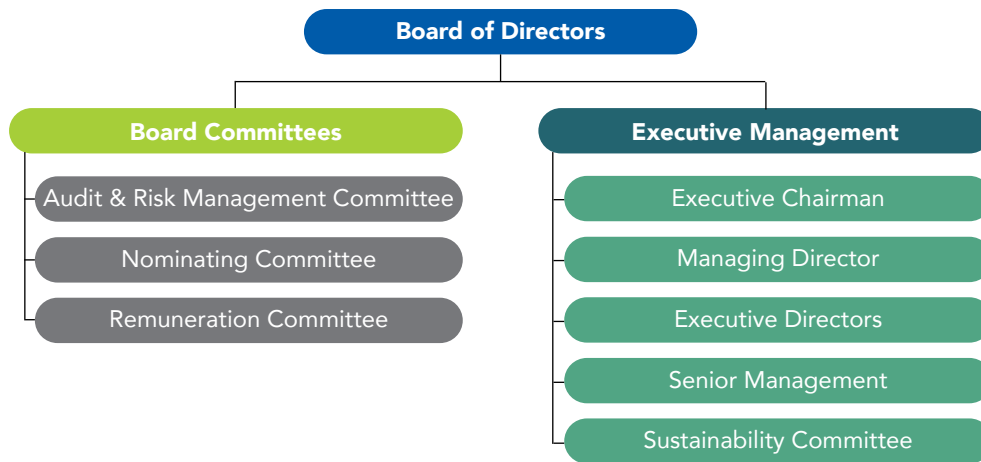


Sustainability Report

Sustainability Governance

As part of our commitment towards sustainability, we have established a clear governance structure to ensure compliance and performance from economic, environmental, and social perspectives. All matters relating to sustainability will be evaluated, communicated, and resolved by the Executive Directors and Senior Management through discussions and meetings led by the Executive Chairman. The Executive Chairman is tasked to report to the Board of Directors.

Our sustainability Governance Structure is as follows:



Stakeholder Engagement

The Board of Directors engage with internal and external stakeholders actively in order to consistently improve our sustainability journey. Our key stakeholders not only provide us with insight but also enables us to build stronger relationships through meaningful dialogue. The table below lists our key stakeholders' groups and their respective areas of interest as well as methods by which we engage them.

Stakeholders	Objectives	Stakeholders' Interest	Engagement Method
Shareholders / Investors	<ul style="list-style-type: none"> To provide a good return and reward for shareholders To have long term support To provide timely and regular update on the Group's prospects 	<ul style="list-style-type: none"> Maximisation of shareholders value Return of Investment Dividend payouts Tek Seng's future roadmap 	<ul style="list-style-type: none"> Annual General Meetings Disclosing information through the Group's website Investor Relations email
Customers	<ul style="list-style-type: none"> To grow together To have better brand name and market shares To fulfil customers' requirements Reliable services 	<ul style="list-style-type: none"> Customers' satisfaction Product Innovations Value adding products and services 	<ul style="list-style-type: none"> Visit customers regularly Meetings and discussions
Suppliers	<ul style="list-style-type: none"> To be more cost competitive To have a complete sustainable supply chain To have more product innovations 	<ul style="list-style-type: none"> Long term procurement Timely payments 	<ul style="list-style-type: none"> Meetings and discussions Products sampling Technical updates and trainings
Employees	<ul style="list-style-type: none"> To secure and retain talented employees Human management 	<ul style="list-style-type: none"> Remuneration packages Welfare and benefits Job security Job safety 	<ul style="list-style-type: none"> Employee handbook 2-ways approach Training and development Annual appraisal

Sustainability Report

Stakeholder Engagement (Cont'd)

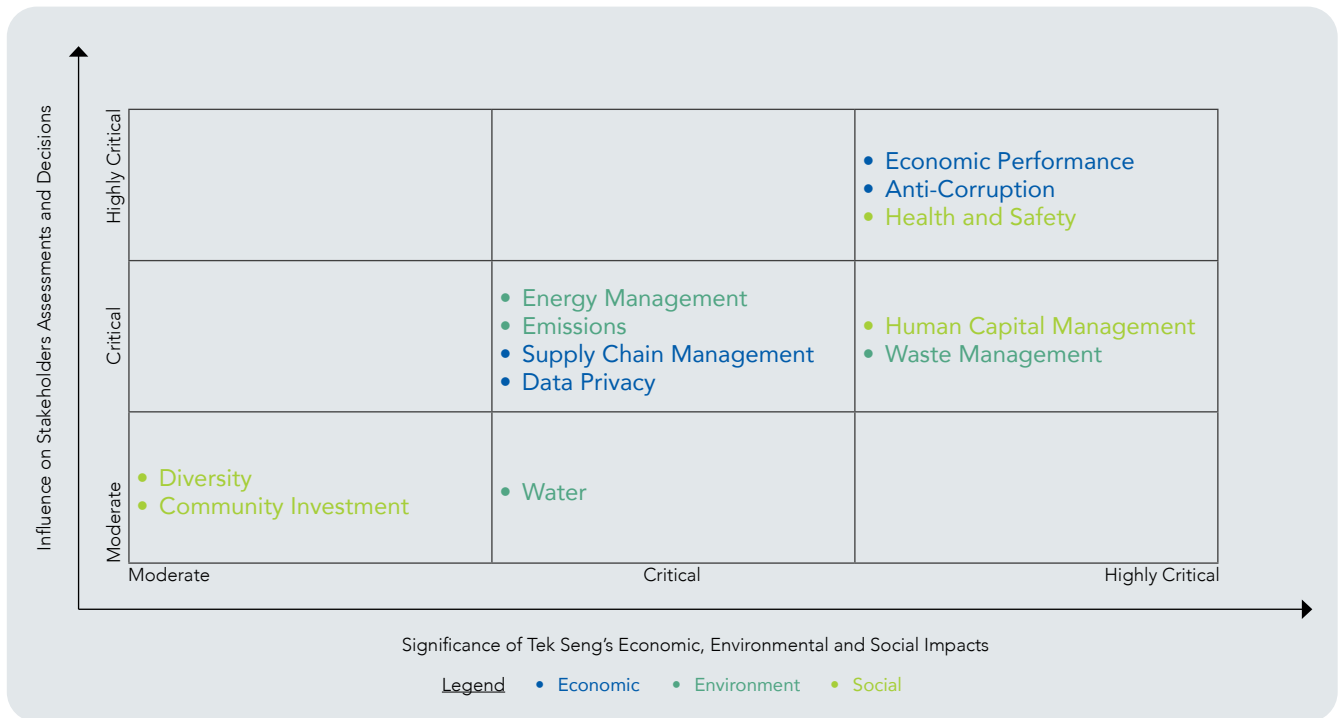
Stakeholders	Objectives	Stakeholders' Interest	Engagement Method
Local Communities	<ul style="list-style-type: none"> To support and contribute to society Minimise impact to the society and environment Be socially responsible 	<ul style="list-style-type: none"> Compliance with rules and regulations Social welfare 	<ul style="list-style-type: none"> Trainings and updates on rules and regulations Consult and comply with authorities Engage with non-profit organisations Donations and assistance to the needy

Material Sustainability Matters

In the year under review, we have reviewed and realigned FYE 2025's material topics based on Bursa Malaysia's common sustainability matters.

We ensure to continuously monitor the business's environment and engage with various stakeholders to ensure that we have appropriately recognised and managed our material sustainability areas. For FYE 2025, our board has reviewed and approved of the following materiality topics and matrix:

FYE 2025 Materiality Matrix



Sustainability Report

Material Sustainability Matters (Cont'd)

No.	Material Topic	GRI Reference	Indicators
1	Economic Performance	201-1	Direct economic value generated and distributed
		N/A	Maintaining valid third-party product/production quality certification.
2	Community Investment	201-1	Total amount invested in the community where the target beneficiaries are external
3	Anti-Corruption	205-2	% of employees that have received training on anti-corruption by employee category
		205-3	Confirmed incidents of corruption and action taken
4	Supply Chain Management	204-1	Proportion of spending on local suppliers
5	Health and Safety	403-9	No. of work-related fatalities
		403-9	Lost time incident rate
		403-5	No. of employees trained on health and safety standards
6	Diversity	405-1	% of employees by gender and age group for each employee category
		405-1	% of directors by gender and age group
7	Human Capital Management	404	Total hours of training by employee category
		401	% of employees that are contractors or temporary staff
		401-1	Total no. of employee turnover by employee category
		N/A	No. of substantiated complaints concerning human rights violations
8	Data Privacy	418-1	No. of substantiated complaints concerning breaches of customer privacy and losses of customer data
9	Energy Management	302-1	Total energy consumption
10	Emissions	305-1	Scope 1 emissions in tonnes of CO ₂ e
		305-2	Scope 2 emissions in tonnes of CO ₂ e
11	Water	303-3	(i) Water withdrawal
		303-4	(ii) Water discharge
		303-5	(iii) Water consumption
12	Waste Management	306-3	Total waste generated and a breakdown of:
		306-4	Total waste diverted from disposal
		306-5	Total waste directed to disposal

Sustainability Report



Economic

Tek Seng strives to ensure its sustainability business practices propelling in economic growth. The Group continuously seeks improvements in creating values for its suppliers and customers and places high priority in enduring business relationships that are built on trust. It is also a commitment and responsibility for the Group together with its stakeholders to preserve, protect, improve, and create a sustainable environment and contribute to economic growth.

Sustainability Report

Economic (Cont'd)

Economic Performance

Given the challenging business environment that the Group is operating in, our economic performance remains a key concern amongst our stakeholders – investors, customers, employees, and suppliers.

During the fiscal year, we generated a revenue of RM152.43 million which represents the total economic value generated. Whilst a total of RM135.47 million represents the direct economic value distributed. Thus, contributing positively to the economic wealth of our stakeholders, as per the following table.

Economic Performance	FYE 2025 RM ('Million)	FYE 2024 RM ('Million)	FYE 2023 RM ('Million)
Economic Value Generated	152.43	156.80	152.91
Economic value distributed, which consists of:	135.47	141.85	133.49
• Operating Costs	108.30	115.27	109.55
• Employee Wages and Benefits	20.46	20.67	20.35
• Payment to Capital Providers (e.g. dividend, loan interest)	4.11	2.34	0.53
• Payment to Government (e.g. taxes, licenses, permits)	2.60	3.57	3.06
Economic Value Retained	16.96	14.95	19.42

We believe that the key success factor in delivery economic value to our stakeholders lies in ensuring customer satisfaction by delivering quality product and service to our customers in the dynamic and competitive market. Indeed, our ability to generate value despite the challenging business environment reflects our emphasis on meeting quality standards that our customers expect.

Customer Engagement and Product Quality

Our diverse client base spans across the household, healthcare, stationery, furniture, automotive, and construction sector. Customer engagement holds paramount importance for the Group, enabling us to tailor each product to the specific specifications and quality standards required by our clients. This commitment to quality and customisation underscores our dedication to meeting the unique needs of each client we serve.

Having obtained ISO 9001:2015 and ISO 13485:2016 certifications for our main manufacturing divisions, namely the Polyvinyl Chloride ("PVC") and Polypropylene divisions, the Group is equipped to deliver excellent quality products across various industries. Regular engagement with the SGS testing body ensures that the components used and produced meet rigorous safety standards and regulatory requirements.

Anti-Corruption

The Board recognises the importance of ethical business conduct across the operations to maintain our stakeholders' trust. In line with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act, we have established an Anti-Bribery & Corruption Policy.

To that end, we are continuously improving our corruption risk assessment process and have established clear policies and procedures to mitigate our exposure. Compliance and adequacy of these policies and procedures are monitored and revised by the Board through management. This includes:

- Anti-Bribery & Corruption Policy;
- Code of Business Conducts and Ethics;
- Board Charter and Terms of Reference for Board committee on audit & risk management, remuneration, and nomination.

% of Operations Assessed for Corruption Related Risks	FYE 2025
	100

Sustainability Report

Economic (Cont'd)

Anti-Corruption (Cont'd)

To ensure that all employees, particularly those in top management and decision-making roles, are well-informed about our anti-corruption policies and procedures, we mandate their participation in formal training sessions. The table below provides insights into the extent of participation, categorised by employee categories, in our formal anti-corruption training:

Employee Category	FYE 2025 (%)
Senior Management	100
Middle Management	100
Executive	100
Non-Executive	100

Our target is to conduct formal training on key aspects of corruption and (re) introduce relevant rules and penalties covering anti-corruption to our employees on an annual basis. In the event of onboarding senior management, we ensure that these individuals attend a formal briefing on the Group's anti-corruption procedures.

As a testament to our vigilance, we are pleased to announce that there were no confirmed incidents of corruption reported within FYE 2025.

Number of confirmed incidents for FYE 2025:	None Reported

Supply Chain Management

We prioritise and work hard to maintain local suppliers' relationship, provided that they meet our price, quality, performance, and ethical standards. One of the Group's major PVC raw materials is sourced locally. As such, 25% of our suppliers were sourced locally in FYE 2025.

Proportion of spending on local suppliers	FYE 2025	FYE 2024	FYE 2023
% of spending on local suppliers	25%	30%	37%

We assess and evaluate the performance of our vendors on an annual basis and provide constructive feedback on areas where they can enhance their operations. This encompasses adherence not only to local regulations, but also to our Code of Business Conducts and Anti-Bribery & Anti-Corruption policies. We view our relationship with vendors as a partnership, recognising the mutual reliance between us and them.

Data Privacy

At Tek Seng, we prioritise the confidentiality of personal information and manage all personal data with the highest level of integrity. Our policies and procedures are designed to ensure ongoing compliance with Malaysia's Personal Data Protection Act ("PDPA") 2010.

We are delighted to report that no substantiated complaints regarding breaches of customer privacy or loss of customer data were received from regulatory or official bodies during the reporting period, demonstrating the effectiveness of our efforts in safeguarding customer information.

Number of substantiated complaints concerning breaches of customer privacy and losses of data for FYE 2025, FYE 2024, and FYE 2023:	None Reported

We continue to maintain, monitor, and improve on our policies and procedures to ensure compliance with relevant data protection regulations.

Sustainability Report



ENVIRONMENT

Energy Management

As a manufacturer, we are aware of the effects of climate change on the reliability of electricity supply in powering our buildings. The Group has yet to establish an energy management framework. Therefore, we do not have any targets for energy management in place. However, we understand the need to promote and attain energy efficiency across our operations.

To address this, Tek Seng is actively pursuing strategies to reduce energy consumption and enhance energy efficiency across its operations. To kickstart this initiative, an energy consultant has been engaged to prepare a comprehensive energy report, providing valuable insights and recommendations for optimising energy usage. Administrative controls are being put in place to address issues like leaking compressor air in production, with a focus on minimising wastage and enhancing efficiency.

Additionally, efforts are underway to address heat loss in pipelines through necessary repairs and improved insulation. The Group is also exploring the feasibility of converting its existing steam system to a more energy-efficient thermal oil system. In 2024, the Group conducted its five-yearly energy audit to identify areas of energy inefficiency and recommend cost-effective improvement measures. Through these proactive initiatives, the Group aims to reduce its energy footprint, achieve operational cost savings, and align its operations with environmentally responsible practices.



Sustainability Report

ENVIRONMENT (Cont'd)

Energy Management

During the reporting period, the Group's total energy consumption amounted to 88,162 Gigajoules, whereby significant portion is from purchased electricity.

Energy Consumed	Energy Source	FYE 2025 (GJ)	FYE 2024 (GJ)	FYE 2023 (GJ)
Electricity	Solar Panels	1,355	1,389	778
	Electricity Grid	74,440	79,969	71,307
	Total	75,795	81,358	72,085
Fuel Consumption	Boiler & Forklift	9,633	14,608	11,280
	Lorry Vehicles	2,734	1,894	4,689
	Total	12,367	16,502	15,969
Total Energy Consumption		88,162	97,860	88,054

- The energy conversion factor used for fuel litre consumption is derived from the UK Government GHG Conversion Factors for Company Reporting 2025 based on petrol/diesel which is 100% mineral.

As we move forward, the Group remains dedicated to exploring and implementing further measures to enhance our energy efficiency and contribute positively to environmental sustainability.

Emissions

The Group has established a Sustainability Policy and Framework to guide its environmental, social and governance ("ESG") commitments and initiatives, including the monitoring of greenhouse gas ("GHG") emissions.

The Group has been tracking Scope 1 and Scope 2 GHG emissions in prior years and expanded its reporting to include Scope 3 GHG emissions from FYE 2024, as presented below:

Emission Type	FYE 2025 (tCO ₂ e)	FYE 2024 (tCO ₂ e)	FYE 2023 (tCO ₂ e)
Direct GHG Emission (Scope 1)	17,654	25,940 ⁴	28,559 ⁴
Indirect GHG Emission (Scope 2)	16,296	16,837	11,714
Value Chain GHG Emission (Scope 3)	218	161	N/A
Total GHG Emissions	34,168	42,938	40,273

- Scope 1 emissions are direct greenhouse gas ("GHG") emissions that occur from sources that are owned or controlled by the Group. The emission conversion factors for Scope 1 are derived from the UK Government GHG Conversion Factors for Company Reporting for 2023, 2024 and 2025, based on liquid and solid fuels.
- Scope 2 emissions are indirect GHG emissions resulting from the generation of purchased electricity consumed by the Group. The emission factors applied for Scope 2 are derived from the Malaysia Energy Information Hub's emissions factors for Malaysia regions.
- Scope 3 emissions represent other indirect GHG emissions occurring within the Group's value chain. Currently, the Group's Scope 3 emissions comprise employee commuting, which are estimated based on employees' travel distance and modes of transportation. The emission factors applied are aligned with those used for Scope 2, based on the Malaysia Energy Information Hub's emissions factors.
- The GHG emissions for FYE 2023 and FYE 2024 have been refined due to an update in the emission conversion factors applied, to ensure consistency and accuracy in reporting.

Sustainability Report

ENVIRONMENT (Cont'd)

Emissions (Cont'd)

Minimising Air Pollution

Demonstrating our commitment to social and environmental responsibility in manufacturing, the Group has invested in and implemented the Long Bag Pulse Dust Collecting System across all operational boilers at its PVC manufacturing plant. These Bag Filters function as air pollution control equipment, effectively eliminating various particulate matter (including dust, smoke, and ash) from the flue gas emitted by the boilers. Consequently, the discharged air is anticipated to be cleaner, featuring reduced particle emissions.

Water

Tek Seng’s water consumption primarily relates to treated water supplied by local authorities. Due to the nature of our operations, water is mainly utilised in manufacturing processes as well as supporting facilities such as pantries, washrooms, and fire protection systems.

At present, the Group operates in areas that are not classified as water-stressed, and water usage is not considered to have a significant impact on local water availability. Nevertheless, in line with our commitment to environmental stewardship, the Group continues to promote efficient water use practices and minimise unnecessary consumption across our operations. While specific quantitative reduction targets have not yet been formalised, water conservation remains an area of ongoing focus under our Sustainability Framework.

Wastewater generated from our operations is discharged to publicly owned treatment works and treated at municipal sewerage facilities in full compliance with regulatory requirements set by the Department of Environment. There were no significant spills or incidents recorded during the financial year, and the Group maintained zero instances of non-compliance with applicable environmental regulations.

In FYE 2025, the Group’s total water withdrawal amounted to approximately 65,924 megalitres. Water discharge is managed through municipal sewerage systems.

FYE	Source of Water	Total Water Consumption (Megalitres/ MI)
2025	Public Municipal Water Supply	64,008
	Rainwater Harvested	1,916
	Total	65,924
2024	Public Municipal Water Supply	84,415
	Rainwater Harvested	1,890
	Total	86,305
2023	Public Municipal Water Supply	84,886
	Rainwater Harvested	2,058
	Total	86,944

Sustainability Report

ENVIRONMENT (Cont'd)

Waste Management

Tek Seng is aware that waste production is inevitable during our production processes. Therefore, the Group is committed to reducing, reusing, and recycling our wastes wherever possible. We ensure to comply with Malaysia's National Solid Waste Management Policy and adhere strictly to the waste storage and disposal regulations enforced by the Department of Environment.

In FYE 2025, our production activities generated a total of 6,698.4 tonnes of waste. The table below illustrates the breakdown of the total waste generated.

Category	FYE 2025 (Tonnes)	FYE 2024 (Tonnes)	FYE 2023 (Tonnes)
Waste directed to disposal	100.4	126.7	140.9
Waste diverted from disposal	6,598	7,950 ¹	6,632
Total Waste Generated	6,698.4	8,076.7	6,772.9

- The total waste diverted from disposal is presented based on an updated calculation methodology to ensure consistency and accuracy in reporting.

The Group will continue its commitment to improve its production processes to process more recycled materials and reduce the use of new PVC resin, an extraction of petroleum for FY 2025 and beyond.

Waste Directed to Disposal

In line with our dedication to protect the environment, Tek Seng places an emphasis on the management and proper disposal of scheduled waste generated by our production processes. All the scheduled waste is handled and managed in accordance with the Environmental Quality (Scheduled Waste) Regulations 2005. The scheduled waste produced during the manufacturing process was disposed through a licensed waste collector on a monthly basis.

