

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

**DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS**

31 DECEMBER 2025

<u>CONTENTS</u>	<u>Page</u>
Directors' Report	1 - 9
Statement by Directors	10
Statutory Declaration	11
Statements of Financial Position	12 - 13
Statements of Profit or Loss and Other Comprehensive Income	14 - 15
Statements of Changes in Equity	16 - 17
Statements of Cash Flows	18 - 21
Notes to the Financial Statements	22 - 114
Independent Auditors' Report	115- 118

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of Mepro Holdings Berhad (“the Company”) and its subsidiary companies (“the Group”) for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, management of development projects and provision of management, commercial, financial, secretarial, public relations and other related services.

The principal activities of the subsidiary and associate companies are set out in Notes 7 and 8 to the financial statements.

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

RESULTS OF OPERATIONS

	Group RM	Company RM
(Loss)/Profit for the financial year	(3,218,423)	359,929
	=====	=====
Attributable to:		
Owners of the Company	(2,640,679)	359,929
Non-controlling interests	(577,744)	-
	-----	-----
	(3,218,423)	359,929
	=====	=====

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Registration Number :
198101002254 (68367-W)

DIVIDENDS

The amount of dividend paid by the Company since the end of the previous financial year was as follows :

A single-tier final dividend of 0.25 sen per ordinary share amounting to RM317,905 in respect of the financial year ended 31 December 2024 was paid by the Company on 31 July 2025.

On 7 May 2026, the Directors recommended the payment of single tier final dividend of 0.25 sen per ordinary share amounting to RM317,905 in respect of the financial year ended 31 December 2025. The proposed dividend is subject to approval of shareholders at the forthcoming Forty-Second Annual General Meeting to be held on 30 June 2026. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, 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 and from reserves or provisions during the financial year other than as disclosed in notes to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Registration Number :
198101002254 (68367-W)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year, other than as disclosed in Note 23 to the financial statements.

In the opinion of the directors, no contingent liabilities or other liabilities of the Group and of the Company have become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the financial statements of the Group and of the Company misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any items, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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.

ISSUE OF SHARES AND DEBENTURES

No shares or debentures were issued, and no options to take up unissued shares were granted during the financial year, and at the end of the financial year, no options over unissued shares of the Company were outstanding.

Registration Number :
198101002254 (68367-W)

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:-

Dato' Rosidi Bin Kamaruddin *(Chairman)
Png Chiew Chuan *
Tan Ah Ting *
Tan Ban Seng *
Png Theng Yoong *
Png Theng Shuan *

* These directors are also directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since beginning of the financial year to the date of this report (not including those directors listed above) are :

Datuk Abdullah Bin Abu Bakar
Png Chew Pak
Tan Ban Cheong
Wong Yoon Kim
Yong Yuen Choy

Registration Number :
198101002254 (68367-W)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 59 (11)(c) of the Companies Act 2016 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company and its subsidiary companies during the financial year ended 31 December 2025 are as follows : -

	<u>Number of Ordinary Shares</u>			<u>At 31.12.2025</u>
	<u>At 1.1.2025</u>	<u>Bought</u>	<u>Sold</u>	
The Company				
Mepro Holdings Berhad				
Direct interest				
Dato' Rosidi Bin Kamaruddin	31,250	-	-	31,250
Png Chiew Chuan	6,366,120	-	-	6,366,120
Tan Ah Ting	334,037	-	-	334,037
Tan Ban Seng	265,563	-	-	265,563
Png Theng Yoong	3,301,733	40,000	-	3,341,733
Png Theng Shuan	1,050,758	-	-	1,050,758
Indirect interest				
Png Chiew Chuan*	2,057,688	-	-	2,057,688
Tan Ah Ting **	455,876	-	-	455,876
Tan Ban Seng***	193,474	-	-	193,474

Registration Number :
198101002254 (68367-W)

DIRECTORS' INTERESTS (CONTINUED)

	<u>Number of Ordinary Shares</u>			<u>At 31.12.2025</u>
	<u>At 1.1.2025</u>	<u>Bought</u>	<u>Sold</u>	
The subsidiary companies				
Sri Lemak Sdn. Bhd.				
Tan Ah Ting	1	-	-	1
Tan Ban Seng	1	-	-	1
Mepro Resources Sdn. Bhd.				
Tan Ah Ting	1	-	-	1
Tan Ban Seng	1	-	-	1
Central Malaya Construction Company Sdn. Bhd.				
Dato' Rosidi Bin Kamaruddin	2,722,500	-	(2,722,500)	-
Tan Ah Ting	1	-	-	1
Tan Ban Seng	1	-	-	1
Png Theng Yoong	-	2,722,500	-	2,722,500
City Parade Sdn. Bhd.				
Tan Ah Ting	1	-	-	1
Png Theng Yoong	1	-	-	1
Mepro Construction Sdn. Bhd.				
Png Chiew Chuan	2,502	-	-	2,502
Png Theng Yoong	150,000	-	-	150,000
Central Switchgear Sdn. Bhd.				
Tan Ban Seng	1	-	-	1
Png Theng Yoong	1	-	-	1

Registration Number :
198101002254 (68367-W)

DIRECTORS' INTERESTS (CONTINUED)

The directors who have substantial interest in shares in the Company are also deemed to have an interest in the shares of the subsidiary companies to the extent the Company has an interest.

- * Madam Tan Lee Chin and Ms. Png Tze Hua are the wife and daughter of Mr. Png Chiew Chuan. In accordance with Section 59(11)(c) of the Companies Act 2016, the interest of Madam Tan Lee Chin and Ms. Png Tze Hua in the shares of the Company shall also be treated as the interests of Mr. Png Chiew Chuan.
- ** Madam Yap Loke Thai, Mr. Tan Lip Chin and Mr. Tan Lip Hooi are the wife and sons of Mr. Tan Ah Ting. In accordance with Section 59(11)(c) of the Companies Act 2016, the interest of Madam Yap Loke Thai, Mr. Tan Lip Chin and Mr. Tan Lip Hooi in the shares of the Company shall also be treated as the interests of Mr. Tan Ah Ting.
- *** Madam Gan Swee Leng is the wife of Mr. Tan Ban Seng. In accordance with Section 59(11)(c) of the Companies Act 2016, the interest of Madam Gan Swee Leng in the shares of the Company shall also be treated as the interests of Mr. Tan Ban Seng.