In FYE 2025, Tek Seng has generated a total of 2.4 tonnes of scheduled waste and 98 tonnes of non-hazardous waste. The table below showcases the complete breakdown of total waste directed to disposal:

Waste Directed to Disposal (Tonnes)					
FYE	SW Code*	Scheduled Waste Generated	Total Scheduled Waste Generated	Non-Hazardous Waste Generated	Total
2025	SW 305	1.7	2.4	98.0	100.4
	SW 409	0.6			
	SW 410	0.2			
2024	SW 305	2.7	3.8	122.9	126.7
	SW 409	0.9			
	SW 410	0.2			
2023	SW 305	2.3	3.4	137.5	140.9
	SW 409	0.9			
	SW 410	0.2			

* Scheduled Waste Code:

- SW 305: Spent lubricating oil.
- SW 409: Disposed containers, bags, or equipment contaminated with chemicals, pesticides, mineral oil, or scheduled wastes.
- SW 410: Rags, plastics, papers, or filters contaminated with scheduled wastes.

Sustainability Report

ENVIRONMENT (Cont'd)

Waste Management (Cont'd)

Waste Diverted from Disposal

The Group is committed to minimise the environmental impact associated with PVC production. To achieve this goal, Tek Seng has established an internal waste management facility, allowing for the shredding, and crushing of PVC materials into compounds for future use in production. This initiative aims to reduce the consumption of PVC resin, consequently leading to a decrease in petroleum usage.

During the reporting period, the Group's total diverted waste amounted to 6,598 tonnes. The breakdown of our diverted waste is as follows:

Diverted Waste	FYE 2025 (Tonnes)	FYE 2024 (Tonnes)	FYE 2023 (Tonnes)
PVC and PP production by products	6,598	7,950 ¹	6,632

1. The total waste diverted from disposal is presented based on an updated calculation methodology to ensure consistency and accuracy in reporting.

The Group remains dedicated to enhance its production processes to incorporate more recycled materials and diminish the reliance on new PVC resin, which is derived from petroleum extraction.

Our Recycling Initiative

In FYE 2025, the Group purchased 10,146 tonnes of waste which are shredded PVC from external sources. Tek Seng subsequently transforms the shredded PVC into PVC flooring, which happens to be our best-selling product. The aim is to reduce waste as much as possible, preserve the environment, and reduce our operational cost of using all new PVC resins.

Additionally, we also encourage our clients to repurchase and repurpose PVC wastage, forming part of our initiatives to protect the environment.

Purchased Shredded PVC from External Parties	FYE 2025 (Tonnes)	FYE 2024 (Tonnes)	FYE 2023 (Tonnes)
	10,146	8,330	9,026

Furthermore, the Group has introduced and implemented an internal E-portal for its employees. The primary purpose of this E-portal is to progressively decrease our reliance on paper, which aligns with the Group's culture of minimising both waste and paper usage over time.

Sustainability Report



Social

Community Investment

Recognising the significance of giving back to our employees and communities, we have fostered a compassionate culture aimed at supporting less fortunate communities by providing financial assistance to various non-profit organisations. Our contributions are directed towards improving living standards and enhancing the local education sector.

In addition to financial support, we actively encourage our employees to engage in charitable activities. Our commitment to regular community engagement reflects our belief in its positive impacts on society. The non-profit organisations that we have supported are as follows:

1. One Hope Charity & Welfare
2. Association for the Blind
3. And other orphanage / handicapped / charitable homes

Participation in community events not only contributes to social causes but also serves to promote teamwork and compassion among our employees. This, in turn, contributes to the creation of a sustainable, harmonious, and healthy working culture within the Group.

Sustainability Report

Social (Cont'd)

Community Investment (Cont'd)

During the reporting period, we contributed a total of RM0.02 million to the local communities in which we operate, and an estimated 50 beneficiaries benefitted from our donations.

	FYE 2025	FYE 2024	FYE 2023
Total amount invested in an external community (RM' Million)	0.02	0.02	0.02
The total number of individuals who benefitted	50	50	200

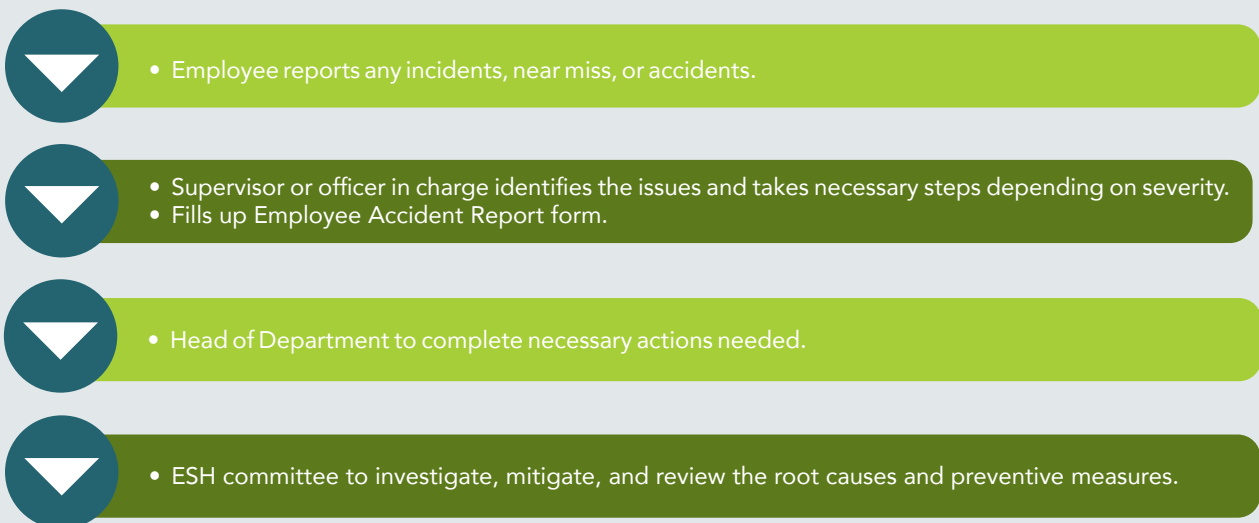
The data for number of beneficiaries is based on our best estimate given the difficulty in tracking exact number of beneficiaries for some of our initiatives.

Health and Safety

We understand the importance of our employee's safety and health as we believe that one of the key elements of its success is the safety and well-being of employees. We strive to maintain a safe working environment to reduce workplace accident rates. Therefore, we have established an Environmental, Safety, and Health Committee ("ESH") to regularly inspect and ensure all employees, customers, and stakeholders comply with the standard of procedures ("SOPs") issued by the Government as per the Occupational Safety and Health (Safety and Health Committee) Regulation 1996.

The ESH committee members are required to take part in quarterly meetings, where they review and establish safety rules and systems, and evaluate the effectiveness of the current safety programmes at Tek Seng. The meetings are also recorded to monitor and keep track of the Group's safety progress.

Should any accidents or near-miss incidents occur on site, the ESH committee will be notified of such accidents/incidences within 24 hours for documentation along with an analysis and description of actions plans required. The diagram below depicts the order of events that should take place once an accident occurs:



Sustainability Report

Social (Cont'd)

Health and Safety (Cont'd)

To protect the safety and wellbeing of our employees, the Group has provided safety facilities, equipment, as well as other personal protective equipment to all employees. For instance, the instalment of a road signage and the distribution of reflective vests to employees.

The aim was to provide a sound, efficient, and effective procedure to ensure compliance with regulatory requirements and industry best practices. The Group has placed great emphasis on protecting the health and safety of its employees to ensure business continuity. Amongst others, the Group has been constantly reviewing its workplace policies to ensure a safe and conducive workplace environment.

Fatalities and Loss Time Incident Rates

During the reporting period, we did not register any work-related fatalities.

	FYE 2025	FYE 2024	FYE 2023
Number of Work-Related Fatalities	Nil	Nil	Nil

For Loss Time Incident Rate ("LTIR"), our LTIR for the year is as listed below:

	FYE 2025	FYE 2024	FYE 2023
Number of bodily injuries (Lost Time Injuries)	3	7	6
Total number of hours worked	845,143	848,640	723,840
Loss Time Incident Rate ("LTIR") ¹	0.71	1.65	1.66

1. Loss time incident rate refers to the loss of productivity associated with accidents or injury arising out of or in the course of work.
2. The standardised value used to compute the LTIR is 200,000, which is total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100x40x50=200,000)

The Group is aware that our manufacturing business exposes us to greater workplace injury/fatality risks. Therefore, we ensure to provide all our employees with HSE related trainings. In FYE 2025, 33 employees attended the HSE trainings.

	FYE 2025	FYE 2024	FYE 2023
Number of employees trained on health and safety standards	33	26	63

Recognising the critical role that these trainings play in safeguarding our workforce and promoting a culture of safety, we are actively exploring strategies to improve engagement in these essential sessions.

Diversity

Here at Tek Seng, we understand the significance of having a diversified workforce and provides equal opportunities for employees to strive. The Group has a written diversity policy in alignment with the guidelines of the Malaysian Code on Corporate Governance. We believe that effectively managing diversity enhances knowledge, skills, cross-cultural understanding, and embraces multi-generational aspects, contributing to a more balanced work-life environment, improved productivity, and enhanced overall performance of the Group. We also strive to provide equal opportunity in our workplace, where employees are hired based on their talents and ability to perform in the workplace.

Sustainability Report

Social (Cont'd)

Diversity (Cont'd)

Employee Diversity

During the reporting period, 91% of our workforce are male, which is due to the inherent nature of the manufacturing industry which is predominantly male. Thus, the Group is actively promoting the recruitment of female talents across all levels, aiming to increase the proportion of our female workforce.

The table below summarises the gender distribution across all employment levels within our Group.

Employee Category	% for FYE 2025		% for FYE 2024		% for FYE 2023	
	Male	Female	Male	Female	Male	Female
Senior Management	67	33	67	33	67	33
Middle Management	60	40	33	67	40	60
Executive	93	7	93	7	91	9
Non-Executive	91	9	91	9	91	9
Overall Composition	91	9	90	10	90	10

In terms of age diversity within the Group, we maintain a diverse range of employees. Our employees are primarily from the age group of 30 to 50 years old. The Group acknowledges the importance of recognising sustainability in business practices, and fostering younger talent has been a fundamental principle to prevent an aging workforce.

The breakdown of employee categories by age group is as listed below.

Employee Category by Age Group	FYE 2025 (%)			FYE 2024 (%)			FYE 2023 (%)		
	Age Group (Years)								
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management	Nil	50	50	17	33	50	17	33	50
Middle Management	20	40	40	Nil	Nil	100	Nil	Nil	100
Executive	Nil	73	27	1	89	10	1	90	9
Non-executive	35	60	5	41	56	3	39	58	3
Overall Composition	22	64	14	26	67	7	25	53	22

We do not have outcome-based targets with respect to gender or age diversity but remain committed to promoting a merit-based and healthy work environment that encourages productivity. The Group will also maintain diligence in ensuring that the recruitment process remains solely focused on experiences, competence, and potential career trajectory, devoid of any prejudice or discrimination.

Board Diversity

With respect to board diversity, there is currently 1 female director out of the total 7 board members.

Director Breakdown by Gender	FYE 2025 (%)	FYE 2024 (%)	FYE 2023 (%)
Female	14	14	14
Male	86	86	86

In terms of age diversity of the board members, currently, 71% of board members are age 50 and above.

Sustainability Report

Social (Cont'd)

Diversity (Cont'd)

Board Diversity (Cont'd)

Director Breakdown by Age	FYE 2025 (%)	FYE 2024 (%)	FYE 2023 (%)
<30	0	0	14
30-50	29	29	15
>50	71	71	71

The Board via the Nominating and Remuneration Committee, continuously reviews the size and composition of the board to maintain effective governance at the board level.

Human Capital Management

Our employees represent our most valuable assets, serving as the driving force behind our successes and accomplishments. Therefore, we recognise the importance in the development of human capital in ensuring the sustainability of our business.

Training and education

For FYE 2025, the Group has conducted a total of 300 training hours and is analysed as follows:

Category	FYE 2025 (Hours)	FYE 2024 (Hours)	FYE 2023 (Hours)
Senior Management	24	24	16
Middle Management	24	24	16
Executive	126	126	236
Non-executive	126	126	236
Total	300	300	504

Our employees are provided with both technical and non-technical training to ensure that our employees are able to meet with the skills and development required for this industry.

Utilisation of contractors/temporary staff

In FYE 2025, temporary employees accounted for 2% of the Group's workforce, which is higher than FYE 2024. We maintain a policy of hiring employees on permanent basis rather than temporary basis in order to ensure better consistency and continuity in delivering our business to our customers and meeting requirements by our stakeholders.

Employment Type	% for FYE 2025	% for FYE 2024	% for FYE 2023
Temporary employees	2	1	2

Employee turnover

In FYE 2025, a total of 47 employees resigned, and no employees retired. The Group is aware that we must learn the best possible ways to retain our employees. Therefore, Tek Seng is continuously reviewing our total rewards package for key employees and positions which includes competitive compensation, health care, support for work-life balance and career development resources.

Sustainability Report

Social (Cont'd)

Human Capital Management (Cont'd)

Employee turnover (Cont'd)

The following is a breakdown of the number of employee turnover at the end of the reporting period:

Employee Category	Number of Employee Turnover		
	FYE 2025	FYE 2024	FYE 2023
Senior Management	Nil	Nil	Nil
Middle Management	Nil	2	Nil
Executive	4	6	6
Non-Executive	43	42	62
Total	47	50	68

Employee turnover refers to employees who leave the company voluntarily or due to dismissal, retirement, or death in service.

Employee benefits

Employee wellness and benefits is integral to our human capital management. We believe by providing support and demonstrating appreciation for our employees, we not only improve their quality of life but also make a positive impact on our organisation's overall achievements. We consistently compare our compensation packages to industry norms or implement internal strategies to maintain a competitive edge. The key benefits that Tek Seng offers include:

Types of Benefits	Description
Statutory	<ul style="list-style-type: none"> • Minimum wages • EPF, SOCSO, EIS, and HRDF contributions • Overtime payments • Annual leave, paid medical leave, hospitalisation leave, maternity leave, marriage leave, compassionate leave, and training leave.
Employment	<ul style="list-style-type: none"> • Telephone allowance • Company cars, mileage claims • Domestic and overseas travel expenses • Group medical insurance including hospitalisation, and personal accidents. • Medical subsidies including health screening, dental, and outpatient medical claim.
Employee Welfare	<ul style="list-style-type: none"> • Bereavement including families • Monthly birthday celebrations • Retirement benefits • Hostel for operators • Transportation • Weekly sports day • Complimentary travel stay
Extra Facilities	<ul style="list-style-type: none"> • Prayer rooms • Cafeteria • Personal lockers • Rest areas • Secured carparks

Sustainability Report

Social (Cont'd)

Human Capital Management (Cont'd)

Employee labour rights

The Group is committed to providing an open, equitable, and transparent work environment that values two-way communication. We recognise the diverse needs of our employees and strive to cultivate a supportive workplace culture.

Our employees are encouraged to report any feedback, instances of misconduct, criminal behaviour, or unfair treatment to the management. Communications will be directly delivered to one of the management personnel and will remain confidential.

During the reporting period, we are pleased to announce that no substantiated complaints were received from any regulatory or official bodies in relation to violation of human rights of our workers.

Number of substantiated complaints concerning human rights violations received in FYE 2025, FYE 2024, and FYE 2023:

None Reported

Conclusion

As we move forward, we are committed to continuous improvement by reviewing our sustainability practices as new regulatory requirements on sustainability are introduced by the authorities. We recognise that sustainability is not a destination but an ongoing process. Therefore, we aim to strengthen our data collection mechanisms, enhance stakeholder engagement, and refining our sustainability strategy to ensure that we remain aligned with the evolving needs of our stakeholders and the broader sustainability landscape.



Sustainability Report

Prescribed Table

Tek Seng Holdings Bhd BMLR Transition Period		Date & Time: 2026-04-20 15:16:07 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - senior management	%	100	-	Internal
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - middle management	%	100	-	Internal
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - executive	%	100	-	Internal
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - non-executive	%	100	-	Internal
Anti-corruption	Percentage of operations assessed for corruption-related risks	%	100	-	Internal
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	-	Internal
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	20,000	-	Internal
Community/Society	Total number of beneficiaries of the investment in communities	Number	50	-	Internal
Diversity	Percentage of male employees - senior management	%	67	-	Internal
Diversity	Percentage of female employees - senior management	%	33	-	Internal
Diversity	Percentage of male employees - middle management	%	60	-	Internal

Sustainability Report

Prescribed Table

Tek Seng Holdings Bhd BMLR Transition Period		Date & Time: 2026-04-20 15:16:07 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of female employees - middle management	%	40	-	Internal
Diversity	Percentage of male employees - executive	%	93	-	Internal
Diversity	Percentage of female employees - executive	%	7	-	Internal
Diversity	Percentage of male employees - non-executive	%	91	-	Internal
Diversity	Percentage of female employees - non-executive	%	9	-	Internal
Diversity	Percentage of senior management employees by age group - below 30 years old	%	0	-	Internal
Diversity	Percentage of senior management employees by age group - 30 - 50 years old	%	50	-	Internal
Diversity	Percentage of senior management employees by age group - above 50 years old	%	50	-	Internal
Diversity	Percentage of middle management employees by age group - below 30 years old	%	20	-	Internal
Diversity	Percentage of middle management employees by age group - 30 - 50 years old	%	40	-	Internal
Diversity	Percentage of middle management employees by age group - above 50 years old	%	40	-	Internal
Diversity	Percentage of executive employees by age group - below 30 years old	%	0	-	Internal

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Sustainability Report

Prescribed Table

Tek Seng Holdings Bhd BMLR Transition Period		Date & Time: 2026-04-20_15:16:07 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of executive employees by age group - 30 - 50 years old	%	73	-	Internal
Diversity	Percentage of executive employees by age group - above 50 years old	%	27	-	Internal
Diversity	Percentage of non-executive employees by age group - below 30 years old	%	35	-	Internal
Diversity	Percentage of non-executive employees by age group - 30 - 50 years old	%	60	-	Internal
Diversity	Percentage of non-executive employees by age group - above 50 years old	%	5	-	Internal
Diversity	Percentage of directors by gender - male	%	86	-	Internal
Diversity	Percentage of directors by gender - female	%	14	-	Internal
Diversity	Percentage of directors by age group - below 30 years old	%	0	-	Internal
Diversity	Percentage of directors by age group - 30 - 50 years old	%	29	-	Internal
Diversity	Percentage of directors by age group - above 50 years old	%	71	-	Internal
Energy Management	Total energy consumption	Gigajoules	88,162	-	Internal
Health and safety	Number of work-related fatalities	Number	0	-	Internal
Health and safety	Lost time incident rate	Rate	0.71	-	Internal
Health and safety	Number of employees trained on health and safety standards	Number	33	-	Internal

Sustainability Report

Prescribed Table

Tek Seng Holdings Bhd BMLR Transition Period		Date & Time: 2026-04-20_15:16:07 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	Total hours of training by employee category –senior management	Hours	24	-	Internal
Labour practices and standards	Total hours of training by employee category –middle management	Hours	24	-	Internal
Labour practices and standards	Total hours of training by employee category – executive	Hours	126	-	Internal
Labour practices and standards	Total hours of training by employee category - non-executive	Hours	126	-	Internal
Labour practices and standards	Percentage of employees that are contractors or temporary staff	%	2	-	Internal
Labour practices and standards	Total number of employee turnover by employee category - senior management	Number	0	-	Internal
Labour practices and standards	Total number of employee turnover by employee category - middle management	Number	0	-	Internal
Labour practices and standards	Total number of employee turnover by employee category - executive	Number	4	-	Internal
Labour practices and standards	Total number of employee turnover by employee category - non-executive	Number	43	-	Internal
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	-	Internal
Supply chain and management	Proportion of spending on local suppliers	%	25	-	Internal
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	Internal
Water	Total volume of water used	Megalitres	65,924	-	Internal

Sustainability Report

Prescribed Table

Tek Seng Holdings Bhd BMLR Transition Period		Date & Time: 2026-04-20 15:16:07 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Waste management	GHG emissions	Tonnes	6,698.4	-	Internal
Emission management	Direct GHG Emission (Scope 1)	Tonnes CO2e	17,654	-	Internal
Emission management	Indirect GHG Emission (Scope 2)	Tonnes CO2e	16,296	-	Internal
Emission management	Value Chain GHG Emission (Scope 3)	Tonnes CO2e	218	-	Internal

Corporate Governance Overview Statement

INTRODUCTION

The Board is committed to the Company's shareholders and various stakeholders in promoting good corporate governance culture within the Group in creating and delivering sustainable value and long-term success of the Group's businesses.

This Corporate Governance Overview Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia. This Statement gives the shareholders an overview of the corporate governance ("CG") practices of the Company during the FYE 2025 and it is to be read together with the CG Report which is available on the Company's website www.tekseng.com.my.

In FYE 2025, the Company had adopted 37 out of the total 43 recommended practices in MCCG. The recommended practices not adopted / not applicable are as follows:

- (i) **Practice 5.2**
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.
- (ii) **Practice 5.9**
The board comprises at least 30% women directors.
- (iii) **Practice 8.2**
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- (iv) **Practice 12.2 (Not Applicable)**
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.
- (v) **Practice 13.3**
Listed companies should leverage technology to facilitate–
 - voting including voting in absentia; and
 - remote shareholders' participation at general meetings.
- (vi) **Practice 13.5 (Not Applicable)**
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

The reasons for departure are disclosed in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board has primary responsibility for the governance and management of the Group, and fiduciary responsibility for the financial and organisational health of the Group. In discharging the fiduciary and leadership functions, the key roles and responsibilities of the Board include:

1. Reviewing and approving material investment, acquisitions and disposals of property, plant and equipment.
2. Reviewing and approving related party transactions.
3. Reviewing the adequacy of the Group's internal control policies.
4. Monitoring compliance with relevant laws & regulations and accounting standards within the corporate and business environment.
5. Reviewing and approving annual financial statements and quarterly financial results.

The Company has a clear distinction and separation of roles between the Executive Chairman and the Managing Director as clearly defined in the Board Charter. A copy of the Board Charter is available on the Company's website at www.tekseng.com.my. The Board Charter will be reviewed annually to ensure it is relevance and compliance. The last review was on 26 February 2026.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

The Executive Chairman, Mr. Loh Kok Beng is responsible to ensure Board effectiveness, implementation of Board's policies and decisions, corporate affairs and the overall financial performance of the Group.

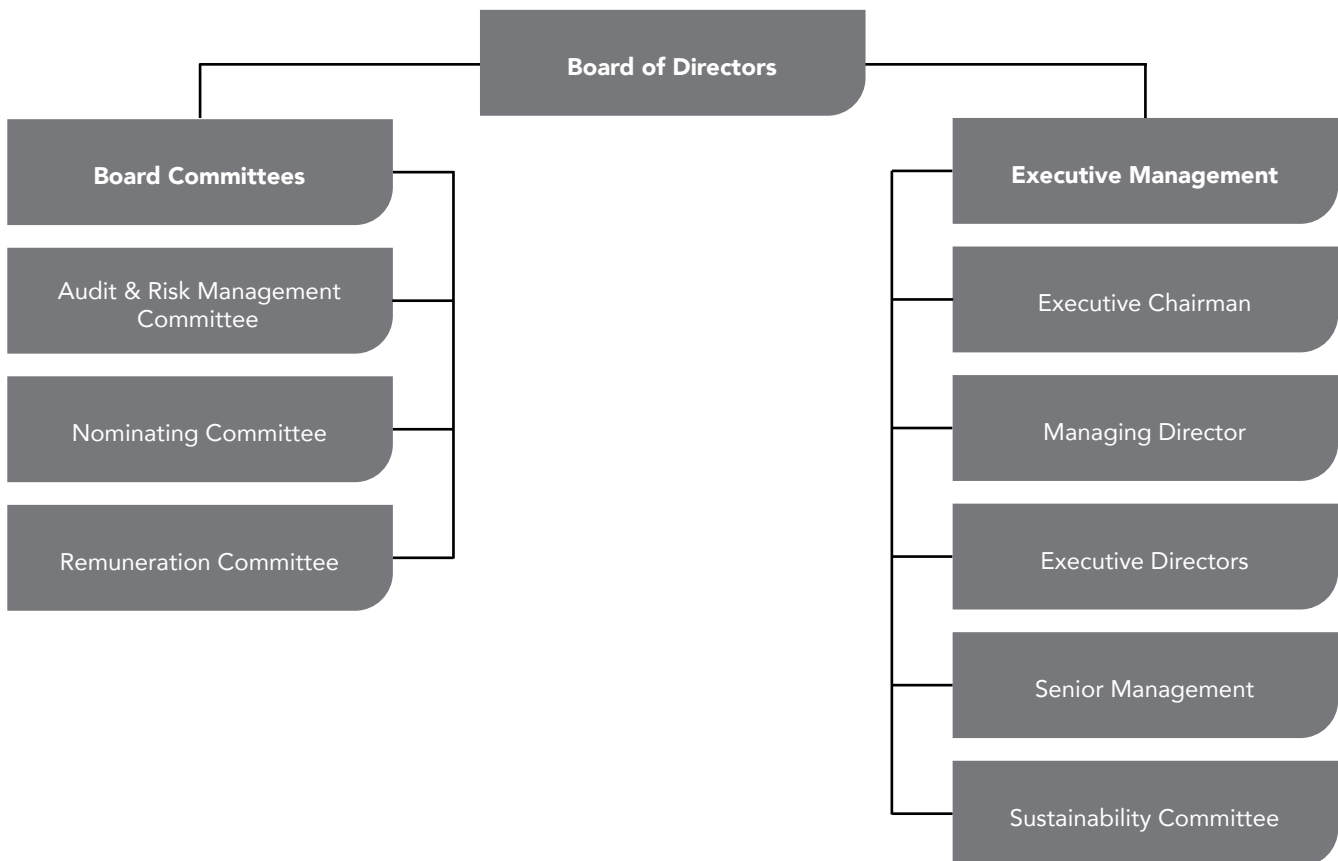
As the Executive Chairman, he plays a vital role in leading and guiding the Board and he also serves as the communication point between the Board and the Managing Director.

The Managing Director, Mr. Loh Kok Cheng leads the management in the operations and has overall responsibility on the operation units and organisational effectiveness.

The Board delegates certain areas of responsibilities to the Board Committees, each with predefined terms of reference and responsibilities and the Board receives reports of their proceedings and deliberations. Where the Board Committees have no authority to make decisions on matters reserved for the Board, recommendations would then be tabled to the Board for its approval. The Chairman of the respective Board Committees shall report the outcome of the Committee meetings to the Board and relevant decisions are incorporated in the minutes of the Board meetings. Whilst, the Executive Management is tasked to manage the business operations and affairs of the Company and its subsidiaries.

The Independent Non-Executive Directors play a vital role in the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee as they are primarily responsible in providing objective and independent judgements to the decision making of the Board.

Below is the Group's Governance Model where specific powers of the Board are delegated to ensure responsibilities and duties are discharged orderly:



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (Cont'd)

All Directors have access to the advice and services of the Company Secretaries in carrying out their duties and to ensure all rules, requirements and regulations are complied with.

The Company Secretaries are responsible for proper maintenance of secretarial records, preparation of resolutions, recording minutes of proceedings and other key secretarial functions. The Directors have unrestricted access to the services of the Company Secretaries for guidance on matters relating to the companies' law, rules and regulations of the regulatory authorities as well as best practices on governance.

Both Company Secretaries are members of professional bodies and are qualified to act as Company Secretaries. They regularly keep themselves abreast with the regulatory changes and developments vide participating in various training programs.

Composition of the Board

The Company has an experienced Board comprising of four (4) Non-Independent Executive Directors and three (3) Independent Non-Executive Directors. The number of the Independent Directors on the Board complies with Paragraph 15.02 of the MMLR which requires that at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors.

All three (3) Independent Non-Executive Directors provide independent views and objective judgement to the Board's decision-making process. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. Should any Director has an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in discussions on the matter. The Nominating Committee ("NC"), upon its annual assessment of the Independent Directors is satisfied that the Independent Directors had discharged their responsibilities in an independent manner.

Tenure of Independent Director

Practice 5.3 of MCGG stipulates that the tenure of an Independent Director of the Company should not exceed a cumulative term of nine (9) years. An Independent Director may continue to serve on the Board provided he is re-designated as a Non-Independent Director. In the event the Board intends to retain the Independent Director after serving a cumulative term limit of nine (9) years, the Board will seek shareholders' approval through two-tier voting.

The Company does not have a policy limiting the tenure of its Independent Directors to nine (9) years. The Board is of the view that long-serving Directors bring valuable insights and a deep understanding of the Group's businesses and affairs. Furthermore, the Board believes that a Director's effectiveness is primarily dependent on the individual's calibre, integrity, and objectivity, and is not necessarily correlated with the length of tenure as an Independent Director.

As at the date of this report, none of the Independent Directors has exceeded a cumulative tenure of nine (9) years.

Mr. Leow Chan Kiang has served on the Board as an Independent Director since 01 July 2017 and will have completed nine (9) years of service on 01 July 2026. Based on the recent assessment, Mr. Leow has demonstrated independence in character and judgement, and continues to exercise objectivity and sound judgement in the discharge of his duties. His extensive experience and in-depth knowledge of the Group's operations continue to provide significant value to the Board. Accordingly, the Board proposed that Mr. Leow Chan Kiang be retained as an Independent Director of the Company beyond 01 July 2026, subject to shareholders' approval at the forthcoming 24th Annual General Meeting of the Company.

Gender Diversity

The Board is supportive of gender diversity in the Board composition and senior management. The Board has established a gender policy of having at least one female representative on the Board of the Company which is in line with the MMLR of Bursa Securities. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Appointment & Re-election

In making the recommendations for the appointment of new directors, the NC would consider candidates proposed by the existing board members, any other senior executive, Director or major shareholder in accordance to the Directors Fit & Proper Policy. The NC may also utilise independent sources including industry and professional association, open advertisements or independent search firms to identify suitably qualified candidates.

New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board.

In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. Always provided that, all Directors shall retire from office at least once each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Pursuant to the Company's Constitution, Mr. Loh Kok Beng and Mr. Loh Chin Phang would be retiring at the forthcoming 24th AGM to be held in June 2026.

The Board through the NC had assessed them according to the Directors' Fit and Proper Policy and recommended them for re-election at the forthcoming 24th AGM having regard to their contributions and the ability to act in the best interest of the Company.

Mr. Loh Kok Beng and Mr. Loh Chin Phang had abstained from deliberating and voting on the above.

The Board through its NC conducts annual assessment of the effectiveness of the Board, the Board Committees, individual Directors and Senior Management of the Company, Board Skills Matrix and Boardroom Diversity.

The assessment of the Board as a whole, Board Committees, individual Directors and Senior Management are carried out by way of evaluation questionnaires incorporating independence and fit-and-proper elements aligned with the Company's objectives and strategic goals. The responses are then compiled and presented to the NC for evaluation and consideration. The NC will evaluate and table its recommendations to the Board. The Director's and Senior Management's concern shall abstain from deliberating on his/her own assessment.

The Board has adopted the Directors' Fit and Proper Policy to ensure a formal and transparent process for the appointment and re-election of Directors of the Company. The Directors' Fit and Proper Policy is available on the Company's corporate website at www.tekseng.com.my.

During FYE 2025, the NC had held one (1) meeting with full members present. The NC had discussed and assessed the Board and Board Committees, terms of Audit & Risk Management Committee and members of the Audit & Risk Management Committee, individual Directors, the independence of Independent Directors, Senior Management, Boardroom diversity, Directors' training and re-appointment or re-election of Directors at the forthcoming AGM of the Company.

The NC, upon its recent annual assessment carried out, is satisfied that the current size and composition of Board, Board Committees, its Directors and Senior Management are adequately appropriate for its purpose with relevant mix of skills, experience, competency and age.

Directors' Training

The Board recognises the importance of continuous training and education to enhance their skills and knowledge, as well as to keep abreast of evolving regulatory and corporate governance developments, in order to effectively discharge their duties and responsibilities.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Training (Cont'd)

During FYE 2025, the External Auditors had briefed the Directors on the changes of the Malaysian Financial Reporting Standards that are relevant to the Group's financial statements. In addition, the Directors attended various training programmes, details of which are set out below:

Name	Description of training
Mr. Loh Kok Beng	Case Study-Based Webinar: Sustainability- Related Risks and Opportunities ISO 13485:2016 Validation Training Course
Mr. Loh Kok Cheng	Case Study-Based Webinar: Sustainability- Related Risks and Opportunities ISO 13485:2016 Validation Training Course
Mr. Leow Chan Khiang	LEDM - Listed Entity Director Programme (Mandarin) Listed Entity Director Programme 5 - Audit Committee Essentials Listed Entity Director Programme 6 - Board Risk Committee Essentials Listed Entity Director Programme 7 - Nominating Committee Essentials Listed Entity Director Programme 8 - Remuneration Committee Essentials Case Study-Based Webinar: ESG Reporting: A Key to Value Creation Today
Mdm. Tan Soo Mooi	MIA WEBINAR SERIES: ESG EVOLUTION: Developments, Obligations and Reporting Requirements for Sustainable Organisations
Mr. Loh Eng Chun	Case Study- Based Webinar: Sustainability- Related Risks and Opportunities ISO 13485:2016 Validation Training Course
Mr. Loh Jia Wooi	MIA WEBINAR SERIES: ESG EVOLUTION: Developments, Obligations and Reporting Requirements for Sustainable Organisations ISO 13485:2016 Validation Training Course
Mr. Loh Chin Phang	Case Study-Based Webinar: ESG Reporting : A Key to Value Creation Today

The Board was satisfied with the Directors' own evaluation of their training needs in FYE 2025 as all the Directors had attended various programmes to enhance their skills and knowledge. Thus, a fixed policy on Directors' training is not required.

Remuneration

The Board has in place a Remuneration Policy which is clear and transparent to attract and retain the Directors and Senior Management of the Company. The Remuneration Committee ("RC") of the Company comprising solely of Independent Directors is headed by Mdm. Tan Soo Mooi, an Independent Non-Executive Director. The RC is responsible to review the policy and to ensure fair remuneration policies and procedures are in place.

The RC is also empowered by the Board with the terms of reference to review and recommend the remunerations of the Executive and Non-Executive Directors. The Director's concern shall abstain from deliberating on his/her own remunerations.

During FYE 2025, the RC had held one (1) meeting with full members present. The RC had discussed and recommended to the Board the remuneration package of Executive Directors, Directors' fees and benefits.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration (Cont'd)

Aggregate remuneration paid to Directors for the FYE 2025 are categorised into the following components:

Name	N1 Fees (RM'000)	N2 Salary (RM'000)	N2 Bonus (RM'000)	N1 Other Emoluments^ (RM'000)	N2 Other Emoluments^ (RM'000)	Total (RM'000)
Loh Kok Beng	31	1,292	340	0	201	1,864
Loh Kok Cheng	31	1,210	306	0	187	1,734
Loh Eng Chun	31	302	69	0	50	452
Loh Jia Wooi	31	176	44	0	30	281
Leow Chan Khiang	36	0	0	1	0	37
Tan Soo Mooi	35	0	0	1	0	36
Loh Chin Phang	35	0	0	1	0	36
	230	2,980	759	3	468	4,440

N1 – Received on Company Level

N2 – Received on Group Level

^ Other emoluments comprising of performance incentives, allowances and statutory contributions to regulatory bodies

Directors' benefits approved at last AGM for the FYE 2025 are as follows:

Directors' Benefits	Actual benefits paid/incurred for FYE 2025 (RM'000)
Travelling Allowance	3
Insurance	5
Training	1
Total Benefit Paid	9
Approved limit at 23 rd AGM	50

In determining the remuneration packages of the Group's senior management, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group able to attract and retain executive talents.

On the disclosure of the remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 of the top five Senior Management on a named basis, the Board is of the view that it would not be in the best interest of the Company to make such disclosure in view of the competitive nature of the human resource market and to support the Company's efforts in attracting and retaining executive talents, it should maintain confidentiality on employee remuneration matters.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") consists of three (3) Independent Non-Executive Directors. The current ARMC Chairman is professionally qualified accountant with vast experience in the financial reporting. The NC reviews the term of office and performance of the ARMC and its members annually to ensure compliance with its Terms of Reference. Based on recent assessment, the Board is satisfied that the ARMC and its members have effectively discharged their duties in accordance with their Terms of Reference.

The ARMC assists the Board in reviewing the Company's quarterly reports and annual audited financial statements to ensure compliance with applicable financial reporting standards, and provides its recommendation to the Board for approval and release to Bursa Securities and shareholders. The Group's quarterly reports are reviewed by the external auditors in accordance with International Standard on Review Engagements 2410 (ISRE 2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," prior to presentation to the ARMC.

The ARMC also assists the Board in establishing an effective risk management and internal control framework, and ensures that the internal audit function operates effectively and independently.

The ARMC has an appropriate and transparent relationship with the external auditors. The ARMC has been conferred with the authority to directly liaise with both the external and internal auditors. The ARMC will review the appointment and re-appointment of external auditors and to assess the performance and independency of the external auditors on annual basis. The existing auditors, Messrs. BDO PLT had confirmed to the ARMC in writing that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The ARMC, upon its recent annual assessment carried out, is satisfied with their work done and independence and had recommended to the Board for their re-appointment at the forthcoming AGM.

For the FYE 2025, the ARMC held five (5) meetings and the summary of work of the ARMC including the internal audit functions are set out in the ARMC Report section of this Annual Report.

Risk Management and Internal Control Framework

The Board has the overall responsibility in the risk governance and internal control of the Group. The Board and the ARMC worked closely with the Senior Management to identify, evaluate, manage and report major risks that affect the Group as well as the measures taken, and also to review the adequacy and effectiveness of the internal control on an ongoing basis. The Board is of the view that the system of internal control and risk management in place during the financial year, is sound and sufficient to safeguard the Group's assets and the interests of various stakeholders.

An overview of risk management and the state of internal control within the Group is set out in the Statement on Risk Management and Internal Control section of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Board has in place a Corporate Disclosure Policy to ensure transparent, timely, accurate and quality disclosure of material information to the investing public and stakeholders. All confidential information is properly handled by the Directors, the employees and other relevant parties to avoid leakage and improper use of such information. The Company's website provides all relevant information of the Group, which is accessible to the public. All information and announcements are uploaded to its website on a timely manner and categorised in an orderly and structured manner for the ease of reference by the investors, stakeholders and the public.

The Corporate Disclosure Policy is available on the Company's website at www.tekseng.com.my.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Conduct of General Meetings

The Company's general meetings are important avenues for communication and dialogue with the shareholders. The Company will issue notice of AGM to shareholders at least 28 days before the AGM to allow shareholders to have more time to make the necessary arrangements to attend in person or by corporate representatives, proxies or attorneys.

Each item of special business included in the notice of AGM will be accompanied by explanatory statement to facilitate a full understanding and evaluation of the proposed resolution.

The Company's Chairman will invite shareholders to raise questions pertaining to each proposed resolution before putting the motion to vote by poll in all general meetings. Board members and senior management will be present to respond to any questions raised from the shareholders. The Company's external auditors are also present to address issues relating to the auditors' reports.

All the proposed resolutions put to the meeting will be voted upon by poll as poll voting reflects shareholders' views more accurately and fairly as every vote is properly counted in accordance with the one share, one vote principle. The Company will appoint scrutineers to validate the votes cast at the general meetings.

Before the commencement of poll voting, the Company Secretary will share with shareholders the poll voting process on all resolutions put to the meeting.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board dated **27 April 2026**.

Statement on Risk Management and Internal Control

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Securities, the Board of Directors ("the Board") of Tek Seng Holdings Berhad ("the Company") is pleased to provide the following Statement on Risk Management and Internal Control of Tek Seng Holdings Berhad and its subsidiaries ("the Group") for financial year ended 31 December 2025. This has been prepared in accordance to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies".

BOARD RESPONSIBILITY

The Board acknowledges its duty to provide oversight of the Group's risk management and internal control frameworks, which are integral to preserving shareholder value, protecting customer interests, and securing the Group's assets. The Board's oversight spans across all subsidiaries and encompasses financial, operational, compliance, as well as environmental, social and governance ("ESG") and other sustainability-related risks that may impact the Group's long-term performance and resilience.

The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and effectiveness of those systems. To assist the Board in fulfilling its responsibilities, the Board has established the Audit and Risk Management Committee ("ARMC"), which assists the Board in overseeing the Group's risk management framework and internal control system, including the identification, assessment and management of ESG and sustainability-related risks and also reviewing risk assessment reporting during the Audit and Risk Management meeting. The Internal Audit function further supports this framework by providing independent assessments of the adequacy and effectiveness of internal controls. This layered governance structure reflects the Board's commitment to maintaining a robust, responsive and sustainable risk management environment. Due to the limitations that are inherent in any systems of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

TERM OF REFERENCE

The terms of reference of the ARMC are available on the Company's website at www.tekseng.com.my.

MANAGEMENT RESPONSIBILITY

The Executive Management holds ultimate responsibility for the internal control system and risk management. It is responsible for fostering a culture of risk awareness and informed decision-making, ensuring that governance mechanisms effectively monitor risks and how they are managed. Executive Management would identify and evaluate the risks relevant to the Group's business and the achievement of the Groups' objectives and strategies. The Executive Management would also formulate the relevant policies and procedures to manage these risks in line with the Group's strategic vision and overall risk appetite. Should there are any changes to the risks, Executive Management would do reporting to the Board and would take corrective actions to address the deficiencies accordingly.

RISK MANAGEMENT

The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by, or potentially exposed to the Group in pursuing its business objectives. The Risk Management Process comprises risk identification, risk analysis, risk planning, risk monitoring and control. There is a process in place for recruiting, developing and retaining competent staff which emphasises the importance and commitment to attract, develop and retain competent individuals in the organisation.