Mr. Png Chiew Chuan who held office at the end of the financial year is, by virtue of his interest in certain corporate shareholders, deemed interested in 78,808,143 and 78,808,143 shares of the company as at 31 December 2024 and 31 December 2025 respectively.

Mr. Png Theng Yoong who held office at the end of the financial year is, by virtue of his interest in a corporate shareholder, deemed interested in 23,222,858 and 23,222,858 shares of the company as at 31 December 2024 and 31 December 2025 respectively.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in shares of the Company and its subsidiary companies during the financial year.

SUBSIDIARY COMPANIES

The details of subsidiary companies are disclosed in Note 7 to the financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits disclosed as directors' remuneration 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 by virtue of transactions entered into in the ordinary course of business as disclosed in Note 24 to the financial statements.

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

Registration Number :
198101002254 (68367-W)

DIRECTORS' REMUNERATION

The total amount of remuneration received or receivable by the directors of the Group and of the Company during the financial year are as follows :

	Group RM	Company RM
Salaries and other emoluments	1,408,825	885,465
Pension cost (defined contribution plan)	102,801	63,940
Social security contributions	7,261	3,333
Employment insurance system contribution	405	262
Estimated monetary value of benefits-in-kind	107,191	87,444
	-----	-----
	1,626,483	1,040,444
	=====	=====

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity given to or liability insurance effected for any directors and officers of the Company during the financial year.

AUDITORS' REMUNERATION

The total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company during the financial year are as follows :

	Group RM	Company RM
Statutory audit	45,700	14,500
Non-statutory audit	4,500	4,500
	-----	-----
	50,200	19,000
	=====	=====

INDEMNITY TO AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ng & Partners, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ng & Partners during the financial year and up to the date of this report.

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

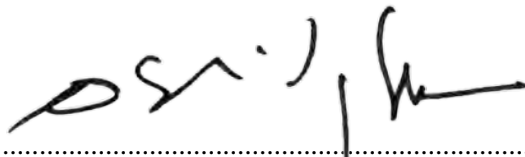
The details of the significant events during and after the financial year are disclosed in Note 25 to the financial statements.

Registration Number :
198101002254 (68367-W)

AUDITORS

The auditors, Messrs Ng & Partners, have indicated their willingness to continue in office.

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



.....
DATO' ROSIDI BIN KAMARUDDIN
Chairman



.....
PNG CHIEW CHUAN
Director

Kuala Lumpur

Dated : 18 May 2026

Registration Number :
198101002254 (68367-W)

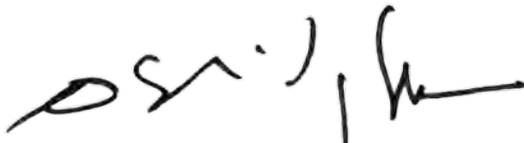
MEPRO HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

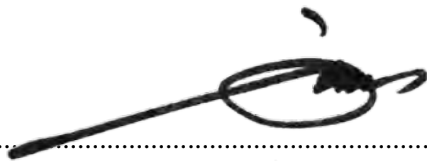
Pursuant to Section 251(2) of the Companies Act 2016

We, **DATO' ROSIDI BIN KAMARUDDIN** and **PNG CHIEW CHUAN**, being two of the directors of the Company, do hereby state that, in the opinion of the directors, 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, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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



.....
DATO' ROSIDI BIN KAMARUDDIN
Chairman



.....
PNG CHIEW CHUAN
Director

Kuala Lumpur

Dated : 18 May 2026


Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION

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

I, **TAN BAN SENG** (I/C No. 651020-10-7139), being the director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements of the Group and of the Company are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.


.....
TAN BAN SENG
Director

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 18 May 2026

Before me,



D/A TETUAN GOH & PARTNERS
Unit C-6-1, Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

.....
Commissioner for Oaths

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Note	Group		Company	
		2025	2024	2025	2024
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	102,067	132,842	9,022	6,578
Investment properties	5	42,180,752	42,636,376	-	-
Right-of-use assets	6	615,278	955,864	472,005	739,078
Investment in subsidiary companies	7	-	-	18,173,251	18,173,251
Investment in associate companies	8	927,837	957,089	537,113	537,113
Inventories	9	2	2	-	-
Amount owing by subsidiary companies	10	-	-	6,706,000	6,430,400
		<u>43,825,936</u>	<u>44,682,173</u>	<u>25,897,391</u>	<u>25,886,420</u>
Current assets					
Other investments	11	1,005,109	740,022	1,005,109	740,022
Trade and other receivables	12	1,908,578	1,686,725	300	7,480
Prepayments		1,023,460	1,032,787	25,998	29,168
Amount owing by subsidiary companies	10	-	-	7,632,800	6,348,000
Tax recoverable		15,285	163,744	-	-
Fixed deposits with licensed banks	13	52,715	2,940,993	-	2,889,531
Cash and bank balances		373,532	294,351	32,156	26,468
		<u>4,378,679</u>	<u>6,858,622</u>	<u>8,696,363</u>	<u>10,040,669</u>
TOTAL ASSETS		<u><u>48,204,615</u></u>	<u><u>51,540,795</u></u>	<u><u>34,593,754</u></u>	<u><u>35,927,089</u></u>

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (continued)**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY					
Share capital	14	25,138,375	25,138,375	25,138,375	25,138,375
Reserves	15	411,939	3,370,523	899,692	857,668
Equity attributable to owners of the Company		25,550,314	28,508,898	26,038,067	25,996,043
Non-controlling interests		1,434,414	2,090,908	-	-
TOTAL EQUITY		26,984,728	30,599,806	26,038,067	25,996,043
LIABILITIES					
Non-current liabilities					
Trade and other payables	16	2,656,500	2,537,100	-	-
Loans and borrowings	17	14,686,431	14,702,261	120,430	250,757
		17,342,931	17,239,361	120,430	250,757
Current liabilities					
Trade and other payables	16	2,659,333	2,723,184	291,928	153,493
Amount owing to subsidiary companies	10	-	-	8,002,000	9,383,200
Loans and borrowings	17	1,217,623	978,444	141,329	143,596
		3,876,956	3,701,628	8,435,257	9,680,289
TOTAL LIABILITIES		21,219,887	20,940,989	8,555,687	9,931,046
TOTAL EQUITY AND LIABILITIES		48,204,615	51,540,795	34,593,754	35,927,089

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

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

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

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	18	2,382,313	2,591,630	2,189,824	1,634,079
Cost of sales	19	(937,356)	(1,187,125)	-	-
Gross profit		1,444,957	1,404,505	2,189,824	1,634,079
Other income		117,840	1,636,341	55,212	150,421
Administrative expenses		(3,471,489)	(3,852,044)	(1,707,631)	(1,770,810)
Other expenses		(325,828)	(5,208,318)	(162,469)	(337,341)
Finance costs		(818,732)	(836,665)	(15,007)	(20,804)
Share of results of associate companies		7,525	245,179	-	-
(Loss)/Profit before tax	20	(3,045,727)	(6,611,002)	359,929	(344,455)
Tax expense	21	(172,696)	(148,701)	-	-
(Loss)/Profit for the financial year/ Total comprehensive (loss)/income for the financial year		(3,218,423)	(6,759,703)	359,929	(344,455)

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

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

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Income attributable to :					
Owners of the Company		(2,640,679)	(5,796,665)	359,929	(344,455)
Non-controlling interests		(577,744)	(963,038)	-	-
		<u>(3,218,423)</u>	<u>(6,759,703)</u>	<u>359,929</u>	<u>(344,455)</u>
Total comprehensive					
(loss)/income attributable to :					
Owners of the Company		(2,640,679)	(5,796,665)	359,929	(344,455)
Non-controlling interests		(577,744)	(963,038)	-	-
		<u>(3,218,423)</u>	<u>(6,759,703)</u>	<u>359,929</u>	<u>(344,455)</u>

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

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

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

Group	Note	Share capital RM	Retained earnings RM	Total RM	Non- controlling interests ("NCI") RM	Total equity RM
At 1 January 2024		25,138,375	9,485,093	34,623,468	3,106,446	37,729,914
Total comprehensive loss for the financial year		-	(5,796,665)	(5,796,665)	(963,038)	(6,759,703)
Dividends to shareholders of the Company	22	-	(317,905)	(317,905)	-	(317,905)
Dividend paid to NCI		-	-	-	(52,500)	(52,500)
At 31 December 2024		<u>25,138,375</u>	<u>3,370,523</u>	<u>28,508,898</u>	<u>2,090,908</u>	<u>30,599,806</u>
At 1 January 2025		25,138,375	3,370,523	28,508,898	2,090,908	30,599,806
Total comprehensive loss for the financial year		-	(2,640,679)	(2,640,679)	(577,744)	(3,218,423)
Dividends to shareholders of the Company	22	-	(317,905)	(317,905)	-	(317,905)
Dividend paid to NCI		-	-	-	(78,750)	(78,750)
At 31 December 2025		<u>25,138,375</u>	<u>411,939</u>	<u>25,550,314</u>	<u>1,434,414</u>	<u>26,984,728</u>

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

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

Company			Share capital RM	Retained earnings RM	Total RM
	Note				
		At 1 January 2024	25,138,375	1,520,028	26,658,403
17		Total comprehensive loss for the financial year	-	(344,455)	(344,455)
	22	Dividends	-	(317,905)	(317,905)
		At 31 December 2024	<u>25,138,375</u>	<u>857,668</u>	<u>25,996,043</u>
		At 1 January 2025	25,138,375	857,668	25,996,043
		Total comprehensive income for the financial year	-	359,929	359,929
	22	Dividends	-	(317,905)	(317,905)
		At 31 December 2025	<u>25,138,375</u>	<u>899,692</u>	<u>26,038,067</u>

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

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(3,045,727)	(6,611,002)	359,929	(344,455)
Adjustments for :				
Bad debts written off	-	4,842,488	-	-
Depreciation of property, plant and equipment	52,665	71,658	2,578	2,496
Depreciation of investment properties	455,624	455,067	-	-
Depreciation of right-of-use assets	340,586	340,586	267,073	267,072
Dividend income	(34,575)	(36,580)	(1,565,824)	(1,034,079)
Loss on fair value adjustment on other investments	155,935	164,667	155,935	164,667
Gain on disposal of other investments	(14,285)	(43,265)	(14,285)	(43,265)
Gain on disposal of property, plant and equipment	-	(68,030)	-	-
Interest expense	732,748	763,630	15,007	20,804
Interest income	(41,834)	(367,438)	(40,581)	(106,934)
Impairment loss on investment in subsidiary companies	-	-	-	166,500
Share of results of associate companies	(7,525)	(245,179)	-	-
Operating loss before working capital changes	<u>(1,406,388)</u>	<u>(733,398)</u>	<u>(820,168)</u>	<u>(907,194)</u>

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)				
Operating loss before working capital changes	(1,406,388)	(733,398)	(820,168)	(907,194)
Inventories	-	37,977	-	-
Receivables	(212,526)	1,683,032	(1,274,450)	(622,724)
Payables	(63,851)	(1,544,528)	(1,242,765)	(567,565)
Cash used in operations	<u>(1,682,765)</u>	<u>(556,917)</u>	<u>(3,337,383)</u>	<u>(2,097,483)</u>
Interest paid	(732,748)	(763,630)	(15,007)	(20,804)
Interest received	41,834	367,438	40,581	106,934
Tax paid	(182,604)	(153,248)	-	-
Tax refunded	160,144	53,306	-	-
Net cash used in operating activities	<u>(2,396,139)</u>	<u>(1,053,051)</u>	<u>(3,311,809)</u>	<u>(2,011,353)</u>

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to subsidiaries	-	-	(275,600)	(1,154,900)
Dividend received from				
- subsidiary companies	-	-	1,496,249	997,499
- associate companies	35,000		35,000	-
- third parties	34,575	36,580	34,575	36,580
Dividend paid to non-controlling interest	(78,750)	(52,500)	-	-
Purchase of other investments	(442,622)	(59,229)	(442,622)	(59,229)
Purchase of property, plant and equipment	(21,890)	(68,092)	(5,022)	-
Proceeds from disposal of property, plant and equipment	-	87,110	-	-
Additional expenditure incurred on investment properties	-	(594,174)	-	-
Proceeds from disposal of other investments	35,885	505,765	35,885	505,765
Net cash (used in)/from investing activities	(437,802)	(144,540)	878,465	325,715