The process of identifying, evaluating and managing the significant risks are embedded in the various work processes and procedures of the respective departments. It is the responsibility of key management and heads of department to identify, evaluate and manage the significant risks faced by the Group on an ongoing basis. Any significant risks and related mitigating activities are then reported to the Executive Directors. The Executive Directors shall compile the risk register and report to the ARMC. The ARMC report to the Board on the risks profiles as well as the on-going risk management implementation and actions undertaken to mitigate the risks identified. The Board oversees the adequacy of the Group's risk management framework to ensure risk management and internal controls are in place.

Statement on Risk Management and Internal Control

RISK MANAGEMENT (CONT'D)

During the financial year, the process of identification of principal risks and managing such risks had been conducted formally. Principal risk areas that are considered significant to the Group are as follows:

i) Competitive risk

Competitive risk represents a significant challenge for the Group, primarily in keeping up with market trends, global competition and the threat of substitutes. To mitigate this risk, it is essential for the Group to monitor the market trend requirements regularly to stay competitive. The Group also constantly looks into cost reductions in order to stay competitive and where quality is not being compromised and improve production efficiency through optimised processes or automation to further enhance cost-effectiveness. Additionally, the Group also actively engages with customers to understand customer needs and maintains good customer communication. Moreover, the Group also carried out customer satisfaction survey for both local and foreign customers to assess the satisfaction scoring. The complaints filed by customers would also be attended promptly to ensure harmony relationship among each other. Besides, the Group constantly takes part in global exhibitions to promote its products to enhance customer base. For instance, the Group attended Canton Fair in Guangzhou during April and October 2025 to promote its products and explore market opportunities.

ii) Business risk

Business risk is also a significant concern for the Group, stemming from factors such as economic slowdowns, decreased demand, increased utility costs, and rising operating expenses. These challenges can result in reduced profitability, strained cash flows, and greater difficulty in maintaining competitiveness. To mitigate these risks, the Group focuses on expanding its market share through market penetration and while also pursuing business diversification to reduce reliance on a single sector, which helps to generate additional revenue streams and reduce dependency on existing market. Additionally, the Group actively monitors and seeks to reduce operating costs and explores energy-saving opportunities to maintain profitability even when costs rise. The Group has completed the installation of 1.633 MW solar panels in our plants in January 2026 for green energy generation which will mitigate the high rising electricity cost in future.

All these proactive measures strengthen the organisation's ability to identify, assess, and mitigate potential risks in a timely and structured manner. They enable the Group to respond more effectively to uncertainties and evolving market conditions, thereby enhancing operational resilience and decision-making quality. As a result, the Group is in a better position to sustain long-term growth and stability, even within a challenging and dynamic business environment.

INTERNAL AUDIT FUNCTION

The Board recognises the critical role of the internal audit function in ensuring the effectiveness, adequacy, and integrity of the Group's internal control systems. To fulfill this responsibility, The Board has outsourced this functions to Messrs. KFF Advisory Sdn Bhd, an independent professional consulting firm. The firm carries out internal audit activities in alignment with the approved internal audit plan and the International Professional Practice Framework ("IPPF") to provide reasonable assurance regarding the Group's internal control systems. This independent review examines the adequacy, effectiveness, and efficiency of the internal controls, while providing valuable insights into the Group's risk management and governance processes.

The internal audit adopts a risk-based approach in developing its audit plan, which addresses all key auditable areas within the Group. The audit plan is presented to and approved by the ARMC, and scheduled internal audits are carried out by the internal auditors based on this plan. The internal audit focuses on high-risk areas and those with inadequate controls, ensuring that appropriate action plans are put in place to enhance controls. For areas with high risks but adequate controls, the internal audit ensures that risks are effectively mitigated by the existing controls.

During the financial year ended 31 December 2025, the internal audit plan included reviews on key areas such as Property, Plant and Equipment Management, General Safety & Environmental Compliance, Human Resource Management, and Procurement Management, aimed at strengthening internal controls and ensuring compliance with policies and regulations. The internal auditors report to the ARMC on areas for improvement and conduct follow-up audits to determine the extent to which their recommendations have been implemented.

Statement on Risk Management and Internal Control

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- Organisation structure with defined scopes of responsibility, lines of accountability as well as delegation of authority;
- Documented internal policies and procedures for financial, operational and human resource management, which are subject to review and improvement;
- Annual information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary;
- Periodic Board and Audit & Risk Management Committee meetings of which included risk assessment reporting;
- Staff training to enhance their skills, knowledge and competencies;
- Regular visits to operating units by executive directors and senior management;
- Review of any reported whistleblowing cases during the year to ensure proper investigation and necessary actions taken in accordance with the Group's Whistleblowing Policy.

BOARD ASSESSMENT

The Board has received assurance from the Executive Chairman and Managing Director that the Group's risk management and internal control systems are operating adequately and satisfactorily, in all material aspects, to meet the Group's objectives during the financial year under review.

As at 31 December 2025, the Board is of the opinion that the Group had adequately addressed the significant risks identified which are relevant and material to the Group's operations and has in place a sound internal control systems by adopting the suggested improvements by the internal auditors in ensuring the systems of internal control and risk management are in place.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement in accordance to Paragraph 15.23 of the MMLR of Bursa Securities. Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide ("AAPG 3"), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report*. It does not require the external auditors to consider whether this Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control intended to be included in annual report is not prepared, in all material aspects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies to be set out, nor is factually inaccurate.

This statement is issued in accordance with a resolution of the Directors dated **27 April 2026**.

Audit and Risk Management Committee Report

COMPOSITION, MEETINGS AND ATTENDANCE

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. During the FYE 2025, five (5) ARMC Meetings were held at The Conference Room of Tek Seng Holdings Berhad and the details of attendance are as follows: -

Name of Members	Designation	No. of Meetings Attended
Mr. Leow Chan Khiang	Chairman	5 out of 5
Mdm. Tan Soo Mooi	Member	5 out of 5
Mr. Loh Chin Phang	Member	5 out of 5

TERMS OF REFERENCE

The terms of reference of the ARMC are available on the Company's website at www.tekseng.com.my.

SUMMARY OF WORK DONE DURING THE FINANCIAL YEAR

The work carried out by the ARMC during the financial year are as follows: -

Financial Reporting

- Reviewed the quarterly and annual financial statements of the Company and of the Group with the external auditors, focusing particularly on changes in appropriate accounting policies due to adoption of new accounting standard by the Management, any adjustments arising from the audits, prudent judgements and reasonable estimates made by the Management are in accordance with the financial reporting standards and other legal requirements to ensure that the financial statements presented a true and fair view of the Group's financial performance before recommending them to the Board for approval.

External Audit

- Reviewed with the external auditors in relation to the announcements on quarterly results.
- Reviewed with the external auditors, the external audit plan, nature and scope of the audit plan and coordination of the external auditors to meet the key deliverables timeline.
- Reviewed with the external auditors, the audit review memorandum arising from audits of the Company and its subsidiaries together with comments and responses of the management including the assistance given by the management and employees of the Group.
- Assessed the independence, resources and the overall performance of the external auditors and upon assessment, recommended them to the Board for re-appointment.
- Held private sessions with the external auditors without the presence of the Executive Directors or the Management of the Company to reinforce the independence of the external audit function of the Company.
- Held private sessions with the external auditors without the presence of the Executive Directors or the Management of the Company to enquire about any extraordinary matters or material concerns related to the Group which required immediate attention of the ARMC.

Risk Management and Internal Control

- Reviewed with the internal auditors, the internal audit plan to ensure adequate coverage of key functional areas and business activities of the Group.
- Reviewed with the internal auditors, the internal audit reports to ensure appropriate corrective actions had been taken by the Management to implement the audit recommendations.

Audit and Risk Management Committee Report

Risk Management and Internal Control (Cont'd)

- Reviewed with the internal auditors, the follow-up review reports on the status of implementation by the Management of the audit recommendations.
- Reviewed and reported to the Board on the risks profile including the activities in mitigating the principal risks identified.
- Reviewed and reported to the Board on the adequacy of the scope, function and effectiveness of the internal audit function.
- Held private sessions with the internal auditors without the presence of the Executive Directors or the Management of the Company to reinforce the independence of the internal audit function of the Company.
- Assessed and reported to the Board on the resources, competencies and the overall performance of the internal auditors and re-appointment of internal auditors.

Recurrent Related Party Transactions

- Reviewed the report by the Management and Board of Directors in respect of recurrent related party transactions to ensure all related party transactions were undertaken on an arm's length basis and on normal commercial terms, consistent with the Group's usual business practices and policies, which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

Conflict of Interest or Potential Conflict of Interest

- Reviewed the Conflict of Interest ("COI") or potential COI involving Directors and Key Senior Management of the Company and the measures taken to address COI or potential COI as set out below:

Name	Nature and extent of interest of Director, Major Shareholder; Persons Connected to Director and Major Shareholder; and Key Senior Management	Nature of COI or Potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Loh Kok Beng Executive Chairman	<p>Loh Kok Beng, Loh Kok Cheng and Loh Joo Eng are siblings</p> <p>Loh Eng Chun is the son of Loh Kok Beng</p> <p>Loh Jia Wooi is the nephew of Loh Kok Beng</p> <p>Loh Kok Beng and Loh Kok Cheng are directors and major shareholders of Tek Seng Holdings Berhad ("TSHB") and, Loh Eng Chun and Loh Jia Wooi are directors and shareholders of TSHB</p> <p>Loh Kok Beng is a director and major shareholder of Tek Seng Properties & Development Sdn. Bhd. ("TPSB")</p> <p>Loh Kok Beng is a director and major shareholder of Ganjaran Wawasan Sdn. Bhd. ("GWSB")</p>	<ul style="list-style-type: none"> • Related party transactions with TPSB and GWSB • Loh Joo Eng is a key senior management of TSHB and also an employee of Wangsaga Industries Sdn. Bhd. ("WISB"), a subsidiary of TSHB holding the position of Purchasing Manager 	<ul style="list-style-type: none"> • To abstain from any discussion/voting pertaining to related party transactions, any COI or potential COI involving his interest and family's interests • The annual performance evaluation and remunerations of family members will be subject to and endorsed by Nominating and Remuneration Committee

Audit and Risk Management Committee Report

Conflict of Interest or Potential Conflict of Interest (Cont'd)

- Reviewed the Conflict of Interest ("COI") or potential COI involving Directors and Key Senior Management of the Company and the measures taken to address COI or potential COI as set out below: (Cont'd)

Name	Nature and extent of interest of Director, Major Shareholder; Persons Connected to Director and Major Shareholder; and Key Senior Management	Nature of COI or Potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Loh Kok Cheng Managing Director	<p>Loh Kok Cheng, Loh Kok Beng and Loh Joo Eng are siblings</p> <p>Loh Jia Wooi is the son of Loh Kok Cheng</p> <p>Loh Eng Chun is the nephew of Loh Kok Cheng</p> <p>Loh Kok Beng and Loh Kok Cheng are directors and major shareholders of TSHB and, Loh Eng Chun and Loh Jia Wooi are directors and shareholders of TSHB</p> <p>Loh Kok Cheng is a director and major shareholder of TPSB</p> <p>Loh Kok Cheng is a director and major shareholder of GWSB</p>	<ul style="list-style-type: none"> Related party transactions with TPSB and GWSB Loh Joo Eng is a key senior management of TSHB and also an employee of WISB holding the position of Purchasing Manager 	<ul style="list-style-type: none"> To abstain from any discussion/voting pertaining to related party transactions, any COI or potential COI involving his interest and family's interests The annual performance evaluation and remunerations of family members will be subject to and endorsed by Nominating and Remuneration Committee
Loh Eng Chun Executive Director	<p>Loh Eng Chun is the son of Loh Kok Beng</p> <p>Loh Kok Cheng is the uncle of Loh Eng Chun and, Loh Joo Eng is the aunt of Loh Eng Chun</p> <p>Loh Jia Wooi is the cousin of Loh Eng Chun</p> <p>Loh Kok Beng and Loh Kok Cheng are directors and major shareholders of TSHB and, Loh Eng Chun and Loh Jia Wooi are directors and shareholders of TSHB</p> <p>Loh Eng Chun is a person connected to directors and shareholders of TPSB</p> <p>Loh Eng Chun is a person connected to directors and shareholders of GWSB</p>	<ul style="list-style-type: none"> Related party transactions with TPSB and GWSB Loh Joo Eng is a key senior management of TSHB and also an employee of WISB holding the position of Purchasing Manager 	<ul style="list-style-type: none"> To abstain from any discussion/voting pertaining to related party transactions, any COI or potential COI involving his interest and family's interests The annual performance evaluation and remunerations of family members will be subject to and endorsed by Nominating and Remuneration Committee

Audit and Risk Management Committee Report

Conflict of Interest or Potential Conflict of Interest (Cont'd)

- Reviewed the Conflict of Interest ("COI") or potential COI involving Directors and Key Senior Management of the Company and the measures taken to address COI or potential COI as set out below: (Cont'd)

Name	Nature and extent of interest of Director, Major Shareholder; Persons Connected to Director and Major Shareholder; and Key Senior Management	Nature of COI or Potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Loh Jia Wooi Executive Director	<p>Loh Jia Wooi is the son of Loh Kok Cheng</p> <p>Loh Kok Beng is the uncle of Loh Jia Wooi and, Loh Joo Eng is the aunt of Loh Jia Wooi</p> <p>Loh Eng Chun is the cousin of Loh Jia Wooi</p> <p>Loh Kok Beng and Loh Kok Cheng are directors and major shareholders of TSHB and, Loh Eng Chun and Loh Jia Wooi are directors and shareholders of TSHB</p> <p>Loh Jia Wooi is a person connected to directors and shareholders of TPSB</p> <p>Loh Jia Wooi is a person connected to directors and shareholders of GWSB</p>	<ul style="list-style-type: none"> Related party transactions with TPSB and GWSB Loh Joo Eng is a key senior management of TSHB and also an employee of WISB holding the position of Purchasing Manager 	<ul style="list-style-type: none"> To abstain from any discussion/voting pertaining to related party transactions, any COI or potential COI involving his interest and family's interests The annual performance evaluation and remunerations of family members will be subject to and endorsed by Nominating and Remuneration Committee
Loh Joo Eng Key Senior Management	<p>Loh Joo Eng, Loh Kok Beng and Loh Kok Cheng are siblings</p> <p>Loh Eng Chun and Loh Jia Wooi are nephews of Loh Joo Eng</p> <p>Loh Kok Beng and Loh Kok Cheng are directors and major shareholders of TSHB and, Loh Eng Chun and Loh Jia Wooi are directors and shareholders of TSHB</p> <p>Loh Joo Eng is a person connected to directors and shareholders of TPSB</p> <p>Loh Joo Eng is a person connected to directors and shareholders of GWSB</p>	<ul style="list-style-type: none"> Related party transactions with TPSB and GWSB Loh Joo Eng is a key senior management of TSHB and also an employee of WISB holding the position of Purchasing Manager 	<ul style="list-style-type: none"> To abstain from any discussion pertaining to related party transactions, any COI or potential COI involving his interest and family's interests The annual performance evaluation and remuneration of Loh Joo Eng will be subject to and endorsed by Nominating and Remuneration Committee

Annual Reports

- Reviewed and recommended to the Board the Statement on Risk Management and Internal Control and Audit and Risk Management Committee Report for inclusion in the Company's Annual Report for FYE 2025.

INTERNAL AUDIT FUNCTION

The Board has established an internal audit function which is independent of the activities in audits. The internal auditors report directly to the ARMC. During the financial year, the Company had outsourced its internal audit function to an external professional firm to perform an independent and systematic review of the Group's systems of internal audit in order to provide reasonable assurance that the Group's internal audit function continues to operate satisfactorily and effectively. The costs incurred for the internal audit function in respect of the FYE 2025 was RM38,000.00.

Audit and Risk Management Committee Report

INTERNAL AUDIT FUNCTION (CONT'D)

The work carried out by the internal auditors during the FYE 2025 are as follows: -

1. Reviewed the systems of internal controls covering the Property, Plant and Equipment Management, General Safety and Environmental Compliance, Human Resource Management, and Procurement Management and ascertained the extent of compliance with the established policies, procedures and statutory requirements.
2. Reported to the ARMC on findings and improvement opportunities together with management action plans to address the same. Certain recommendations have been implemented, while the remaining recommendations will be followed up and updated in due course by the Management.
3. Conducted follow-up reviews on the status of management action plans documented and reported the overall results to the ARMC. The Management has implemented most of the recommended action plans during the financial year.

Statement of Directors' Responsibilities

The Directors acknowledge that they are responsible for the Annual Audited Financial Statements so as to give a true and fair view of the state of affairs as at the end of the financial year of the Group and of the Company and of their results and their cash flows.

In preparing the financial statements for the FYE 2025, the Directors are satisfied that:

1. Reasonable and prudent judgement and estimates were made; and
2. The relevant applicable Approved Accounting Standards in Malaysia have been complied.

The Directors also responsible for ensuring that the Company maintains appropriate accounting policies that disclose with reasonable accuracy of the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016.

This Statement is issued in accordance with a resolution of the Directors dated **27 April 2026**.

Financial Statements

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<https://www.tekseng.com.my/>



Directors' Report

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

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are mainly engaged in manufacturing and trading of polyvinyl chloride ('PVC') related products, manufacturing of polypropylene ('PP') non-woven related products, trading of photovoltaic products, generate and supply the renewable energy and renting of properties.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>13,224,807</u>	<u>707,921</u>
Attributable to:		
Owners of the parent	11,281,519	707,921
Non-controlling interests	<u>1,943,288</u>	<u>0</u>
	<u>13,224,807</u>	<u>707,921</u>

DIVIDENDS

Dividend paid, declared or proposed by the Company since the end of the previous financial year was as follows:

	RM
In respect of financial year ended 31 December 2024:	
Single tier second interim dividend of RM0.01 per ordinary share, paid on 9 April 2025	<u>3,606,681</u>

A single tier final dividend of RM0.015 per ordinary share amounting to approximately RM5,410,022, estimated based on the number of outstanding shares in issue at the end of the financial year, in respect of the financial year ended 31 December 2025 to be paid on 15 July 2026 will be proposed for shareholders' approval at the forthcoming Annual General Meeting. 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 shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

Directors' Report

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tek Seng Holdings Berhad

Loh Kok Beng
Loh Kok Cheng
Loh Eng Chun
Loh Jia Wooi
Loh Chin Phang
Leow Chan Khiang
Tan Soo Mooi

Subsidiaries of Tek Seng Holdings Berhad (excluding those who are listed above)

Lin, Kun-Chih	(Appointed on 26 March 2025)
Richard Chang, Wei-Tse	(Appointed on 2 January 2026)
Hong, Chum-Sam	(Appointed on 26 March 2025 and resigned on 2 January 2026)
Su, Ting-Hsing	(Resigned on 26 March 2025)
Lin, Ching-Piao	(Resigned on 26 March 2025)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			Balance as at 31.12.2025
	Balance as at 1.1.2025	Bought	Sold	
Shares in the Company				
<u>Direct interests:</u>				
Loh Kok Beng	74,831,830	0	0	74,831,830
Loh Kok Cheng	74,582,030	0	0	74,582,030
Loh Eng Chun	7,412,370	0	0	7,412,370
Loh Jia Wooi	7,412,370	0	0	7,412,370
Tan Soo Mooi	70,000	0	0	70,000
Loh Chin Phang	24,000	0	0	24,000
<u>Indirect interest:</u>				
Loh Kok Beng #	200,000	0	0	200,000

Shares held by family members by virtue of Section 59(11)(c) of the Companies Act 2016 in Malaysia.

By virtue of their interests in the ordinary shares of the Company, Loh Kok Beng and Loh Kok Cheng are deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

The interests and deemed interests in the ordinary shares of its non-wholly owned subsidiary, TS Solartech Sdn. Bhd., held by Loh Kok Beng and Loh Kok Cheng were as follows:

	← Number of ordinary shares →			
	Balance as at 1.1.2025	Bought	Sold	
Shares in a subsidiary				
- TS Solartech Sdn. Bhd.				
<u>Indirect interests:</u>				
Loh Kok Beng	134,254,000	0	0	134,254,000
Loh Kok Cheng	134,254,000	0	0	134,254,000

None of the other Director holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the remuneration received by certain Directors as Directors of the Company and its subsidiaries.

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

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Fees	229,900	229,900
Short term employee benefits	3,760,668	3,200
Contributions to defined contribution plan	449,965	0
	4,440,533	233,100

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The total amount of insurance premium effected for any Director and officer of the Group and of the Company was RM4,552.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company.

Directors' Report

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (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 had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) 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) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 12 January 2026, Tek Seng Sdn. Bhd., a wholly owned subsidiary of the Company had entered into a Sale and Purchase Agreement with a third party to dispose two pieces of leasehold land known as H.S. (D) 75399 PT 8826 and H.S. (D) 75400 PT 8827, Seksyen 18, Bandar Rawang, Daerah Gombak, Negeri Selangor together with three storey shophouses bearing assessment addresses No. 11 and No. 13, Jalan Rawang Millenium PST, Perniagaan Rawang Millenium, 48000 Rawang, Selangor erected thereon at total cash consideration of RM2,800,000. As of the date of this report, the transaction has yet to be completed.