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Advance from directors	119,400	293,400	-	-
Dividend paid	(317,905)	(317,905)	(317,905)	(317,905)
Fixed deposits pledged with licensed bank	-	7,173	-	-
Term loan raised	1,000,000	-	-	-
Repayment of lease liabilities	(169,304)	(161,764)	(132,594)	(126,796)
Repayment of term loans	(813,304)	(748,892)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in financing activities	(181,113)	(927,988)	(450,499)	(444,701)
	<hr/>	<hr/>	<hr/>	<hr/>
Net changes in cash and cash equivalents	(3,015,054)	(2,125,579)	(2,883,843)	(2,130,339)
Cash and cash equivalents at beginning of financial year	3,235,344	5,360,923	2,915,999	5,046,338
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of financial year	220,290	3,235,344	32,156	2,915,999
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
CASH AND CASH EQUIVALENTS COMPRISES :				
Fixed deposits with licensed banks	52,715	2,940,993	-	2,889,531
Bank overdraft	(205,957)	-	-	-
Cash and bank balances	373,532	294,351	32,156	26,468
	<hr/>	<hr/>	<hr/>	<hr/>
	220,290	3,235,344	32,156	2,915,999
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Registration Number :
198101002254 (68367-W)

MEPRO HOLDINGS BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS -- 31 DECEMBER 2025

1. GENERAL INFORMATION

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

The registered office and principal place of business of the Company are located at 1st Floor, Wisma Mepro, 29 & 31, Jalan Sultan Azlan Shah, 51200 Kuala Lumpur.

The principal activities of the Company are investment holding, management of development projects and provision of management, commercial, financial, secretarial, public relations and other related services.

The principal activities of the subsidiary and associate companies are set out in Notes 7 and 8.

The financial statements are expressed in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

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

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the material accounting policies in Note 2.3.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Registration Number :
198101002254 (68367-W)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New Issues Committee Interpretations ("IC Int")

(a) Adoption of New MFRSs, Amendments/Improvements to MFRSs and New Issues Committee Interpretations ("IC Int")

The Group and the Company had adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year :-

Amendments/Improvements to MFRSs

MFRS 121	The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
----------	--

The adoption of the above new MFRSs, amendments/improvements to MFRSs and New Issues Committee Interpretations ("IC Int") did not have any significant effect on the financial statements of the Group and the Company, and did not result in significant changes to the Group and to the Company existing accounting policies.

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New Issues Committee Interpretations ("IC Int")

(b) New MFRSs, Amendments/Improvements to MFRSs and new IC Int that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company :-

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
<u>Amendments/Improvements to MFRSs</u>		
MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New Issues Committee Interpretations ("IC Int") (continued)

(b) New MFRSs, Amendments/Improvements to MFRSs and new IC Int that are issued, but not yet effective and have not been early adopted (continued)

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company :- (continued)

**Effective for
financial periods
beginning on
or after**

Amendments/Improvements to MFRSs (continued)

MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	First-time Adoption of Malaysian Financial Reporting Standards, Financial Instruments: Disclosures, Financial Instruments, Consolidated Financial Statements and Statements of Cash Flows – Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
--	--	----------------

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New Issues Committee Interpretations ("IC Int") (continued)

(b) New MFRSs, Amendments/Improvements to MFRSs and new IC Int that are issued, but not yet effective and have not been early adopted (continued)

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company :- (continued)

MFRS 121	The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency	1 January 2027
----------	--	----------------

The Group and the Company plan to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int, and amendments to IC int when they become effective.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New Issues Committee Interpretations ("IC Int") (continued)

(b) New MFRSs, Amendments/Improvements to MFRSs and new IC Int that are issued, but not yet effective and have not been early adopted (continued)

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company :- (continued)

The adoption of the above accounting standards and interpretation (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and Company upon their initial application except as follows:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and the Company has yet to be assessed.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies

(a) Basis of Consolidation

(i) Subsidiaries

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has: -

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(a) Basis of Consolidation (continued)

(ii) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amount are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(a) Basis of Consolidation (continued)

(iii) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its not-controlling interests holders. Any difference between the Group's share of net assets before and after the change and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognised the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial assets depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the reporting date, being the equity in a subsidiary not attributable directly or indirectly to the owners of the Company, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the result of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so cause the non-controlling interests to have a deficit balance.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(a) Basis of Consolidation (continued)

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transaction with equity accounted associated are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Associate company

Associate company is an entity in which the Group exercises influence, but which it does not control; generally accompanying a shareholding of between 20% and 50% of the voting rights, and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associate companies but not the power to exercise control over those policies.

Investment in associate company is accounted for in the consolidated financial statements using the equity method of accounting and is initially recognised at cost. The Group's investment in associate company includes goodwill identified on acquisition, net of any accumulated impairment loss. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(j).

Under the equity method, the investment in associate company is carried in the statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate company. The Group's share of the net profit or loss of the associate company is recognised directly in the equity of the associate company, the Group recognises its share of such changes.

When the Group's share of losses in an associate company equals or exceeds its interest in the associate company, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(a) Basis of Consolidation (continued)

(vii) Associate company (continued)

Goodwill relating to an associate company is included in the carrying amount of the investment and is not amortised. Any excess of the group's share of the net fair value of the associate company's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate company's profit or loss in the period in which the investment is acquired.

On disposal of such investment, the difference between net disposal proceed and the carrying amount of the investment in an associate company is reflected as a gain or loss on disposal in the profit or loss.

(viii) Goodwill on consolidation

Goodwill is measured as the excess of consideration transferred, any non-controlling interest and the acquisition date fair value of any previously-held equity interest over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill is stated at cost less and accumulated impairment losses. For the purpose of impairment assessment, goodwill is allocated to cash-generating units ("CGU") which are expected to benefit from the synergies of the business combination. Each CGU represents the lowest level at which the goodwill is monitored for internal management purposes and is not larger than and operating segment in accordance with MFRS 8 Operating Segments. The carrying amount of goodwill is assessed annually for impairment, or more frequently if event or changes in carrying amount of its net assets, including attributable goodwill. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Where the fair value of the Group's share of identifiable net assets acquired exceed the amount of consideration transferred, any non-controlling interest and the acquisition-date fair value of any previously-held equity interest, the entire resulting gain is recognised immediately in the statement of profit or loss.

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(b) Property, Plant and Equipment and Depreciation

(i) Recognition and measurement

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(j).

Cost of assets includes expenditure that is directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other directly attributable cost of materials, direct labour, and any other direct attributable cost but excludes internal profits.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(b) Property, Plant and Equipment and Depreciation (continued)

(iii) Depreciation

Property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The annual rates used for this purpose are as follows:-

Plant and machinery	10%
Motor vehicles	20%
Office equipment, furniture and fittings	10% - 20%
Renovation	10% - 20%

The residual values and useful lives of property, plant and equipment are reviewed and adjusted if appropriate, at each reporting date. The effects of any revisions of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(c) Investment Properties

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

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The annual rates used for this purpose are as follows :

Freehold buildings	2%
Long term leasehold land	over the remaining lease period of 60 - 100 years.
Long term leasehold buildings	2%

Freehold land is stated at cost less impairment loss, if any, and is not depreciated.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(d) Inventories

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

(i) Land held for property development

Land held for property development consist of land on which no significant development work has been undertaken or where development activities are not expected to be completed within normal operating cycle is classified as non-current asset.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and is expected to be completed within the normal operating cycle.

Cost comprises the cost of land and all related costs incurred on activities necessary to prepare the land for its intended use.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value less cost to sell. Fair value is the amount the inventory can be sold in arm's length transaction.

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(d) Inventories (continued)

(ii) Property development costs

Property development costs comprise costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the costs of land under development, construction costs and other related development costs common to the whole project including administrative overheads and borrowing costs.

Any foreseeable loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately in the statements of profit or loss and other comprehensive income.

Property development costs not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value. Upon the completion of development, the unsold completed development properties are transferred to completed properties held for sale.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(d) Inventories (continued)

(iii) Completed properties held for sale

The cost of completed properties includes costs of land and related development cost.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

(iv) Raw materials, work-in-progress and finished goods

Cost of raw materials and trading merchandise are determined on the first-in, first-out basis and comprise purchase price and all direct attributable charges in the acquisition of the goods. Work-in-progress and finished goods comprise raw materials, labour and an appropriate proportion of manufacturing overhead costs. Net realisable value is the estimate of selling price in the ordinary course of business after allowing for costs of realisation.

(e) Contract Asset/Contract Liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance with Note 2.3 (j).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received or the amount is due from the customers.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(f) Contract Cost

(i) Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

(ii) Costs to fulfil a contract

The Group or the Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contracts costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the assets relates. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has impaired, the impairment loss is reversed to the extent that the carrying amount of the contracts cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect at the time value of money is material, provisions are discounted using current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(h) Financial Instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(h) Financial Instruments (continued)

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate applied to the amortised cost.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(h) Financial Instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprise debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit and loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(h) Financial Instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(b) Fair value through other comprehensive income (continued)

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment by investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at a fair value through other comprehensive income, are subject to impairment assessment (Note 2.3(j)(i)).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(h) Financial Instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss :

- If doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(h) Financial Instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) Fair value through profit or loss (continued)

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group or the Company recognises the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss, put options granted to non-controlling interests are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains or losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(i) Lease

The Group and the Company have applied MFRS 16 using the modified retrospective approach.

(i) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(ii) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(i) Lease (continued)

(ii) Lessee accounting (continued)

Right-of-use asset (continued)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(j) to the financial statements.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(i) Lease (continued)

(ii) Lessee accounting (continued)

Lease liability (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statements of profit or loss and other comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(i) Lease (continued)

(ii) Lessee accounting (continued)

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(iii) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sub-lease as an operating lease.

If the Group and the Company are lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If the Group and the Company are lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(i) Lease (continued)

(iii) Lessor accounting (continued)

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration under the contract to each component.

(j) Impairment of Assets

(i) Impairment of financial assets

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a provision for impairment is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a provision for impairment based on lifetime ECLs at each reporting date. The Group and the Company have established a process to monitor the recoverability of the receivables, based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(j) Impairment of Assets (continued)

(i) Impairment of financial assets (continued)

The Group and the Company consider whether a financial asset is in default when contractual payments are more than 90 days past due. In certain cases, the Group and the Company may consider a financial asset to be in default when internal or external information indicate that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets are impaired when there is objective evidence as a result of one or more events that the present value of estimated discounted future cash flows is lower than the carrying value. Any impairment losses are recognised immediately in profit or loss.

Financial assets are continuously monitored and allowances applied against financial assets consist of both specific impairments and collective impairments based on the Group's and the Company's historical loss experiences for the relevant aged category and taking into account general economic conditions.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(j) Impairment of Assets (continued)

(ii) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill that has an indefinite useful life and are not available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments to the time value of money and the risk specific to the asset. Where the carrying amount of an asset exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rate basis.

An impairment loss is recognised in the profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed its carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(k) Cash and Cash Equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated net of banks overdrafts which are repayable on demand.

(l) Equity Instruments

Ordinary shares

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when declared before the reporting date. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

The transaction costs of an equity transaction are accounted for as deductions from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Preference share

Preference share is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends on preference shares are recognised as distribution within equity at the reporting

Preference share is classified as financial liability if it is redeemable on specific date or at the option of the holders, or if dividends payments are not discretionary. Dividends on preference shares are recognised as interest expense in profit or loss as accrued.

(m) Contingent Liability

A contingent liability is a possible obligation that arises from past events whose crystallisation will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that is not recognised because it cannot be measured reliably.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of goods

Revenue from sale of goods is recognised upon delivery of products and when the risks and rewards of ownership has been passed to the customers.

(ii) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group and the Company recognise revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Company transfer control of a good or service at a point in time when the following overtime criteria is met :

- (a) the customer simultaneously receives and consumes the benefits provided as the Group and the Company perform;
- (b) the Group and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and
- (c) the Group and the Company's performance does not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(n) Revenue Recognition (continued)

(iii) Sale of property under development

Property development

Contracts with buyers may include multiple promises to buyers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the buyer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the buyer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at point in time. The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the project). The input method depicts the Group's progress of performance in the assets created which has no alternative use to the Group. Otherwise, revenue is recognised at a point in time when the buyer obtains control of the asset.

Revenue from sales of vacant land is recognised upon delivery of vacant land where the control of the vacant land and completed development units has been transferred to the buyer.

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(n) Revenue Recognition (continued)

(iv) Rental income

Rental income is recognised on an accrual basis.

(v) Dividend income

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

(vi) Management and secretarial fees

Management and secretarial fees are recognised on an accrual basis when services are rendered.

(vii) Insurance commission

Commission income is recognised on an accrual basis.

(viii) Interest income

Interest income is recognised on a time proportion basis.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(o) Employee Benefits

(i) Short term employee benefits

Wages, salaries, social security contribution, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave, maternity and paternity leave are recognised when absences occur.