Directors' Report

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONT'D)

- (b) On 23 February 2026, Tek Seng Sdn. Bhd., a wholly owned subsidiary of the Company had entered into a Sale and Purchase Agreement with a third party to purchase all that piece of freehold vacant land known as Geran Mukim No. Hakmilik 29610, No. Lot 9948 Seksyen 50, Bandar Alor Setar, Daerah Kota Setar, Negeri Kedah at total consideration of RM1,000,000. As of the date of this report, the transaction has yet to be completed.
- (c) Since the end of February 2026, ongoing geopolitical tensions in the Middle East have contributed to elevated energy prices, intermittent global supply chain disruptions, and increased volatility in global currency movements. These factors may, if prolonged, place indirect pressure on input costs and consumer sentiment.

As of the date of this report, management is unable to reliably quantify the financial effect of these developments on the financial statements for the financial year ended 31 December 2025, as the outcome remains dependent on factors that are not presently determinable. These include the duration and severity of the disruptions, future movements in oil prices, the degree of secondary impacts on the Group's supply chain, and the effectiveness of the Group's mitigation actions. Accordingly, a reasonable estimate of the financial effect cannot presently be made. The Group will continue to monitor developments and assess the potential operational and financial implications of the developments.

SUBSIDIARIES

The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025	2024	
Tek Seng Sdn. Bhd.	Malaysia	100%	100%	Trading of polyvinyl chloride ('PVC') products and photovoltaic products such as solar cells, solar panels and solar modules
Wangsaga Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacturing of PVC related products
Pelangi Segi Sdn. Bhd.	Malaysia	100%	100%	Dormant
Double Grade Non-Woven Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacturing of polypropylene ('PP') non-woven related products and letting of properties
TS Solartech Sdn. Bhd.	Malaysia	57.88%	57.88%	Generate and supply the renewable energy and renting of properties

All subsidiaries are audited by BDO PLT in Malaysia.

Directors' Report

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Statutory audit	137,700	21,100
Other services	31,300	31,300
	<u>169,000</u>	<u>52,400</u>

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

Loh Kok Beng
Director

Penang
27 April 2026

Loh Kok Cheng
Director

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 72 to 124 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions 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 the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Loh Kok Beng
Director

Penang
27 April 2026

Loh Kok Cheng
Director

Statutory Declaration

I, Loh Kok Beng (I/C No.: 660415-07-5199), being the Director primarily responsible for the financial management of Tek Seng Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 72 to 124 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Georgetown in the
State of Penang this 27 April 2026

Loh Kok Beng

Before me,

Kevin A/L M Anthony Dass
No. PJS: P210
Commissioner for Oaths

Independent Auditors' Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tek Seng Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and Notes to the Financial Statements, including material accounting policy information, as set out on pages 72 to 124.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

(i) Recoverability of trade receivables

As at 31 December 2025, trade receivables of the Group amounting to RM16,552,982, which were net of impairment losses of RM1,081,303. The details of trade receivables and their credit risks have been disclosed in Note 10 and Note 27 to the financial statements respectively.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Audit response

Our audit procedures included the following:

- (a) Assessed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (b) Assessed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and
- (c) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

Independent Auditors' Report

Key Audit Matters (Cont'd)

(ii) Impairment assessment of carrying amounts of investments in subsidiaries (Company level)

As at 31 December 2025, investments in subsidiaries of the Company amounting to RM128,826,686, which was net of impairment losses of RM58,152,407 as disclosed in Note 7 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the recoverable amount of the investments in subsidiaries. The recoverable amount of the investments in subsidiaries are determined based on discounted future cash flows projections, which require judgement on the part of management estimation of the future financial performance and key assumptions used, in particular projected future revenue, pre-tax discount rate and terminal value.

Audit response

Our audit procedures included the following:

- (a) Compared cash flow projections against recent performance and assessed and challenged the key assumptions used in the projections and corroborated the findings from other areas of our audit;
- (b) Compared prior period projections to actual outcomes to assess reliability of management forecasting process;
- (c) Verified the pre-tax discount rate by comparing to the weighted average cost of capital and relevant risk factors of the subsidiary; and
- (d) Performed sensitivity analysis to stress test the key assumptions in the impairment model.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Independent Auditors' Report

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Independent Auditors' Report

Other Matters

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Lee Beng Tuan
03271/07/2026 J
Chartered Accountant

Penang
27 April 2026

Statements of Financial Position

As At 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	70,480,764	70,281,318	0	0
Investment properties	5	169,053,724	164,768,127	0	0
Right-of-use assets	6	5,424,878	5,075,091	0	0
Investments in subsidiaries	7	0	0	128,826,686	131,634,246
Other receivable	10	0	0	17,737,065	20,818,145
		244,959,366	240,124,536	146,563,751	152,452,391
Current assets					
Inventories	9	24,092,481	38,774,384	0	0
Trade and other receivables	10	19,157,061	21,665,282	3,174,401	1,855,153
Current tax assets		427,908	1,060,109	0	0
Short term funds	8	22,424,869	6,493,717	3,365,831	1,631,616
Cash and bank balances	11	30,044,990	31,552,796	20,071,317	20,125,753
		96,147,309	99,546,288	26,611,549	23,612,522
TOTAL ASSETS		341,106,675	339,670,824	173,175,300	176,064,913
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	12	115,001,955	115,001,955	115,001,955	115,001,955
Retained earnings		132,679,730	125,004,892	58,037,827	60,936,587
		247,681,685	240,006,847	173,039,782	175,938,542
Non-controlling interests	7(c)	44,824,027	42,880,739	0	0
TOTAL EQUITY		292,505,712	282,887,586	173,039,782	175,938,542

Statements of Financial Position

As At 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
LIABILITIES					
Non-current liabilities					
Term loans	13	9,888,445	19,885,876	0	0
Lease liabilities	6	333,242	0	0	0
Deferred tax liabilities	14	3,565,500	3,818,400	0	0
		13,787,187	23,704,276	0	0
Current liabilities					
Term loans	13	9,997,425	0	0	0
Lease liabilities	6	250,740	99,903	0	0
Trade and other payables	15	23,102,373	29,979,086	84,713	78,156
Contract liabilities	16	444,322	2,576,219	0	0
Current tax liabilities		1,018,916	423,754	50,805	48,215
		34,813,776	33,078,962	135,518	126,371
TOTAL LIABILITIES		48,600,963	56,783,238	135,518	126,371
TOTAL EQUITY AND LIABILITIES		341,106,675	339,670,824	173,175,300	176,064,913

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

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	17	152,432,856	156,799,427	2,061,000	801,000
Other operating income	18	2,547,492	3,392,798	2,315,851	1,439,549
Changes in inventories of work-in-progress and finished goods		(5,295,870)	2,555,695	0	0
Purchase of trading merchandise		(7,890,900)	(4,585,068)	0	0
Raw materials and consumables used		(75,565,634)	(91,796,616)	0	0
Inventories written down	9(d)	(281,820)	(243,799)	0	0
Reversal of inventories written down	9(e)	84,736	0	0	0
Reversal of impairment losses on:					
- investments in subsidiaries	7(e)	0	0	0	20,196,997
- trade receivables	10(g)	981,702	503,986	0	0
Impairment losses on:					
- investments in subsidiaries	7(e)	0	0	(2,807,560)	0
- trade receivables	10(g)	(343,718)	(56,575)	0	0
Depreciation of:					
- property, plant and equipment	4	(4,028,551)	(3,852,302)	0	0
- investment properties	5	(2,938,495)	(2,793,577)	0	0
- right-of-use assets	6	(376,292)	(373,275)	0	0
Gain on disposal of property, plant and equipment		253,564	0	0	0
Written off of:					
- property, plant and equipment	4	0	(353,543)	0	0
- investment properties	5	0	(7,848)	0	0
Employee benefits	19	(20,461,549)	(20,673,716)	(233,100)	(226,500)
Carriage outwards		(5,909,183)	(6,134,675)	0	0
Utilities expenses		(10,407,526)	(12,273,413)	0	0
Other expenses		(6,459,686)	(6,253,490)	(352,765)	(319,162)
Finance costs	20	(518,559)	(544,335)	0	(1,710,983)

Statements of Profit or Loss and other Comprehensive Income

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax		15,822,567	13,309,674	983,426	20,180,901
Tax expense	21	(2,597,760)	(3,574,878)	(275,505)	(277,702)
Profit for the financial year		13,224,807	9,734,796	707,921	19,903,199
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		13,224,807	9,734,796	707,921	19,903,199
Profit attributable to:					
Owners of the parent		11,281,519	8,448,426	707,921	19,903,199
Non-controlling interests		1,943,288	1,286,370	0	0
		13,224,807	9,734,796	707,921	19,903,199
Total comprehensive income attributable to:					
Owners of the parent		11,281,519	8,448,426	707,921	19,903,199
Non-controlling interests		1,943,288	1,286,370	0	0
		13,224,807	9,734,796	707,921	19,903,199
Earnings per ordinary share attributable to equity holders of the Company:					
Basic	22(a)	0.03	0.02		
Diluted	22(b)	*	*		

Note:

* Diluted earnings per ordinary share equals basic earnings per ordinary share.

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

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

Group	Note	Share capital RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2025		115,001,955	125,004,892	240,006,847	42,880,739	282,887,586
Profit for the financial year		0	11,281,519	11,281,519	1,943,288	13,224,807
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive income		0	11,281,519	11,281,519	1,943,288	13,224,807
Transaction with owners:						
Dividend paid	23	0	(3,606,681)	(3,606,681)	0	(3,606,681)
Balance as at 31 December 2025		115,001,955	132,679,730	247,681,685	44,824,027	292,505,712

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

Group	Note	Share capital RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2024		115,001,955	118,359,807	233,361,762	41,594,369	274,956,131
Profit for the financial year		0	8,448,426	8,448,426	1,286,370	9,734,796
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive income		0	8,448,426	8,448,426	1,286,370	9,734,796
Transaction with owners:						
Dividend paid	23	0	(1,803,341)	(1,803,341)	0	(1,803,341)
Balance as at 31 December 2024		115,001,955	125,004,892	240,006,847	42,880,739	282,887,586

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

Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2025		115,001,955	60,936,587	175,938,542
Profit for the financial year		0	707,921	707,921
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	707,921	707,921
Transaction with owners:				
Dividend paid	23	0	(3,606,681)	(3,606,681)
Balance as at 31 December 2025		115,001,955	58,037,827	173,039,782
Balance as at 1 January 2024		115,001,955	42,836,729	157,838,684
Profit for the financial year		0	19,903,199	19,903,199
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	19,903,199	19,903,199
Transaction with owners:				
Dividend paid	23	0	(1,803,341)	(1,803,341)
Balance as at 31 December 2024		115,001,955	60,936,587	175,938,542

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

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		15,822,567	13,309,674	983,426	20,180,901
Adjustments for:					
Depreciation of:					
- property, plant and equipment	4	4,028,551	3,852,302	0	0
- investment properties	5	2,938,495	2,793,577	0	0
- right-of-use assets	6	376,292	373,275	0	0
Dividend income from a subsidiary	17	0	0	(1,977,000)	(717,000)
Distribution income	18	(60,031)	(26,661)	(8,193)	(10,503)
Fair value gain on short term funds	18	(389,120)	(313,624)	(56,021)	(133,113)
Interest (income)/expense arising from long-term amounts owing by subsidiaries		0	0	(898,006)	1,710,983
Gain on disposal of property, plant and equipment		(253,564)	0	0	0
Impairment losses on:					
- investments in subsidiaries	7(e)	0	0	2,807,560	0
- trade receivables	10(g)	343,718	56,575	0	0
Interest expenses	20	518,559	544,335	0	0
Interest income	18	(543,945)	(593,137)	(1,353,631)	(1,295,933)
Inventories written down	9(d)	281,820	243,799	0	0
Reversal of inventories written down	9(e)	(84,736)	0	0	0
Net unrealised loss/(gain) on foreign exchange		311,320	(226,429)	0	0
Reversal of impairment losses on:					
- investments in subsidiaries	7(e)	0	0	0	(20,196,997)
- trade receivables	10(g)	(981,702)	(503,986)	0	0
Written off of:					
- property, plant and equipment	4	0	353,543	0	0
- investment properties	5	0	7,848	0	0
Operating profit/(loss) before working capital changes		22,308,224	19,871,091	(501,865)	(461,662)
Decrease/(Increase) in inventories		14,484,819	(7,271,205)	0	0
Decrease/(Increase) in trade and other receivables		3,067,692	848,871	14,584	(6,250)
(Decrease)/Increase in trade and other payables		(6,828,972)	1,200,464	6,557	12,111
(Decrease)/Increase in contract liabilities		(2,131,897)	2,576,219	0	0
Cash generated from/(used in) operations		30,899,866	17,225,440	(480,724)	(455,801)
Interest received		543,945	593,137	421,440	464,002
Tax refunded		1,249,745	64,891	0	0
Tax paid		(2,873,042)	(2,599,653)	(272,915)	(322,561)
Net cash from/(used in) operating activities		29,820,514	15,283,815	(332,199)	(314,360)

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayment from/(Advances to) subsidiaries		0	0	2,645,254	(2,872,188)
Interest received		0	0	932,191	831,931
Dividends received from a subsidiary	17	0	0	1,977,000	717,000
Net (purchase)/redemption of short term funds		(15,482,001)	(1,234,995)	(1,670,001)	3,430,000
Purchase of:					
- property, plant and equipment	4	(3,890,632)	(1,273,907)	0	0
- investment properties	5	(7,738,393)	(11,108,525)	0	0
Proceeds from disposal of property, plant and equipment		430,500	0	0	0
Net cash (used in)/from investing activities		(26,680,526)	(13,617,427)	3,884,444	2,106,743
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	23	(3,606,681)	(1,803,341)	(3,606,681)	(1,803,341)
Repayments of term loans		(508,065)	(534,595)	0	0
Payment of lease liabilities		(252,500)	(249,000)	0	0
Net cash used in financing activities		(4,367,246)	(2,586,936)	(3,606,681)	(1,803,341)
Net decrease in cash and cash equivalents		(1,227,258)	(920,548)	(54,436)	(10,958)
Effects of exchange rate changes on cash and cash equivalents		(280,548)	200,288	0	0
Cash and cash equivalents at beginning of financial year		11,552,796	12,273,056	125,753	136,711
Cash and cash equivalents at end of financial year	11(b)	10,044,990	11,552,796	71,317	125,753

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Term loans (Note 13) RM
Balance as at 1 January 2024	286,618	19,885,870
Cash flows	(249,000)	(534,595)
Non-cash flows:		
- additions	52,551	0
- unwinding of interest	9,734	534,601
Balance as at 31 December 2024	99,903	19,885,876
Balance as at 1 January 2025	99,903	19,885,876
Cash flows	(252,500)	(508,065)
Non-cash flows:		
- additions	726,079	0
- unwinding of interest	10,500	508,059
Balance as at 31 December 2025	583,982	19,885,870

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

Notes to the Financial Statements

31 December 2025

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang.

The principal place of business of the Company is located at Plot 159, MK 13, Jalan Perindustrian Bukit Minyak 7, Bukit Minyak Industrial Park, 14000 Bukit Mertajam, Penang.

The consolidated financial statements for the financial year ended 31 December 2025 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 27 April 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are mainly engaged in manufacturing and trading of polyvinyl chloride ('PVC') related products, manufacturing of polypropylene ('PP') non-woven related products, trading of photovoltaic products, generate and supply the renewable energy and renting of properties. Further details of the subsidiaries are disclosed in Note 7 to financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 28.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in financial statements.

Notes to the Financial Statements

31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Balance as at 1.1.2024 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2024 RM
Carrying amount					
Freehold land	26,957,687	0	0	0	26,957,687
Buildings and factory buildings	34,225,513	94,258	(353,543)	(1,022,876)	32,943,352
Office equipment, furniture and fittings	869,384	12,960	0	(256,430)	625,914
Plant and machinery	10,268,576	720,735	0	(2,093,262)	8,896,049
Motor vehicles	892,095	445,954	0	(479,734)	858,315
Electrical installation	1	0	0	0	1
	<u>73,213,256</u>	<u>1,273,907</u>	<u>(353,543)</u>	<u>(3,852,302)</u>	<u>70,281,318</u>
	[-----Balance as at 31.12.2024-----]				
		Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Freehold land		26,957,687	0	0	26,957,687
Buildings and factory buildings		49,183,557	(16,240,205)	0	32,943,352
Office equipment, furniture and fittings		4,140,367	(3,514,453)	0	625,914
Plant and machinery		145,537,616	(131,683,329)	(4,958,238)	8,896,049
Motor vehicles		8,423,722	(7,565,407)	0	858,315
Electrical installation		48,435	(48,434)	0	1
		<u>234,291,384</u>	<u>(159,051,828)</u>	<u>(4,958,238)</u>	<u>70,281,318</u>

Notes to the Financial Statements

31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal annual depreciation periods are as follows:

Buildings and factory buildings	25 - 50 years
Office equipment, furniture and fittings	10 - 13 years
Plant and machinery	5 - 20 years
Motor vehicles	5 years
Electrical installation	10 years
Solar panels	25 years

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress which represents solar panels under installation are not depreciated until such time when the asset is available for use.

- (b) The Group assessed whether there were any indicators of impairment as at the end of each reporting period. In doing this, management considered the current environments and performance of the cash generating units ('CGUs').

Management has made estimate on the recoverable amounts of the assets. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use ('VIU'). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or group 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 the Financial Statements

31 December 2025

5. INVESTMENT PROPERTIES (CONT'D)

Group	Balance as at 1.1.2024 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2024 RM
Carrying amount					
Freehold land	39,881,586	21,750	0	0	39,903,336
Leasehold land	7,649,752	0	0	(143,454)	7,506,298
Buildings and factory buildings	108,929,689	990,346	(7,848)	(2,650,123)	107,262,064
Construction work-in-progress	0	10,096,429	0	0	10,096,429
	<u>156,461,027</u>	<u>11,108,525</u>	<u>(7,848)</u>	<u>(2,793,577)</u>	<u>164,768,127</u>
	[-----Balance as at 31.12.2024-----]				
		Cost	Accumulated	Carrying	
		RM	depreciation	amount	RM
Freehold land		39,903,336	0	0	39,903,336
Leasehold land		8,995,391	(1,489,093)	7,506,298	7,506,298
Buildings and factory buildings		131,669,890	(24,407,826)	107,262,064	107,262,064
Construction work-in-progress		10,096,429	0	10,096,429	10,096,429
		<u>190,665,046</u>	<u>(25,896,919)</u>	<u>164,768,127</u>	

Notes to the Financial Statements

31 December 2025

5. INVESTMENT PROPERTIES (CONT'D)

- (a) Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group.

Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal annual depreciation periods are as follows:

Leasehold land	60 - 84 years
Buildings and factory buildings	50 years

Freehold land has unlimited useful life and is not depreciated. Construction work-in-progress which represents building under construction are not depreciated until such time when the asset is available for use.

- (b) The fair value of investment properties for disclosure purposes, which are at Level 3 fair value, were estimated at approximately RM209,135,296 (2024: RM199,187,571) based on Directors' estimation by reference to market evidence of transaction prices of similar properties in the vicinity. The significant unobservable input into this valuation is adjustment factors to prices of comparable properties. The estimated fair value would increase if the historical sales transaction prices were higher and vice versa.
- (c) Direct operating expenses from investment properties which generated rental income during the financial year are as follows:

	Group	
	2025 RM	2024 RM
Repair and maintenance	13,088	11,937
Quit rent and assessment	340,663	323,284
	353,751	335,221

- (d) Rental income generated from rental of investment properties of the Group during the financial year amounted to RM10,004,589 (2024: RM9,200,857).

Notes to the Financial Statements

31 December 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

Carrying amount	Balance as at 1.1.2025 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2025 RM
Leasehold land	4,978,233	0	(133,985)	4,844,248
Hostels	96,858	438,461	(242,307)	293,012
Motor vehicles	0	287,618	0	287,618
	<u>5,075,091</u>	<u>726,079</u>	<u>(376,292)</u>	<u>5,424,878</u>

Carrying amount	Balance as at 1.1.2024 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2024 RM
Leasehold land	5,112,218	0	(133,985)	4,978,233
Hostels	283,597	52,551	(239,290)	96,858
	<u>5,395,815</u>	<u>52,551</u>	<u>(373,275)</u>	<u>5,075,091</u>

Lease liabilities

Carrying amount	Balance as at 1.1.2025 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2025 RM
Hostels	99,903	438,461	(252,500)	10,500	296,364
Motor vehicles	0	287,618	0	0	287,618
	<u>99,903</u>	<u>726,079</u>	<u>(252,500)</u>	<u>10,500</u>	<u>583,982</u>

Carrying amount	Balance as at 1.1.2024 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2024 RM
Hostels	286,618	52,551	(249,000)	9,734	99,903

Notes to the Financial Statements

31 December 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

	2025 RM	2024 RM
Represented by:		
Current liabilities	250,740	99,903
Non-current liabilities	333,242	0
	583,982	99,903
Lease liabilities owing to non-financial institutions	583,982	99,903

- (a) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease term of right-of-use assets are as follows:

Leasehold land	60 years
Hostels	1 - 2 years
Motor vehicles	5 years

- (b) The Group has certain leases of assets with lease term of twelve (12) months or less, and low-value leases of RM20,000 and below. The Group applies the 'short-term lease' and 'lease of low-value assets' exemptions for these leases.
- (c) The following are the amounts recognised in profit or loss:

	Group	
	2025 RM	2024 RM
Depreciation charge of right-of-use assets (included in cost of sales)	95,696	95,695
Depreciation charge of right-of-use assets (included in administrative expenses)	280,596	277,580
Interest expense on lease liabilities (included in finance costs)	10,500	9,734
Expenses relating to short-term leases and leases of low-value assets (included in cost of sales)	24,446	24,000
Expenses relating to short-term leases and leases of low-value assets (included in administrative expenses)	11,309	28,702
	422,547	435,711

Notes to the Financial Statements

31 December 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessee (Cont'd)

(d) The following are total cash outflows for leases as a lessee:

	2025 RM	Group 2024 RM
Included in net cash from operating activities:		
- payment relating to short-term leases and low-value assets	35,755	52,702
Included in net cash used in financing activities:		
- payment of lease liabilities	252,500	249,000
Total cash outflows for leases	288,255	301,702

(e) The table below summarises the weighted average incremental borrowing rate as at the end of the reporting date and maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	Weighted average incremental borrowing rate per annum %	On demand or within one (1) year RM	One (1) to five (5) years RM	Total RM
31 December 2025				
Lease liabilities	3.91	268,600	350,400	619,000
31 December 2024				
Lease liabilities	4.26	101,100	0	101,100

The Group as lessor

The Group has entered into non-cancellable lease agreements on certain properties and equipments for terms of between one (1) to fifteen (15) years and renewable at the end of the lease period.

Notes to the Financial Statements

31 December 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as lessor (Cont'd)

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2025 RM	2024 RM
Less than one (1) year	10,459,912	7,210,197
One (1) to two (2) years	7,506,697	4,997,952
Two (2) to three (3) years	4,198,846	2,097,792
Three (3) years to four (4) years	2,097,792	2,097,792
Four (4) years to five (5) years	2,097,792	2,097,792
More than five (5) years	19,754,208	21,502,368
	46,115,247	40,003,893

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	186,979,093	186,979,093
Less: Impairment losses	(58,152,407)	(55,344,847)
	128,826,686	131,634,246

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Notes to the Financial Statements

31 December 2025

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective in equity interest		Principal activities
		2025	2024	
Tek Seng Sdn. Bhd.	Malaysia	100%	100%	Trading of polyvinyl chloride ('PVC') products and photovoltaic products such as solar cells, solar panels and solar modules
Wangsaga Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacturing of PVC related products
Pelangi Segi Sdn. Bhd.	Malaysia	100%	100%	Dormant
Double Grade Non-Woven Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacturing of polypropylene ('PP') non-woven related products and letting of properties
TS Solartech Sdn. Bhd. ('TSST')	Malaysia	57.88%	57.88%	Generate and supply the renewable energy and renting of properties

All subsidiaries are audited by BDO PLT in Malaysia.

(c) A subsidiary of the Group that has material non-controlling interests ('NCI') is as follows:

	TSST	
	2025	2024
NCI percentage of ownership interest and voting interest	42.12%	42.12%
Carrying amount of NCI (RM)	44,824,027	42,880,739
Profit allocated to NCI (RM)	1,943,288	1,286,370
Total comprehensive income allocated to NCI (RM)	1,943,288	1,286,370

Notes to the Financial Statements

31 December 2025

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (d) The summarised financial information before intra-group elimination of the subsidiary that has material NCI as at the end of each reporting period are as follows:

		TSST
	2025 RM	2024 RM
Assets and liabilities		
Non-current assets	130,797,782	130,147,852
Current assets	2,017,525	1,551,469
Non-current liability	(9,888,445)	(19,885,876)
Current liabilities	(16,507,044)	(10,007,321)
Net assets	106,419,818	101,806,124
Results		
Revenue	11,825,645	10,894,228
Profit for the financial year	4,613,694	3,054,059
Total comprehensive income	4,613,694	3,054,059
Cash flows from operating activities	8,554,383	9,685,560
Cash flows used in investing activities	(4,492,433)	(11,086,776)
Cash flows (used in)/from financing activities	(2,977,175)	1,392,066
Net increase/(decrease) in cash and cash equivalents	1,084,775	(9,150)

- (e) Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use ('VIU') of the respective subsidiaries.

The VIU is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. The discount rate applied to the cash flow projections is 7.70% (2024: 7.90%). This discounted cash flow method involves the use of estimated future results and a set of assumptions to reflect the projected income and cash flows. Judgements were used in estimating the key assumptions applied to the cash flow projections, including projected future revenue, terminal value as well as determining an appropriate pre-tax discount rate. Impairment loss is made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

During the financial year, impairment loss of RM2,807,560 relating to investment in a subsidiary, TSST was recognised due to the decline in operation.

In the previous financial year, reversal of impairment loss of RM20,196,997 relating to investment in a subsidiary, TSST was recognised due to the improvement in operation.

Notes to the Financial Statements

31 December 2025

8. SHORT TERM FUNDS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Money market funds	22,424,869	6,493,717	3,365,831	1,631,616

- (a) Short term funds are classified as financial assets measured at fair value through profit or loss.
- (b) Short term funds are denominated in Ringgit Malaysia ('RM').
- (c) Short term funds are categorised as Level 1 in the fair value hierarchy. The fair value of short term funds are determined by reference to the exchange quoted market bid prices at the close of business at the end of each reporting period. There is no transfer between levels in the hierarchy during the financial year.
- (d) Short term funds are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns.

9. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Raw materials	10,578,960	16,918,709
Work-in-progress	2,167,377	3,548,961
Finished goods	7,636,928	11,643,396
Consumables	3,303,869	6,653,546
	23,687,134	38,764,612
At net realisable value		
Finished goods	405,347	9,772
	24,092,481	38,774,384

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost is determined using the first-in, first-out basis. Cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present condition and location.
- (c) During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM88,752,404 (2024: RM93,825,989).
- (d) During the financial year, the amount recognised in the cost of sales of the Group includes inventories written down amounted to RM281,820 (2024: RM243,799).
- (e) The Group reversed RM84,736 (2024: RMNil) in respect of inventories written down in the previous financial years that were subsequently not required as the Group was able to utilise those inventories.

Notes to the Financial Statements

31 December 2025

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Other receivables				
Amounts owing by subsidiaries	<u>0</u>	<u>0</u>	<u>17,737,065</u>	<u>20,818,145</u>
Current				
Trade receivables				
Third parties	<u>17,634,285</u>	<u>21,181,007</u>	<u>0</u>	<u>0</u>
Less: Impairment losses	<u>(1,081,303)</u>	<u>(1,719,287)</u>	<u>0</u>	<u>0</u>
	16,552,982	19,461,720	0	0
Other receivables				
Third parties	<u>273,027</u>	<u>1,658,892</u>	<u>182,083</u>	<u>196,667</u>
Amounts owing by subsidiaries	<u>0</u>	<u>0</u>	<u>2,992,318</u>	<u>1,658,486</u>
Deposits	<u>269,105</u>	<u>273,759</u>	<u>0</u>	<u>0</u>
	542,132	1,932,651	3,174,401	1,855,153
Total current receivables	17,095,114	21,394,371	3,174,401	1,855,153
Prepayments	<u>2,061,947</u>	<u>270,911</u>	<u>0</u>	<u>0</u>
	19,157,061	21,665,282	3,174,401	1,855,153
Total trade and other receivables	19,157,061	21,665,282	20,911,466	22,673,298

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranges from 30 to 120 days (2024: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes to the Financial Statements

31 December 2025

10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (c) Non-current amounts owing by subsidiaries of the Company represent advances and payment on behalf, which is unsecured, bearing interest rates at the range from 2.55% to 2.90% (2024: 2.90% to 3.75%) per annum. The advances together with the interest receivables thereon are not repayable within the next twelve (12) months in cash and cash equivalents.

Current amounts owing by subsidiaries of the Company represent advances and payment on behalf, which is unsecured, bearing interest rates at the range from 2.55% to 2.90% (2024: 2.90% to 3.75%) per annum and repayable within the next twelve (12) months in cash and cash equivalents.

During the financial year, interest income arising from long-term amounts owing by subsidiaries recognised by the Company was RM898,006.

In the previous financial year, interest expense arising from long-term amounts owing by subsidiaries recognised by the Company was RM1,710,983.

- (d) The currency exposure profile of total trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia ('RM')	14,307,645	17,396,166	20,911,466	22,673,298
United States Dollar ('USD')	2,787,469	3,998,205	0	0
	17,095,114	21,394,371	20,911,466	22,673,298

- (e) The following table demonstrates the sensitivity of the profit after tax of the Group to a reasonably possible change in the foreign exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	2025 RM	2024 RM
USD/RM		
- strengthened by 3% (2024: 3%)	63,600	91,200
- weakened by 3% (2024: 3%)	(63,600)	(91,200)

- (f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on the common credit risk rating.

Notes to the Financial Statements

31 December 2025

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(f) (Cont'd)

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (i.e. Consumer price index and Malaysia population) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and the appropriate forward-looking information.

Lifetime expected loss provision for trade receivables of the Group are as follows:

	Gross carrying amount RM	Lifetime expected credit losses RM	Net carrying amount RM
31 December 2025			
Not past due	9,470,352	(61,737)	9,408,615
Past due			
1 to 30 days	5,731,360	(79,935)	5,651,425
31 to 60 days	1,145,452	(53,412)	1,092,040
61 to 90 days	171,083	(23,266)	147,817
More than 90 days	1,116,038	(862,953)	253,085
	8,163,933	(1,019,566)	7,144,367
	17,634,285	(1,081,303)	16,552,982
31 December 2024			
Not past due	10,024,781	(56,786)	9,967,995
Past due			
1 to 30 days	6,976,818	(80,261)	6,896,557
31 to 60 days	1,688,307	(58,383)	1,629,924
61 to 90 days	540,505	(57,407)	483,098
More than 90 days	1,950,596	(1,466,450)	484,146
	11,156,226	(1,662,501)	9,493,725
	21,181,007	(1,719,287)	19,461,720

Trade receivables are not secured by any collateral or credit enhancement.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

Notes to the Financial Statements

31 December 2025

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(g) Movements in impairment losses for trade receivables are as follows:

Group	2025 RM	2024 RM
Balance as at 1 January	1,719,287	2,166,698
Reversal of impairment losses	(981,702)	(503,986)
Charge for the financial year	343,718	56,575
Balance as at 31 December	1,081,303	1,719,287

(h) Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For balances that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probability on non-payment by other receivables and amounts owing by subsidiaries are adjusted by forward-looking information (i.e. Consumer price index and Malaysia population) and multiplied by the amount of the expected credit loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and amounts owing by subsidiaries.

No expected credit loss is recognised arising from other receivables and amounts owing by subsidiaries as they are negligible.

Notes to the Financial Statements

31 December 2025

10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (i) The Group determines concentration of credit risk by monitoring the country profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	Group			
	2025	2025	2024	2024
	RM	% of total	RM	% of total
By countries:				
Malaysia	13,780,502	83%	15,742,922	81%
Indonesia	1,180,089	7%	864,282	4%
Turkey	521,540	3%	982,553	5%
Somalia	485,912	3%	0	*
Sri Lanka	412,806	3%	0	*
Singapore	120,989	1%	98,266	1%
Yemen	0	*	1,289,185	7%
Ivory Coast	0	*	376,661	2%
Others	51,144	*	107,851	*
	16,552,982	100%	19,461,720	100%

* Less than 1%

- (i) At the end of the reporting period, the Group did not have any significant concentration of credit risk related to any individual customer or counter party.
- (ii) At the end of the reporting period, 99% (2024: 99%) of other receivables of the Company was due from its subsidiaries.

Notes to the Financial Statements

31 December 2025

10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (j) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the amounts owing by subsidiaries of the Company that are exposed to interest rate risk:

Company	Weighted average effective interest rate per annum %	Within one (1) year RM	One (1) to five (5) years RM	Total RM
31 December 2025				
Fixed rate	2.55	2,992,318	17,737,065	20,729,383
31 December 2024				
Fixed rate	2.90	1,658,486	20,818,145	22,476,631

The carrying amount of fixed rate financial instrument of the Company is measured at amortised cost. Therefore, no sensitivity analysis for fixed rate instrument was presented as the changes in market interest rate at the end of reporting period would not affect profit or loss.

11. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	7,074,733	9,212,796	71,317	125,753
Deposits with licensed banks	22,970,257	22,340,000	20,000,000	20,000,000
	30,044,990	31,552,796	20,071,317	20,125,753

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	7,074,733	9,212,796	71,317	125,753
Deposits with licensed banks	22,970,257	22,340,000	20,000,000	20,000,000
	30,044,990	31,552,796	20,071,317	20,125,753
Less: Deposits pledged as securities	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
	10,044,990	11,552,796	71,317	125,753

Notes to the Financial Statements

31 December 2025

11. CASH AND BANK BALANCES (CONT'D)

(c) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia ('RM')	23,687,138	22,832,203	20,071,317	20,125,753
United States Dollar ('USD')	6,341,686	8,703,782	0	0
Singapore Dollar ('SGD')	15,931	16,581	0	0
Euro ('EURO')	235	230	0	0
	<u>30,044,990</u>	<u>31,552,796</u>	<u>20,071,317</u>	<u>20,125,753</u>

(d) The following table demonstrates the sensitivity of the profit after tax of the Group to a reasonably possible change in the foreign exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	2025 RM	2024 RM
USD/RM		
- strengthened by 3% (2024: 3%)	144,600	198,400
- weakened by 3% (2024: 3%)	(144,600)	(198,400)

The exposure to the other currencies are not significant, hence the effect of the changes in the exchange rates are not explained.

- (e) Included in the deposits with licensed banks of the Group and of the Company is an amount of RM20,000,000 (2024: RM20,000,000) which is held in trust by the Directors and pledged to banks for banking facilities granted to a subsidiary as disclosed in Note 13(c)(i) to the financial statements.
- (f) The effective interest rates of deposits with licensed banks of the Group and of the Company range from 1.85% to 3.85% (2024: 1.85% to 2.70%) per annum.
- (g) The exposure to interest rate risk is insignificant as the deposits with licensed banks are short-term in nature and they are not held for speculative purposes but have been placed in fixed deposits, which yield better returns than cash at bank.
- (h) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

Notes to the Financial Statements

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12. SHARE CAPITAL

	Group and Company			
	Number of shares	2025 RM	Number of shares	2024 RM
Issued and fully paid with no par value				
Ordinary shares	<u>360,668,137</u>	<u>115,001,955</u>	<u>360,668,137</u>	<u>115,001,955</u>

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard residual assets of the Company.

13. TERM LOANS

	Group	
	2025 RM	2024 RM
Secured		
- current	<u>9,997,425</u>	0
- non-current	<u>9,888,445</u>	19,885,876
	<u>19,885,870</u>	<u>19,885,876</u>

- (a) Term loans are classified as financial liabilities measured at amortised cost.
- (b) Term loans are denominated in Ringgit Malaysia ("RM").
- (c) Term loans are secured by:
- Pledge of fixed deposits which are held in trust by the Directors of the Company as disclosed in Note 11(e) to the financial statements; and
 - Letter of set-off or letter of pledge.
- (d) The carrying amounts of the current position of term loans are reasonable approximation of fair value due to insignificant impact of discounting.

The carrying amounts of the non-current position of term loans are reasonable approximation of fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value of the term loans of the Group are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

Notes to the Financial Statements

31 December 2025

13. TERM LOANS (CONT'D)

- (e) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the term loans of the Group that are exposed to interest rate risk:

Group	Weighted average effective interest rate per annum %	Within one (1) year RM	One (1) to five (5) years RM	Total RM
31 December 2025				
Floating rate				
Term loans	2.45	<u>9,997,425</u>	<u>9,888,445</u>	<u>19,885,870</u>
31 December 2024				
Floating rate				
Term loans	2.62	<u>0</u>	<u>19,885,876</u>	<u>19,885,876</u>

- (f) The following table demonstrates the sensitivity analysis of the profit after tax of the Group if interest rates at the end of each reporting period changed by fifty (50) basis points with all other variables held constant:

	Group	
	2025 RM	2024 RM
Term loans		
- 50 basis points higher	(75,600)	(75,600)
- 50 basis points lower	<u>75,600</u>	<u>75,600</u>

Notes to the Financial Statements

31 December 2025

13. TERM LOANS (CONT'D)

- (g) The table below summarises the maturity profile of the term loans of the Group at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or within one (1) year RM	One (1) to five (5) years RM	Total RM
31 December 2025			
Term loans	<u>10,266,079</u>	<u>10,489,473</u>	<u>20,755,552</u>
31 December 2024			
Term loans	<u>522,282</u>	<u>20,872,189</u>	<u>21,394,471</u>

14. DEFERRED TAX LIABILITIES

- (a) The deferred tax liabilities are made up of the following:

	Group	
	2025 RM	2024 RM
Balance as at 1 January	3,818,400	4,099,200
Recognised in profit or loss (Note 21)	<u>(252,900)</u>	<u>(280,800)</u>
Balance as at 31 December	<u>3,565,500</u>	<u>3,818,400</u>

Notes to the Financial Statements

31 December 2025

14. DEFERRED TAX LIABILITIES (CONT'D)

(b) The components and movements of deferred tax liabilities/(assets) are as follows:

Group	[-----Liabilities-----]		[-----Assets-----]		Net RM
	Property, plant and equipment RM	Right-of-use assets RM	Lease liabilities RM	Unused tax losses and unabsorbed capital allowances RM	
Balance as at 1 January 2025	3,819,200	23,200	(24,000)	0	3,818,400
Recognised in profit or loss	(201,400)	116,300	(116,200)	(51,600)	(252,900)
Set off	3,617,800	139,500	(140,200)	(51,600)	3,565,500
Balance as at 31 December 2025	3,565,500	0	0	0	3,565,500
Balance as at 1 January 2024	4,099,925	68,063	(68,788)	0	4,099,200
Recognised in profit or loss	(280,725)	(44,863)	44,788	0	(280,800)
Set off	3,819,200	23,200	(24,000)	0	3,818,400
Balance as at 31 December 2024	(800)	(23,200)	24,000	0	0
	3,818,400	0	0	0	3,818,400

Notes to the Financial Statements

31 December 2025

14. DEFERRED TAX LIABILITIES (CONT'D)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2025 RM	2024 RM
Unabsorbed capital allowances	93,200	3,944,100
Unused tax losses:		
- expiring by 31 December 2028	17,482,199	17,482,199
- expiring by 31 December 2029	2,977,458	2,977,458
- expiring by 31 December 2030	244,381	244,381
	20,797,238	24,648,138

Deferred tax assets of a subsidiary have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiary would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority. Any unused tax losses of the Group can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	7,474,397	8,662,016	0	0
Other payables				
Third parties	5,472,879	11,986,505	11,988	4,331
Accruals	5,454,400	4,823,640	72,725	73,825
Deposits received	4,700,697	4,506,925	0	0
	15,627,976	21,317,070	84,713	78,156
Total trade and other payables	23,102,373	29,979,086	84,713	78,156

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 60 days (2024: 30 to 60 days).

Notes to the Financial Statements

31 December 2025

15. TRADE AND OTHER PAYABLES (CONT'D)

(c) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia ('RM')	14,606,137	14,295,508	84,713	78,156
United States Dollar ('USD')	6,292,879	15,000,402	0	0
Chinese Yuan ('CNY')	2,203,357	683,176	0	0
	23,102,373	29,979,086	84,713	78,156

(d) The following table demonstrates the sensitivity of the profit after tax of the Group to a reasonably possible change in the foreign exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	2025 RM	2024 RM
USD/RM		
- strengthened by 3% (2024: 3%)	(143,500)	(342,000)
- weakened by 3% (2024: 3%)	143,500	342,000
CNY/RM		
- strengthened by 3% (2024: 3%)	(50,200)	(15,600)
- weakened by 3% (2024: 3%)	50,200	15,600

(e) The maturity profile of trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is payable on demand or within one (1) year.

16. CONTRACT LIABILITIES

	Group	
	2025 RM	2024 RM
Deferred revenue	444,322	2,576,219

(a) Contract liabilities represent the timing differences in revenue recognition and the milestone billings. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Notes to the Financial Statements

31 December 2025

16. CONTRACT LIABILITIES (CONT'D)

- (b) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied at the end of the reporting period, are as follows:

	Group	
	2026 RM	Total RM
31 December 2025		
Deferred revenue	444,322	444,322
31 December 2024		
Deferred revenue	2,576,219	2,576,219

17. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers:				
- sale of goods	140,554,211	145,857,199	0	0
- sale of solar energy	1,765,056	1,657,371	0	0
Other revenue:				
- dividend income from a subsidiary	0	0	1,977,000	717,000
- management fee from subsidiaries	0	0	84,000	84,000
- rental income	10,113,589	9,284,857	0	0
	152,432,856	156,799,427	2,061,000	801,000

- (a) Revenue from contracts with customers is disaggregated in Note 25 to the financial statements by geographical area.
- (b) Revenue from sale of goods is recognised at point in time when the goods have been transferred to the customers and coincides with the delivery of goods.