(ii) Post-employment benefits

The Group and the Company contribute to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which they are related. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(p) Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessary take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Registration Number :
198101002254 (68367-W)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(q) Foreign Currency Translation

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

Monetary assets and liabilities denominated the foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit of loss.

Non-monetary items are measured in terms of historical cost in a foreign currency or translated using the exchange rates as at the date of the initial transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that fair value determined. Foreign currency differences arising on retranslation are recognised in the profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Material Accounting Policies (continued)

(r) Taxation

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected tax payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date, and adjustment of tax payable in respect of the previous financial year.

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

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the assets realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from transaction which is recognised directly in equity, in which case the deferred tax is charged or credited directly, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquirer identifiable assets, liabilities and contingent liabilities over the cost of the combination.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 Critical Judgement in Applying the Group's the Company's Accounting Policies

In the process of applying the Group's and Company's accounting policies, which are described in Note 2.3 above, the management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements : -

(i) **Satisfaction of performance obligations in relation to contracts with customers**

The Group and the Company are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group and the Company recognise revenue over time in the following circumstances :

- (i) the customer simultaneously receives and consumes the benefits provided as the Group and the Company perform;
- (ii) the Group and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; and
- (iii) the Group and the Company's performance does not create an asset with an alternative use to the Group and the Company have an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group and the Company under the contract is satisfied.

(ii) **Classification between Investment Properties and Owner-occupied Properties**

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.1 Critical Judgement in Applying the Group's and the Company's Accounting Policies (continued)

In the process of applying the Group's and Company's accounting policies, which are described in Note 2.3 above, the management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements : - (continued)

(iii) Classification of other investments

The Group and the Company classify the other investments into financial assets with fair value through other comprehensive income and fair value through profit or loss. The management exercises judgement and classified the investments as current asset as the management intends to dispose of the investments within 12 months of the end of the reporting date.

(iv) Lease terms

Some leases contain extension options exercisable by the Group and the Company before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(v) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency.

Registration Number :
198101002254 (68367-W)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material judgement to the carrying amounts of assets and liabilities within the next financial year are stated below :-

(i) **Useful lives of property, plant and equipment**

The Group and the Company estimate the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future result of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

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

The Group and the Company review the carrying amount of their property, plant and equipment, to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies on the property, plant and equipment. Independent professional valuations to determine the carrying amount of these assets will be procured when the need arise.

As at the end of the financial year under review, the directors are of the view that there is no indication of impairment to these assets and therefore no independent professional valuation was procured by the Group and the Company during the financial year to determine the carrying amount of these assets.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.2 Key Sources of Estimation Uncertainty (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material judgement to the carrying amounts of assets and liabilities within the next financial year are stated below :- (continued)

(iii) Impairment of investment properties

The Group and the Company determine whether their investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

(iv) Impairment of investment in subsidiary companies and recoverability of amount owing by subsidiary companies

The Group and the Company assess the investment in subsidiary companies for impairment in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net assets of the subsidiary companies affects the result of the impairment test. Costs of investment in subsidiary companies which have ceased operations were impaired up to net assets of the subsidiary companies. The impairment made on investment in subsidiary companies entails an impairment to be made to the amount owing by these subsidiary companies.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiary companies, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group and the Company's tests for impairment of investment in subsidiary companies.

Registration Number :
198101002254 (68367-W)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.2 Key Sources of Estimation Uncertainty (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material judgement to the carrying amounts of assets and liabilities within the next financial year are stated below :- (continued)

(v) Allowance for write down in inventories

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

(vi) Impairment of receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(vii) Taxation

The Group and the Company are subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Registration Number :
198101002254 (68367-W)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.2 Key Sources of Estimation Uncertainty (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material judgement to the carrying amounts of assets and liabilities within the next financial year are stated below :- (continued)

(viii) Deferred tax assets

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

4. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and machinery RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovation RM	Total RM
2025					
Cost					
At 1.1.2025	511,235	949,820	1,092,894	321,884	2,875,833
Additions	-	-	21,890	-	21,890
Write-offs	-	-	(3,560)	-	(3,560)
At 31.12.2025	511,235	949,820	1,114,784	321,884	2,897,723
Accumulated depreciation					
At 1.1.2025	511,234	949,819	974,547	307,391	2,742,991
Depreciation for the financial year	-	-	48,425	4,240	52,665
Write-offs	-	-	(3,560)	-	(3,560)
At 31.12.2025	511,234	949,819	1,022,972	311,631	2,795,656
Carrying amount at 31 December 2025	1	1	91,812	10,253	102,067
Carrying amount at 31 December 2024	1	1	118,347	14,493	132,842
Depreciation charge for 2024	1,185	-	65,034	5,439	71,658

Registration Number :
198101002254 (68367-W)

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Company

	Motor vehicles RM	Office equipment, furniture and fittings RM	Total RM
2025			
Cost			
At 1.1.2025	50,001	80,549	130,550
Additions	-	5,022	5,022
Disposals	-	-	-
At 31.12.2025	50,001	85,571	135,572
Accumulated depreciation			
At 1.1.2025	50,001	73,971	123,972
Depreciation for the financial year	-	2,578	2,578
Disposals	-	-	-
At 31.12.2025	50,001	76,549	126,550
Carrying amount at 31 December 2025	-	9,022	9,022
Carrying amount at 31 December 2024	-	6,578	6,578
Depreciation charge for 2024	-	2,496	2,496

Registration Number :
198101002254 (68367-W)

5. INVESTMENT PROPERTIES

Group

Cost

	At 1.1.2025 RM	Additions RM	Disposals RM	At 31.12.2025 RM
Freehold land	22,759,158	-	-	22,759,158
Freehold buildings	5,118,796	-	-	5,118,796
Long term leasehold land	4,626,103	-	-	4,626,103
Long term leasehold buildings	15,182,725	-	-	15,182,725
	<u>47,686,782</u>	<u>-</u>	<u>-</u>	<u>47,686,782</u>

Accumulated depreciation

	At 1.1.2025 RM	Charge for the financial year RM	Disposals RM	At 31.12.2025 RM
Freehold land	-	-	-	-
Freehold buildings	2,993,065	-	-	2,993,065
Long term leasehold land	260,206	49,594	-	309,800
Long term leasehold buildings	1,797,135	406,030	-	2,203,165
	<u>5,050,406</u>	<u>455,624</u>	<u>-</u>	<u>5,506,030</u>