There is no right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

- (c) Revenue from sale of solar energy is recognised at point in time upon delivery of electricity by kilowatt-hour to the utility company's grid and acceptance by the utility company.

Notes to the Financial Statements

31 December 2025

17. REVENUE (CONT'D)

- (d) Dividend income is recognised when the right to receive payment is established.
- (e) Management fee is recognised when services are rendered.
- (f) Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

18. OTHER OPERATING INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Distribution income from short term funds	60,031	26,661	8,193	10,503
Fair value gain on short term funds	389,120	313,624	56,021	133,113
Interest income:				
- deposits with financial institutions	543,945	593,137	421,440	464,002
- advances to subsidiaries	0	0	932,191	831,931
Rental income	402,002	422,610	0	0
Realised gain on foreign exchange	284,915	104,693	0	0
Interest income arising from long-term amounts owing by subsidiaries	0	0	898,006	0
Unrealised gain on foreign exchange	0	226,429	0	0
Transportation charges	100	925,451	0	0
Others	867,379	780,193	0	0
	2,547,492	3,392,798	2,315,851	1,439,549

Interest income

Interest income is recognised as it accrues, using the effective interest method.

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19. EMPLOYEE BENEFITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fee	229,900	222,900	229,900	222,900
Directors' emoluments	4,210,633	4,208,927	3,200	3,600
Salaries, wages, bonus and allowance	14,191,889	14,270,669	0	0
Contributions to defined contribution plan	1,119,349	1,048,290	0	0
Social security contributions	196,995	195,074	0	0
Other benefits	512,783	727,856	0	0
	20,461,549	20,673,716	233,100	226,500

The remuneration of Directors during the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fee	229,900	222,900	229,900	222,900
Short term employee benefits	3,760,668	3,758,962	3,200	3,600
Contributions to defined contribution plan	449,965	449,965	0	0
	4,440,533	4,431,827	233,100	226,500

20. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expenses on:				
- term loans	508,059	534,601	0	0
- lease liabilities	10,500	9,734	0	0
Interest expense arising from long-term amounts owing by subsidiaries	0	0	0	1,710,983
	518,559	544,335	0	1,710,983

Notes to the Financial Statements

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21. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit for the financial year	3,449,159	3,777,667	280,882	279,465
(Over)/Underprovision of tax expense in prior years	(598,499)	78,011	(5,377)	(1,763)
	2,850,660	3,855,678	275,505	277,702
Deferred tax (Note 14):				
Relating to origination and reversal of temporary differences	(256,000)	(297,900)	0	0
Underprovision of deferred tax in prior years	3,100	17,100	0	0
	(252,900)	(280,800)	0	0
	2,597,760	3,574,878	275,505	277,702

On 14 March 2011, a subsidiary of the Group had been granted investment tax allowance by the Malaysian Investment Development Authority ('MIDA'). Subject to the agreement of Inland Revenue Board, the Group has unutilised investment tax allowance amounting to approximately RM76,609,637 as of 31 December 2025 (2024: RM76,609,637) which is available to set-off against future taxable income.

Notes to the Financial Statements

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21. TAX EXPENSE (CONT'D)

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	15,822,567	13,309,674	983,426	20,180,901
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	3,797,416	3,194,322	236,022	4,843,416
Tax effects in respect of:				
Non-allowable expenses	804,596	604,294	767,970	99,395
Non-taxable income	(484,637)	(335,644)	(723,110)	(4,663,346)
Deferred tax assets not recognised	0	16,795	0	0
Utilisation of previously unrecognised deferred tax assets	(924,216)	0	0	0
	3,193,159	3,479,767	280,882	279,465
(Over)/Underprovision in prior years:				
- income tax	(598,499)	78,011	(5,377)	(1,763)
- deferred tax	3,100	17,100	0	0
	2,597,760	3,574,878	275,505	277,702

22. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year has been calculated based on the profit for the financial year attributable to equity holders of the parent and the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2025	2024
Profit attributable to equity holders of the parent (RM)	11,281,519	8,448,426
Weighted average number of ordinary shares in issue (units)	360,668,137	360,668,137
Basic earnings per ordinary share (RM)	0.03	0.02

(b) Diluted

The diluted earnings per ordinary share equals to the basic earnings per ordinary share because there are no potentially dilutive instruments in existence as at the end of each reporting period.

Notes to the Financial Statements

31 December 2025

23. DIVIDENDS

	Group and Company			
	2025		2024	
	Dividend per share RM	Amount of dividend RM	Dividend per share RM	Amount of dividend RM

In respect of financial year ended 31 December 2024:

Single tier interim dividend

- paid on 17 July 2024	0	0	0.005	1,803,341
- paid on 9 April 2025	<u>0.010</u>	<u>3,606,681</u>	<u>0</u>	<u>0</u>
	0.010	3,606,681	0.005	1,803,341

A single tier final dividend of RM0.015 per ordinary share amounting to approximately RM5,410,022, estimated based on the number of outstanding shares in issue at the end of the financial year, in respect of the financial year ended 31 December 2025 to be paid on 15 July 2026 will be proposed for shareholders' approval at the forthcoming Annual General Meeting. 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 shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

24. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

The Company has controlling related party relationship with its subsidiaries.

(b) Significant related parties transactions

In addition to the related party information detailed elsewhere in the financial statements, the Company had the following significant transactions with related parties during the financial year:

	Company	
	2025 RM	2024 RM
Subsidiaries:		
Dividend income	1,977,000	717,000
Interest income	932,191	831,931
Management fee income	<u>84,000</u>	<u>84,000</u>

The related party transactions described above were undertaken on mutually agreed and negotiated terms.

Notes to the Financial Statements

31 December 2025

24. RELATED PARTY DISCLOSURES (CONT'D)

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The key management personnel comprise the Directors of the Company and its subsidiaries. Their remuneration during the financial year are as disclosed in Note 19 to the financial statements.

25. OPERATING SEGMENTS

The Company is principally involved in investment holding and its subsidiaries are principally engaged in manufacturing and trading of polyvinyl chloride ('PVC') related products, manufacturing of polypropylene ('PP') non-woven related products, trading of photovoltaic products, generate and supply the renewable energy and renting of properties.

The Group has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies.

The reportable segments are summarised as follows:

- (i) PVC - Manufacturing and trading of PVC sheeting, PP non-woven, PVC leather related products for industrial and consumer use.
- (ii) Solar - Trading of solar cell products and generate and supply the renewable energy.
- (iii) Property investment - Renting of properties.

The accounting policies of operating segments are same as those described in the respective Notes to the Financial Statements. The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses. These policies have been applied consistently throughout the current and previous financial years.

The chief operating decision maker of the Group monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements.

Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors.

Notes to the Financial Statements

31 December 2025

25. OPERATING SEGMENTS (CONT'D)

	PVC RM	Solar RM	Property investment RM	Total RM
2025				
Revenue				
Total revenue	167,146,547	1,765,056	10,113,589	179,025,192
Inter-segment revenue	(26,592,336)	0	0	(26,592,336)
Revenue from external customers	140,554,211	1,765,056	10,113,589	152,432,856
Interest income	538,962	738	4,245	543,945
Finance costs	(10,500)	(75,831)	(432,228)	(518,559)
Net finance income/(expense)	528,462	(75,093)	(427,983)	25,836
Segment profit before tax	11,197,183	691,473	3,933,911	15,822,567
Tax expense	(2,580,139)	(2,848)	(14,773)	(2,597,760)
Depreciation	(3,494,883)	(573,818)	(3,274,637)	(7,343,338)
Other material non-cash items:				
Impairment losses on trade receivables	(343,718)	0	0	(343,718)
Reversal of impairment losses on trade receivables	981,702	0	0	981,702
Segment assets	208,355,269	19,805,162	112,946,244	341,106,675
Segment liabilities	(22,266,314)	(3,903,250)	(22,431,399)	(48,600,963)
Additions to non-current assets	7,134,592	670,824	3,823,609	11,629,025

Notes to the Financial Statements

31 December 2025

25. OPERATING SEGMENTS (CONT'D)

	PVC RM	Solar RM	Property investment RM	Total RM
2024				
Revenue				
Total revenue	175,911,290	1,726,223	9,284,857	186,922,370
Inter-segment revenue	(30,122,943)	0	0	(30,122,943)
Revenue from external customers	145,788,347	1,726,223	9,284,857	156,799,427
Interest income	575,820	2,627	14,690	593,137
Finance costs	(9,734)	(81,330)	(453,271)	(544,335)
Net finance income/(expense)	566,086	(78,703)	(438,581)	48,802
Segment profit before tax	9,064,712	653,471	3,591,491	13,309,674
Tax expense	(2,396,037)	(179,276)	(999,565)	(3,574,878)
Depreciation	(3,852,783)	(481,108)	(2,685,263)	(7,019,154)
Other material non-cash items:				
Impairment losses on trade receivables	(56,575)	0	0	(56,575)
Reversal of impairment losses on trade receivables	503,986	0	0	503,986
Segment assets	208,090,440	20,016,853	111,563,531	339,670,824
Segment liabilities	(30,138,159)	(4,027,816)	(22,617,263)	(56,783,238)
Additions to non-current assets	1,295,657	1,686,664	9,400,111	12,382,432

(a) Reconciliation of reportable segments' profit to the profit for the financial year of the Group is as follows:

	Group	
	2025	2024
Profit for the financial year		
Total profit for reportable segments	15,822,567	13,309,674
Tax expense	(2,597,760)	(3,574,878)
Profit for the financial year per statements of profit or loss and other comprehensive income	13,224,807	9,734,796

Notes to the Financial Statements

31 December 2025

25. OPERATING SEGMENTS (CONT'D)

(b) Geographical information

The manufacturing facilities and sales offices of the Group are based in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of its customers.

Segment assets are based on the geographical location of the assets of the Group.

	Group	
	2025 RM	2024 RM
Revenue from external customers:		
Malaysia	74,022,050	78,914,263
Indonesia	35,789,719	34,851,469
Iraq	17,461,220	19,910,544
Yemen	4,551,044	4,272,796
Turkey	4,334,198	4,205,981
United States	3,948,818	375,451
Somalia	2,513,285	3,468,339
Sri Lanka	1,493,923	133,204
Philippines	1,362,521	1,650,073
South Africa	1,311,120	1,389,873
Ivory Coast	1,202,144	1,227,564
Australia	853,621	481,185
U.A.E	774,050	1,014,444
Singapore	727,799	1,520,095
Tanzania	0	1,055,977
Others	2,087,344	2,328,169
	152,432,856	156,799,427

	Group	
	2025 RM	2024 RM
Non-current assets		
Malaysia	244,959,366	240,124,536

Notes to the Financial Statements

31 December 2025

25. OPERATING SEGMENTS (CONT'D)

(c) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of the revenue of the Group:

	Group	
	2025 RM	2024 RM
PVC Segment		
Customer A	22,665,851	21,567,558
Customer B	17,461,220	19,910,544

26. CAPITAL COMMITMENT

	Group	
	2025 RM	2024 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	67,500	0
Capital expenditure in respect of purchase of investment properties:		
- contracted but not provided for	32,450	5,914,379

27. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the current and previous financial years.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group has a target gearing ratio of ten percent (10%) to sixty percent (60%) determined as the proportion of net debt to equity plus net debt. The Group includes within net debt, term loans, lease liabilities and trade and other payables, less short term funds and cash and bank balances. Capital represents equity attributable to owners of the parent.

Notes to the Financial Statements

31 December 2025

27. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Capital management (Cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Term loans	13	19,885,870	19,885,876	0	0
Lease liabilities	6	583,982	99,903	0	0
Trade and other payables	15	23,102,373	29,979,086	84,713	78,156
Total liabilities		43,572,225	49,964,865	84,713	78,156
Less:					
Short term funds	8	(22,424,869)	(6,493,717)	(3,365,831)	(1,631,616)
Cash and bank balances	11	(30,044,990)	(31,552,796)	(20,071,317)	(20,125,753)
Net (cash)/debt		(8,897,634)	11,918,352	(23,352,435)	(21,679,213)
Total capital		247,681,685	240,006,847	173,039,782	175,938,542
Net (cash)/debt		(8,897,634)	11,918,352	(23,352,435)	(21,679,213)
Capital plus net (cash)/debt		238,784,051	251,925,199	149,687,347	154,259,329
Gearing ratio		*	5%	*	*

* No gearing ratio is presented as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement during the financial year ended 31 December 2025.

The Group is not subject to any other externally imposed capital requirement.

(b) Financial risk management

The overall financial risk management objective of the Group is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on its financial performance and positions. The Group is mainly exposed to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures are detailed below:

(i) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major international institutions and reputable organisations that the Group has dealt with for numerous years. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month, extending up to four (4) months for major customers. The Group consistently monitors its outstanding receivables via regular review and follow-up of outstanding debts from customers to minimise credit risk.

Notes to the Financial Statements

31 December 2025

27. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

The primary exposure of the Company to credit risk arises through the amounts owing by subsidiaries.

In respect of the cash and bank balances placed with major financial institutions, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of each reporting period, maximum exposure to credit risk of the Group and of the Company are represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The maximum exposure to credit risk of the Company in relation to financial guarantee contracts provided as credit enhancements to the banking facilities of subsidiaries amounted to RM26,521,000 (2024: RM26,935,500) representing the total banking facilities of the subsidiaries as at the end of the reporting period.

Financial guarantee contracts have low credit risk as at the end of the reporting period as the financial guarantees are unlikely to be called upon by the financial institutions. The financial guarantees have not been recognised as at the end of the reporting period as the fair value was not material.

The credit risk concentration profile has been disclosed in Note 10 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group will encounter difficulty in meeting their financial obligation due to shortage of funds.

The exposure of the Group and of the Company to liquidity risk arises primarily from the mismatches of the maturities of financial assets and liabilities.

The Group and the Company actively manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group and the Company measure and forecast its cash commitments and maintain a level of cash and cash equivalents deemed adequate to finance the activities of the Group and of the Company. In addition, the Group strives to maintain available banking facilities at a reasonable level to meet its business needs.

In respect of the financial guarantee contracts of the Company, the maturity profile of financial guarantee contracts of the Company which amounted to RM26,521,000 (2024: RM26,935,500) at the end of the reporting period based on contractual undiscounted repayment obligations is payable on demand or within one (1) year.

The maturity profiles of financial instruments based on contractual undiscounted repayment obligations has been disclosed in Notes 6, 13 and 15 to the financial statements respectively.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

Notes to the Financial Statements

31 December 2025

27. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk (Cont'd)

The income and operating cash flows of the Group and of the Company are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from interest-bearing financial assets and liabilities. The policy of the Group and of the Company are to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income. The Group and the Company do not use derivative financial instruments to hedge this risk.

The interest rate profiles and sensitivity analysis of interest rate risk have been disclosed in Notes 10, 11 and 13 to the financial statements respectively.

There is no interest rate risk exposure to the equity, hence the effect of the change in the interest rate is not explained.

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales to Asian, African, American and Middle East customers. These sales are priced in Ringgit Malaysia but invoiced in United States Dollar currency. The Group also makes purchases of raw materials from China, Taiwan and Singapore. The foreign currencies in which these transactions denominated are mainly United States Dollar currency and Chinese Yuan currency. The Group has no hedging policy and does not make use of forward-currency contracts.

The sensitivity analysis of foreign currency risk has been disclosed in Notes 10, 11 and 15 to the financial statements respectively.

There is no foreign currency risk exposure to the equity, hence the effect of the change in the exchange rate is not explained.

28. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

28.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

Notes to the Financial Statements

31 December 2025

28. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

28.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards-Volume 11</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosure</i>	1 January 2027
Amendments to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

29. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 12 January 2026, Tek Seng Sdn. Bhd., a wholly owned subsidiary of the Company had entered into a Sale and Purchase Agreement with a third party to dispose two pieces of leasehold land known as H.S. (D) 75399 PT 8826 and H.S. (D) 75400 PT 8827, Seksyen 18, Bandar Rawang, Daerah Gombak, Negeri Selangor together with three storey shophouses bearing assessment addresses No. 11 and No. 13, Jalan Rawang Millenium PST, Perniagaan Rawang Millenium, 48000 Rawang, Selangor erected thereon at total cash consideration of RM2,800,000. As of the date of this report, the transaction has yet to be completed.
- (b) On 23 February 2026, Tek Seng Sdn. Bhd., a wholly owned subsidiary of the Company had entered into a Sale and Purchase Agreement with a third party to purchase all that piece of freehold vacant land known as Geran Mukim No. Hakmilik 29610, No. Lot 9948 Seksyen 50, Bandar Alor Setar, Daerah Kota Setar, Negeri Kedah at total consideration of RM1,000,000. As of the date of this report, the transaction has yet to be completed.
- (c) Since the end of February 2026, ongoing geopolitical tensions in the Middle East have contributed to elevated energy prices, intermittent global supply chain disruptions, and increased volatility in global currency movements. These factors may, if prolonged, place indirect pressure on input costs and consumer sentiment.

As of the date of this report, management is unable to reliably quantify the financial effect of these developments on the financial statements for the financial year ended 31 December 2025, as the outcome remains dependent on factors that are not presently determinable. These include the duration and severity of the disruptions, future movements in oil prices, the degree of secondary impacts on the Group's supply chain, and the effectiveness of the Group's mitigation actions. Accordingly, a reasonable estimate of the financial effect cannot presently be made. The Group will continue to monitor developments and assess the potential operational and financial implications of the developments.

Notes to the Financial Statements

31 December 2025

30. STATUTORY DISCLOSURES

Pursuant to Section 249(4)(e) of Companies Act 2016, details of auditors' remuneration payable by the Group and the Company during the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Statutory audit	137,700	139,700	21,100	20,100
Other services	31,300	29,300	31,300	29,300
	169,000	169,000	52,400	49,400

List of Properties

Location/Address	Date of Acquisition	Description and Existing Use	Approximate Land / Built-up Area	Age of Building / Tenure	Carrying Amount as at 31-Dec-25
1. Plot 320, Jalan Perindustrian Bukit Minyak 8, Penang Science Park, Bukit Minyak, Mukim 13, Seberang Perai Tengah, 14100 Pulau Pinang.	21 Feb 2011	4-Storey Factory / Warehouse Rented out (Phase I)	Land area = 32,586.91 sq. Metre Built-up area = 13,640.44 sq. Metre	15 years old/ Leasehold 60 years expiring on 30 Jan 2072	Land = RM5,027,490 Building = RM41,985,268
		3-Storey Factory / Warehouse Rented out (Phase II)	Built-up area = 23,696.49 sq. Metre		Building = RM69,298,894
		Multi-Level Carpark Rented out	Built-up area = 9,623.10 sq. Metre		Building = RM13,912,902
2. Lot 1668, Mukim 14, Daerah Seberang Perai Tengah,	02 Oct 2023	Industrial Land	Land area = 3,913.31 sq. Metre	3 years old/ Freehold	Land = RM35,568,993
Lot 1701, Mukim 14, Daerah Seberang Perai Tengah,	02 Oct 2023	Industrial Land	Land area = 8,600 sq. Metre	3 years old/ Freehold	
Lot 1700, Mukim 14, Daerah Seberang Perai Tengah,	02 Oct 2023	Industrial Land	Land area = 48,765 sq. Metre	3 years old/ Freehold	
3. Geran Mukim 996, 997, 998, 988, 989, 991, 992, 993 and 994, Lot Nos. 324, 640, 642, 1504, 1505, 1664, 1667, 1669 and 1702, all within Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	06 Aug 2021	Industrial Land together with a single-storey Warehouse (Owned 54.91% of the Land) Warehouse Rented out	Land area = 43,559.92 sq. Metre Warehouse Build up area = 3,899.98 sq. Metre	5 years old/ Freehold	Land = RM26,957,687
4. Plot 159, Jalan Perindustrian Bukit Minyak 7, Taman Perindustrian Bukit Minyak, 14000 Bukit Mertajam. (H.S. (D) 46613, Lot 395, Mukim 13, Seberang Perai Tengah, Penang)	03 May 2000	1-storey factory (attached with 4-storey production area) cum 2-storey office block / Manufacturing and office use Owner occupied	Land area = 27,358 sq. Metre Built-up area = 19,822 sq. Metre	26 years old/ Leasehold 60 years expiring on 11 Mar 2061	Land = RM2,055,305 Building = RM7,891,311