	CARRYING AMOUNT		Depreciation charge for 2024 RM
	At 31.12.2025 RM	At 31.12.2024 RM	
Freehold land	22,759,158	22,759,158	-
Freehold buildings	2,125,731	2,125,731	102,376
Long term leasehold land	4,316,303	4,365,897	49,037
Long term leasehold buildings	12,979,560	13,385,590	303,654
	<u>42,180,752</u>	<u>42,636,376</u>	<u>455,067</u>

Registration Number :
198101002254 (68367-W)

5. INVESTMENT PROPERTIES (continued)

Group (continued)

- (a) The tenures of the long term leasehold land are expire in the year 2112 and 2116
- (b) The carrying amount of investment properties of the Group which have been charged to licensed banks for banking facilities granted to certain subsidiary companies are as follows : -

	Group	
	2025	2024
	RM	RM
Freehold land	2,740,000	2,740,000
Freehold buildings	1,571,666	1,090,195
Long term leasehold land	4,254,697	4,303,608
Long term leasehold buildings	12,840,326	13,138,938

- (c) The investment properties of the Group are leased to customers with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 3 years and an option that is exercisable by the customers to extend their leases for an average of 2 years.

Registration Number :
198101002254 (68367-W)

5. INVESTMENT PROPERTIES (continued)

Group (continued)

(c) continued

Other than as stated above, those investment properties leased between subsidiary companies are with monthly rentals payable. The leases contain initial non-cancellable periods of 1 financial year and the lease with exercisable option to extend their leases for another year. These transactions between the subsidiary companies are eliminated on consolidation.

The undiscounted lease payments receivable as per lessor are as follow :-

	2025 RM	2024 RM
Receivable within one financial year	2,303,080	2,223,840
Receivable later than one financial year but not later than two financial years	1,618,882	1,555,380
Receivable later than two financial year but not later than five financial years	1,027,785	964,283

The followings are recognised in profit or loss by lessor in respect of the lease :-

	2025 RM	2024 RM
Rental income	2,324,827	2,322,123
Direct expenses	(937,356)	(958,163)

Registration Number :
198101002254 (68367-W)

6. RIGHT-OF-USE ASSETS

Group

Cost

	At 1.1.2025 RM	Additions RM	Disposals RM	At 31.12.2025 RM
Motor vehicles	1,702,931	-	-	1,702,931
	<u>1,702,931</u>	<u>-</u>	<u>-</u>	<u>1,702,931</u>

**Accumulated
depreciation**

	At 1.1.2025 RM	Charge for the financial year RM	Disposals RM	At 31.12.2025 RM
Motor vehicles	747,067	340,586	-	1,087,653
	<u>747,067</u>	<u>340,586</u>	<u>-</u>	<u>1,087,653</u>

	CARRYING AMOUNT At 31.12.2025 RM	At 31.12.2024 RM	Depreciation charge for 2024 RM
Motor vehicles	<u>615,278</u>	<u>955,864</u>	<u>340,586</u>

Registration Number :
198101002254 (68367-W)

6. RIGHT-OF-USE ASSETS (continued)

Company

Cost

	At 1.1.2025 RM	Additions RM	Disposals RM	At 31.12.2025 RM
Motor vehicles	1,335,360	-	-	1,335,360
	<u>1,335,360</u>	<u>-</u>	<u>-</u>	<u>1,335,360</u>

**Accumulated
depreciation**

	At 1.1.2025 RM	Charge for the financial year RM	Disposals RM	At 31.12.2025 RM
Motor vehicles	596,282	267,073	-	863,355
	<u>596,282</u>	<u>267,073</u>	<u>-</u>	<u>863,355</u>

	CARRYING AMOUNT		Depreciation charge for
	At 31.12.2025 RM	At 31.12.2024 RM	2024 RM
Motor vehicles	<u>472,005</u>	<u>739,078</u>	<u>267,072</u>

The carrying amount of the right-of-use assets acquired under unexpired lease arrangements are as follows :

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Motor vehicles	<u>615,278</u>	<u>955,864</u>	<u>472,005</u>	<u>739,078</u>

Registration Number :
198101002254 (68367-W)

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost		
At 1 January	51,054,697	51,054,697
Additions	-	-
Disposals	-	-
At 31 December	<u>51,054,697</u>	<u>51,054,697</u>
Less: Impairment losses	<u>(32,881,446)</u>	<u>(32,881,446)</u>
	<u>18,173,251</u>	<u>18,173,251</u>
Movement of impairment losses :		
At 1 January	(32,881,446)	(32,714,946)
Additions	-	(166,500)
At 31 December	<u>(32,881,446)</u>	<u>(32,881,446)</u>

Registration Number :
198101002254 (68367-W)

7. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

The details of the subsidiary companies, all of which are incorporated in Malaysia are as follows:-

Name of Companies	Effective Equity Interest		Principal Activities
	2025 %	2024 %	
Direct subsidiary companies			
Mepro Development Sdn. Bhd.	100	100	Property development and property investment
Sri Chembang Kemajuan Sdn. Bhd.	100	100	Property investment
Mepro Industrial Park Sdn. Bhd.	100	100	Insurance agent
Mepro Properties Sdn. Bhd.	100	100	Property development but has not commence business operation
Mepro Realty Sdn. Bhd.	100	100	Property investment but has not commence business operation
Mepro Resources Sdn. Bhd. ("MRSB")	95	95	Property investment
Central Switchgear Sdn. Berhad ("CSSB")	85	85	Carry on all types of electrical related construction works
Mepro Construction Sdn. Bhd. ("MCSB")	75	75	Contracting for general construction and building works
Central Malaya Construction Company Sdn. Bhd. ("CMCC")	70	70	Property development
Sri Lemak Sdn. Bhd. ("SLSB")	70	70	Property development
City Parade Sdn. Bhd. ("CPSB")	70	70	Property investment

Registration Number :
198101002254 (68367-W)

7. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2025	MCSB RM	CMCC RM	CPSB RM
NCI percentage of ownership interest and voting interest	25.00%	30.00%	30.00%
Carrying amount of NCI	<u>89,300</u>	<u>360,873</u>	<u>(969,834)</u>
Loss allocated to NCI	<u>(85,900)</u>	<u>(443,971)</u>	<u>(34,667)</u>

Registration Number :
198101002254 (68367-W)

7. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Summarised financial information before intra-group elimination