List of Properties

Location/Address	Date of Acquisition	Description and Existing Use	Approximate Land / Built-up Area	Age of Building / Tenure	Carrying Amount as at 31-Dec-25
5. Plot 160, Jalan Perindustrian Bukit Minyak 7, Taman Perindustrian Bukit Minyak, 14000 Bukit Mertajam. (H.S. (D) 48999, PT 429, Mukim 13, Seberang Perai Tengah, Penang)	12 Dec 2002	1-storey factory (attached with 4-storey production area) / Manufacturing and Warehouse Owner occupied	Land area = 17,509 sq. Metre Built-up area = 10,425 sq. Metre	24 years old/ Leasehold 60 years expiring on 25 Aug 2063	Land = RM1,442,252 Building = RM8,317,600
6. Plot 162(b), Jalan Perindustrian Bukit Minyak 7, Taman Perindustrian Bukit Minyak, 14000 Bukit Mertajam. (H.S.(D) 53381, PT 793, Mukim 13, Seberang Perai Tengah, Penang)	01 Jun 2005	1-storey factory / Warehouse Owner occupied	Land area = 15,784.28 sq. Metre Built-up area = 5,280 sq. Metre	21 years old/ Leasehold 60 years expiring on 25 Aug 2063	Land = RM1,346,691 Building = RM5,965,114
7. Lot 1662, Mukim 14, Daerah Seberang Perai Tengah,	09 Oct 2023	Industrial Land	Land area = 8,676.46 sq. Metre	3 years old/ Freehold	Land = RM4,075,991
Lot 1703, Mukim 14, Daerah Seberang Perai Tengah	09 Oct 2023	Industrial Land	Land area = 1,367.84 sq. Metre	3 years old/ Freehold	
8. Lot 11788, No 26-1,2,3, Lorong 6c/91 Taman Shamelin Perkasa Ampang 56100 Wilayah Persekutuan Kuala Lumpur	12 Aug 2022	4-storey terrace shop office Rented out	Land area = 164 sq. Metre Built-up area = 654.97 sq. Metre	23 years old/ Leasehold 80 years expiring on 11 Sep 2082	Land = RM500,057 Building = RM853,873
9. Lot 11789 , No 28-1,2,3, Lorong 6c/91 Taman Shamelin Perkasa Ampang 56100 Wilayah Persekutuan Kuala Lumpur	12 Aug 2022	4-storey terrace shop office Rented out	Land area = 164 sq. Metre Built-up area = 654.97 sq. Metre	23 years old/ Leasehold 80 years expiring on 11 Sep 2082	Land = RM500,057 Building = RM853,873
10. PT 8826, Seksyen 18, No.11, Jalan Rawang Millenium, PST Perniagaan Rawang Millenium 48000 Rawang Selangor	17 May 2023	3-storey terrace shop office Rented out	Land area = 130 sq. Metre Built-up area = 389.82 sq. Metre	3 years old/ Leasehold 83 years expiring on 11 Nov 2106	Land = RM667,620 Building = RM516,388
11. PT 8827, Seksyen 18, No.13, Jalan Rawang Millenium , PST Perniagaan Rawang Millenium 48000 Rawang Selangor	17 May 2023	3-storey terrace shop office Rented out	Land area = 130 sq. Metre Built-up area = 389.82 sq. Metre	3 years old/ Leasehold 83 years expiring on 11 Nov 2106	Land = RM667,620 Building = RM516,388

List of Properties

Location/Address	Date of Acquisition	Description and Existing Use	Approximate Land / Built-up Area	Age of Building / Tenure	Carrying Amount as at 31-Dec-25
12. 43, Jalan Mas Jaya 2, Kawasan Perindustrian Mas Jaya, Selangor Darul Ehsan. (H.S. (D) 69154, PT 27606, Mukim Cheras, Daerah Langat, Selangor)	01 Jun 1995	1 1/2-Storey warehouse / Warehouse Rented out	Land area = 328 sq. Metre Built-up area = 273 sq. Metre	31 years old/ Freehold	Land = RM258,352 Building = RM76,098
13. 77-14-5, Menara Belfield Condominium, Jalan Talalla, Off Jalan Maharajalela, 50460 Kuala Lumpur (Parcel No. B1-13A, erected on part of land under Certificate of Title No. 7564, Lot 393, Section 69, Kuala Lumpur)	28 Jan 1997	Apartment / Hostel Owner occupied	Built-up area = 98.47 sq. Metre	29 years old/ Freehold	Building = RM119,296
14. No. 6533, Jalan Ayam Didik 1 Kawasan Perusahaan Ringan, Taman Ria Jaya, Sungai Petani, Kedah (No. Lot 4289 SEK 63, Tempat Paya Nahu, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah)	30 Sep 2025	2-storey semi-detached factory Rented out	Land area = 1939 sq. Metre Built-up area = 780.38 sq. Metre	Freehold	Land = RM2,404,271 Building = RM834,091

Analysis Of Shareholdings

Total Number of issued shares : 360,668,137 ordinary shares
Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	%	TOTAL HOLDINGS	%
1 – 99	152	2.68	6,460	0.00
100 – 1,000	607	10.68	385,372	0.11
1,001 – 10,000	2,761	48.60	15,195,677	4.21
10,001 – 100,000	1,868	32.88	61,492,812	17.05
100,001 – 18,033,406 (*)	291	5.12	136,701,156	37.90
OVER 18,033,406	2	0.04	146,886,660	40.73
Total	5,681	100.00	360,668,137	100.00

(*) Less than 5% of issued shares

LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2026

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

NO	NAME	HOLDINGS	%
1	LOH KOK CHENG	74,582,030	20.68
2	LOH KOK BENG	72,304,630	20.05
3	LOH ENG CHUN	7,412,370	2.06
4	LOH JIA WOUI	7,412,370	2.06
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM TIAN HUAT (E- TWU)	6,154,300	1.71
6	CHANG, JUNG-CHEN	5,690,641	1.58
7	ONG TOO @ ONG OH CHOO	4,785,000	1.33
8	ONG KOK GIM	4,328,800	1.20
9	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEONG CHEE HAN	4,048,600	1.12
10	LOH KOK BENG	2,527,200	0.70
11	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG SHU KONG(MI0065)	2,494,100	0.69
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG SHU KONG (E- KKU)	2,340,000	0.65
13	KENANGA NOMINEES (TEMPATAN) SDN BHD SEE KIM LEONG	1,870,000	0.52
14	LOH JOO ENG	1,845,000	0.51
15	TEOH THEAN HAI	1,600,325	0.44
16	LEE AIK LIN	1,590,000	0.44
17	ONG YONG HANG	1,475,200	0.41
18	KENANGA NOMINEES (TEMPATAN) SDN BHD LIM TIAN HUAT	1,472,100	0.41

Analysis Of Shareholdings

LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2026 (CONT'D)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

NO	NAME	HOLDINGS	%
19	HSU CHOU, YU-LING ALSO KNOWN AS HSU YU LING CHOU	1,367,400	0.38
20	TAN BOON ANN	1,320,000	0.37
21	HO POAY CHIEW	1,250,000	0.35
22	CHEAH YAW SONG	1,203,800	0.33
23	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EMIER HELMEE BIN MD DEWA	1,200,000	0.33
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIA HONG @ GAN CHIA HONG(E-TMR)	1,200,000	0.33
25	KOH KWEE HOOI	1,123,200	0.31
26	Y.P. CONSTRUCTION SDN BHD	1,056,100	0.29
27	LOW TONG MENG	1,042,100	0.29
28	HONG YEAM WAH	1,000,000	0.28
29	CHEE KHENG CAN FACTORY SDN. BERHAD	850,000	0.23
30	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN POON SUN	800,000	0.22
TOTAL		217,345,266	60.27%

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	No. of ordinary shares held			
	Direct Interest	%	Deemed Interest	%
Loh Kok Beng	74,831,830	20.75	-	-
Loh Kok Cheng	74,582,030	20.68	-	-

DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of ordinary shares held			
	Direct Interest	%	Deemed Interest	%
Loh Kok Beng	74,831,830	20.75	200,000 (N1)	0.06
Loh Kok Cheng	74,582,030	20.68	-	-
Loh Eng Chun	7,412,370	2.06	-	-
Loh Jia Wooi	7,412,370	2.06	-	-
Tan Soo Mooi	70,000	0.02	-	-
Loh Chin Phang	24,000	0.01	-	-
Leow Chan Kiang	-	-	-	-

Note:

(N1) Shares held by family members by virtue of Section 59(11)(c) of the Companies Act, 2016 in Malaysia.

Additional Compliance Information

Audit and Non-Audit Fees

During the financial year, audit fees and non-audit fees paid or payable by the Company and its subsidiaries to the Company's External Auditors and its affiliates companies are as follows:

	Audit Fees		Non-Audit Fees	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
i) BDO PLT	138	21	31	31
ii) BDO Tax Services Sdn Bhd	0	0	32	3
	138	21	63	34

Nature of services rendered for non-audit fees paid or payable are as follows:

- i) Review of Quarterly Report;
- ii) Review on The Statement on Risk Management and Internal Control;
- iii) Taxation Services;

Utilisation of Proceeds

For the FYE 2025, there were no proceeds raised by the Company from any corporate proposal.

Recurrent Related Party Transactions

During the FYE 2025, there were no recurrent related party transactions.

Material Contracts

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group within two (2) years immediately preceding 31 December 2025.

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A and 9.41(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

Additional Compliance Information

Disclosure of Financial Data for Shariah Screening (Cont'd)

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		152,432,856	156,799,427
Interest and distribution income		671,816	619,798
Other income		1,875,676	2,773,000
Others	Reversal of impairment losses on trade receivables	981,702	503,986
Others	Reversal of inventories written down	84,736	-
Others	Gain on disposal of property, plant and equipment	253,564	-
Total		156,300,350	160,696,211
Total Assets		341,106,675	339,670,824

(B) Business Activities

Shariah Non-Compliant activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest and distribution income		671,816	619,798
Insurance income		73,090	84,980
Other Shariah non-compliant activities	Fair value gain on short term funds	389,120	313,624
Total		1,134,026	1,018,402

Additional Compliance Information

Disclosure of Financial Data for Shariah Screening (Cont'd)

(C) Component of Financial Position

(i) Cash component

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank (exclude cash in hand)		7,061,367	9,201,150
Other cash equivalents	Cash in hand	13,366	11,646
Money market instruments		2,970,257	2,340,000
Deposits with licensed bank		20,000,000	20,000,000
Short-term funds		22,424,869	6,493,717
Total		52,469,859	38,046,513

(ii) Debt component

Conventional Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Term Loan	Secured	9,997,425	-
Non-Current			
Term Loan	Secured	9,888,445	19,885,876
Total		19,885,870	19,885,876

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 24th Annual General Meeting (“**AGM**”) of Tek Seng Holdings Berhad (“**the Company**”) will be held at Ballroom I, Level 1, Gurney Bay Hotel of 53, Persiaran Gurney, 10250 Penang on Thursday, 11 June 2026 at 9.30 am for the following purposes:-

AGENDA

ORDINARY BUSINESS

- | | | |
|----|--|------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of Directors and Auditors thereon. | Please refer to Note 8 |
| 2. | To re-elect Mr. Loh Kok Beng, a Director who retires by rotation in accordance with Article 102 of the Company’s Constitution and who, being eligible, offers himself for re-election. | Resolution 1 |
| 3. | To re-elect Mr. Loh Chin Phang, a Director who retires by rotation in accordance with Article 102 of the Company’s Constitution and who, being eligible, offers himself for re-election. | Resolution 2 |
| 4. | To approve the payment of Directors’ fees amounting to RM108,500.00 to the Non-Executive Directors of the Company for the financial year ending 31 December 2026. | Resolution 3 |
| 5. | To approve the payment of Directors’ fees amounting to RM124,400.00 to the Executive Directors of the Company for the financial year ending 31 December 2026. | Resolution 4 |
| 6. | To approve the payment of Directors’ benefits up to an amount not exceeding RM50,000.00 to the Non-Executive Directors of the Company for the financial year ending 31 December 2026. | Resolution 5 |
| 7. | To approve the payment of a Single Tier Final Dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2025. | Resolution 6 |
| 8. | To re-appoint Messrs. BDO PLT as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. | Resolution 7 |

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications the following ordinary resolutions:

- | | | |
|-----|--|---------------------|
| 9. | AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 | Resolution 8 |
| | <p>“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company.</p> <p>THAT any one of the Executive Directors and/or Secretary of the Company be empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.</p> <p>AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”</p> | |
| 10. | PROPOSED CONTINUATION OF LEOW CHAN KHIANG IN OFFICE AS INDEPENDENT DIRECTOR OF THE COMPANY | Resolution 9 |
| | <p>“THAT Mr. Leow Chan Kiang be hereby authorized to be retained and continued to act as an independent director of the Company after 01 July 2026 until the conclusion of the next AGM in accordance with Malaysian Code on Corporate Governance.”</p> | |

Notice of Annual General Meeting

SPECIAL BUSINESS (CONT'D)

11. PROPOSED SHARE BUY-BACK AUTHORITY OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY **Resolution 10**

"THAT, subject to the Companies Act, 2016 ("the Act"), the Company's Constitution and the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Directors of the Company be hereby authorised to purchase such number of ordinary shares ("TSHB Shares") comprised in the total number of issued shares of the Company as may be determined by the Directors from time to time through Bursa Securities subject further to the following:

- (a) the aggregate number TSHB Shares which may be purchased or held by the Company shall not exceed 10% of the total number of issued shares of the Company ("Proposed Share Buy-Back"), subject to the restriction that the issued shares of the Company does not fall below the minimum share capital requirements of the Main LR of Bursa Securities that the Company continues to maintain a shareholding spread that is in compliance with the Main LR after the share purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the TSHB Shares under the Proposed Share Buy-Back shall not exceed the retained profits of the Company;
- (c) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until;
 - (i) the conclusion of the next AGM of the Company at which such resolution was passed at the which time the authority would lapse unless by ordinary resolution passed at the next AGM, the authority is renewed either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within the next AGM of the Company after that date is required by law to be held; or
 - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company of the TSHB Shares before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and
- (d) upon completion of the purchase(s) of the TSHB Shares by the Company, the Directors be hereby authorised to retain the TSHB Shares so purchased as treasury shares, which may be distributed as dividends to shareholders, cancel and/or resold on Bursa Securities, in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Main LR of Bursa Securities and any other relevant authority for the time being in force,

AND THAT, the Directors of the Company be hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company to give full effect to and to complete the purchase of TSHB Shares.

Notice of Annual General Meeting

SPECIAL BUSINESS (CONT'D)

- To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board,

Lee Peng Loon (MACS 01258)
SSM PC NO. 201908002340

P'NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334

Company Secretaries

Penang

Date: 30 April 2026

NOTES ON APPOINTMENT OF PROXY

- For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 03 June 2026. Only Depositors whose name appears on the Record of Depositors as at 03 June 2026 shall be entitled to attend the AGM or to appoint proxies to attend and/or vote on his behalf.
- A proxy may but need not be a member of the Company.
- For a proxy to be valid, the original Proxy Form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The Proxy Form transmitted by facsimile or electronic mail will not be accepted.
- A member shall be entitled to appoint a maximum of 2 proxies to attend and vote instead of him at the same meeting and where a member appoints 2 proxies to vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- In the case of a corporate member, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised in which, it must be supported by a certified true copy of the resolution appointing the officer or certified true copy of the power of attorney.

NOTES ON ORDINARY BUSINESS

8. Agenda 1 – Audited Financial Statements

The Audited Financial Statements for the financial year ended 31 December 2025 will be laid to shareholders at the forthcoming AGM of the Company pursuant to Section 340(1)(a) of the Companies Act, 2016. Hence, the Agenda 1 is not put forward for voting.

Notice of Annual General Meeting

NOTES ON ORDINARY BUSINESS (CONT'D)

9. Agenda 2 and Agenda 3 – Re-election of Directors

The Nominating Committee had assessed the performance and contribution of each of the retiring Directors seeking for re-election in accordance with the Directors' Fit & Proper Policy and was satisfied therewith. The Board had endorsed the Nominating Committee's recommendation to seek shareholders' approval for the re-election of the retiring Directors at the forthcoming AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Nominating Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming AGM are provided in the Company's Annual Report 2025.

10. Agenda 4 and Agenda 5 – Directors' Fees

The Resolution 3 and 4, if passed, will enable the Company to pay Directors' fees to the Non-Executive and Executive Directors of the Company for the financial year ending 31 December 2026 in accordance with Section 230(1) of the Companies Act, 2016. The payment of Directors' fees shall be payable quarterly in arrears after each quarter of completed service of the Directors of the Company.

11. Agenda 6 – Directors' Benefits

The Resolution 5, if passed, will enable the Company to pay benefits to the Non-Executive Directors of the Company in accordance with Section 230(1) of the Companies Act, 2016. The total amount of Directors' benefits payable is estimated based on number of scheduled meetings of the Board and Board Committees as well as the number of Non-Executive Directors involved; and these benefits may comprised of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds.

12. Agenda 7 – Payment of Single Tier Final Dividend

The Resolution 6, if passed, will enable the Company to pay a Single Tier Final Dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2025 on 15 July 2026 to members registered in the Record of Depositors of the Company on 30 June 2026.

13. Agenda 8 – Re-appointment of Auditors

The Audit & Risk Management Committee and the Board had considered the re-appointment of Messrs. BDO PLT as Auditors of the Company. The Audit & Risk Management Committee and the Board collectively agreed and are satisfied that Messrs. BDO PLT meets the relevant criteria prescribed in Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTES ON SPECIAL BUSINESS

14. Agenda 9 – Authority to issue shares pursuant to Companies Act, 2016

The Resolution 8, if passed, will enable the Directors to allot and issue shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

Notice of Annual General Meeting

NOTES ON SPECIAL BUSINESS

15. Agenda 10 – Proposed continuation of Mr. Leow Chan Khiang in office as an Independent Director of the Company

The Resolution 9 is to seek shareholders' approval for Mr. Leow Chan Khiang to continue serving as an Independent Director of the Company after 01 July 2026. Mr. Leow Chan Khiang has served as an Independent Director of the Company since 01 July 2017 and will have completed nine (9) years of service on 01 July 2026. The Board has assessed and is satisfied that he continues to demonstrate independence, objectivity, and sound judgment in performing his duties, and that his experience and knowledge of the Company's operations provide significant value to the Board.

16. Agenda 11 – Proposed Share Buy-Back Authority

The Resolution 10, if passed, will enable the Directors of the Company to purchase the Company's shares up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM. Further information on the Proposed Share Buy-Back Authority is set out in Share Buy-Back Statement dated 30 April 2026, a copy of which can be downloaded from the Company's website. (<https://www.tekseng.com.my/>)

Statement Accompanying Notice of Annual General Meeting

(Pursuant To Paragraph 8.27(2) of Main Market Listing Requirements Of Bursa Securities)

- 1) No individuals are standing for election as Directors at the forthcoming 24th Annual General Meeting of the Company.
- 2) The Resolution 8 tabled under Special Business as per the Notice of 24th Annual General Meeting of the Company dated 30 April 2026 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 13 June 2025.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last Annual General Meeting of the Company.



PROXY FORM



TEK SENG HOLDINGS BERHAD
Registration No. 200201011909 (579572-M)
(Incorporated in Malaysia)

Number of Shares Held	CDS ACCOUNT NO.									

*I/We.....(*NRIC/Passport/Company No.....)
(Full Name in Block Letters)

of.....
(Address)

being a * member / members of the abovenamed Company, hereby appoint:

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

*and/or

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 24th Annual General Meeting ("AGM") of the Company will be held at Ballroom I, Level 1, Gurney Bay Hotel of 53, Persiaran Gurney, 10250 Penang on Thursday, 11 June 2026 at 9.30 am and at any adjournment thereof.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr. Loh Kok Beng as a Director of the Company		
2.	To re-elect Mr. Loh Chin Phang as a Director of the Company		
3.	To approve the payment of Directors' fees to Non-Executive Directors		
4.	To approve the payment of Directors' fees to Executive Directors		
5.	To approve the payment of Directors' benefits to Non-Executive Directors		
6.	To approve the payment of a single tier final dividend		
7.	To re-appoint Messrs. BDO PLT as Auditors of the Company		
8.	To authorise the Directors to allot and issue new shares in the Company		
9.	To authorise Mr. Leow Chan Kiang to continue serving as an Independent Director of the Company beyond 01 July 2026.		
10.	Proposed Share Buy-Back Authority		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this.....day of2026.

.....
Signature of Member(s) / Common Seal

Notes:

- For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 03 June 2026. Only Depositors whose name appears on the Record of Depositors as at 03 June 2026 shall be entitled to attend the AGM or to appoint proxies to attend and/or vote on his behalf.
- A proxy may but need not be a member of the Company.
- For a proxy to be valid, the original Proxy Form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time appointed for holding the meeting or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The Proxy Form transmitted by facsimile or electronic mail will not be accepted.
- A member shall be entitled to appoint a maximum of 2 proxies to attend and vote instead of him at the same meeting and where a member appoints 2 proxies to vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- In the case of a corporate member, the proxy form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised in which, it must be supported by a certified true copy of the resolution appointing the officer or certified true copy of the power of attorney.

* Strike out whichever is not desired.

Please fold across the line and close

Stamp here

The Company Secretaries
TEK SENG HOLDINGS BERHAD
51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shad
10050 Penang.

Please fold across the line and close



www.tekseng.com.my

TEK SENG HOLDINGS BERHAD

Registration No. 200201011909 (579572-M)

Plot 159, MK 13, Jalan Perindustrian Bukit Minyak 7,
Bukit Minyak Industrial Park, 14000 Bukit Mertajam,
S.P.T., Pulau Pinang, Malaysia.

Tel : 604-507 5808 (Hunting Lines)