2025	MCSB RM	CMCC RM	CPSB RM
As at 31 December 2025			
Non-current assets	2	152,743	17,095,023
Current assets	373,546	1,874,989	327,497
Non-current liabilities	-	(40,706)	(19,832,765)
Current liabilities	(16,349)	(784,116)	(822,535)
Net assets/(liabilities)	<u>357,199</u>	<u>1,202,910</u>	<u>(3,232,780)</u>
Financial year ended 31 December 2025			
Revenue	-	-	1,162,766
Loss for the financial year	<u>(343,600)</u>	<u>(1,479,904)</u>	<u>(115,556)</u>
Financial year ended 31 December 2025			
Cash flows from operating activities	19,469	75,668	270,480
Cash flows used in investing activities	-	(5,108)	-
Cash flows used in financing activities	-	(41,544)	(208,884)
Net changes in cash and cash equivalents	<u>19,469</u>	<u>29,016</u>	<u>61,596</u>

Registration Number :
198101002254 (68367-W)

7. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Summarised financial information before intra-group elimination (continued)

2024	MCSB RM	CMCC RM	CPSB RM
NCI percentage of ownership interest and voting interest	25.00%	30.00%	30.00%
Carrying amount of NCI	<u>175,199</u>	<u>804,843</u>	<u>(935,168)</u>
Loss allocated to NCI	<u>(75,762)</u>	<u>(88,383)</u>	<u>(37,663)</u>

Registration Number :
198101002254 (68367-W)

7. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Summarised financial information before intra-group elimination (continued)

2024	MCSB RM	CMCC RM	CPSB RM
As at 31 December 2024			
Non-current assets	660	223,121	17,442,546
Current assets	784,614	2,770,630	279,798
Non-current liabilities	-	(79,244)	(20,015,644)
Current liabilities	(84,475)	(231,693)	(823,924)
Net assets/(liabilities)	<u>700,799</u>	<u>2,682,814</u>	<u>(3,117,224)</u>
Financial year ended 31 December 2024			
Revenue	-	-	1,178,848
(Loss)/Profit for the financial year	<u>(303,046)</u>	<u>(294,610)</u>	<u>(125,542)</u>
Financial year ended 31 December 2024			
Cash flows (used in)/from operating activities	866	4,164	210,616
Cash flows from/(used in) investing activities	800	33,093	(594,174)
Cash flows (used in)/from financing activities	-	(34,371)	406,997
Net changes in cash and cash equivalents	<u>1,666</u>	<u>2,886</u>	<u>23,439</u>

Registration Number :
198101002254 (68367-W)

8. INVESTMENT IN ASSOCIATE COMPANIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unquoted shares	656,002	656,002	656,002	656,002
	<u>656,002</u>	<u>656,002</u>	<u>656,002</u>	<u>656,002</u>
Share of post acquisition results	271,835	301,087	-	-
	<u>927,837</u>	<u>957,089</u>	<u>656,002</u>	<u>656,002</u>
Less: Impairment losses	-	-	(118,889)	(118,889)
	<u>927,837</u>	<u>957,089</u>	<u>537,113</u>	<u>537,113</u>

The details of the associate companies, all of which are incorporated in Malaysia are as follows:-

Name of Companies	Effective equity interest		Principal Activities
	2025 %	2024 %	
Direct associate companies			
Azitin Venture Sdn. Bhd.	35	35	Property development
Central Switchgear Industries Sdn. Bhd. (In liquidation)	49	49	Investment holding and manufacturing, trading and supplying related works (under contract basis) of switchboards and other electrical products
Indirect associate company			
Central Switchgear Manufacturing Sdn. Bhd.*	49	49	Ceased its business operation in financial year 2020

* Held indirectly through Central Switchgear Industries Sdn. Bhd. (In liquidation)

On 17 November 2025, the Court appointed a liquidator to wind up the Company's associate, Central Switchgear Industries Sdn. Bhd. As at the date of approval of these financial statements, the outcome and financial effects of the winding-up remain uncertain. Based on the information currently available, the directors are of the opinion that any resulting impact on the Company is not expected to be material. Accordingly, no adjustment has been made to these financial statements for the financial year ended 31 December 2025.

Registration Number :
198101002254 (68367-W)

8. INVESTMENT IN ASSOCIATE COMPANIES (continued)

The Group's share of results, assets and liabilities of associate companies are as follows:

	Group	
	2025 RM	2024 RM
Share of profit/(loss) after tax	5,748	243,026
Dividend from associate companies	35,000	-
Non-current assets	-	-
Current assets	367,430	1,987,870
Non-current liabilities	-	-
Current liabilities	(1,082)	(1,348,597)
	<u>366,349</u>	<u>639,273</u>

Registration Number :
198101002254 (68367-W)

9. INVENTORIES

	Group	
	2025 RM	2024 RM
Non current		
Land held for property development (i)	2	2
Total inventories	<u>2</u>	<u>2</u>

Land held for property development

	Group	
	2025 RM	2024 RM
Freehold land, at cost :		
At beginning of financial year	2	2
Disposals	-	-
At end of financial year	<u>2</u>	<u>2</u>

10. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

	Company	
	2025 RM	2024 RM
Amount owing by subsidiary companies		
Current portion	7,632,800	6,348,000
Non-current portion	6,706,000	6,430,400
	<u>14,338,800</u>	<u>12,778,400</u>
Amount owing to subsidiary companies		
Current portion	<u>8,002,000</u>	<u>9,383,200</u>
Current portion		

The amounts owing by/to subsidiary companies are non-trade, unsecured, interest free and repayable on demand.

Non-current portion

The amount owing by subsidiary companies is unsecured and interest free with no fixed term of repayment. The Company has agreed that the subsidiary companies will only repay the advances when the subsidiary companies have surplus cash.

Registration Number :
198101002254 (68367-W)

11. OTHER INVESTMENTS

Group and Company

Cost

	At 1.1.2025 RM	Additions RM	Disposals RM	At 31.12.2025 RM
Equity instruments (quoted in Malaysia)	902,498	442,622	(15,104)	1,330,016

Changes in fair value

	At 1.1.2025 RM	Changes in fair value RM	Disposals RM	At 31.12.2025 RM
Equity instruments (quoted in Malaysia)	162,476	155,935	6,496	324,907

	CARRYING AMOUNT		Changes in fair value for 2024 RM
	At 31.12.2025 RM	At 31.12.2024 RM	
Equity instruments (quoted in Malaysia)	1,005,109	740,022	164,667

The fair value of equity instruments quoted in Malaysia is determined by directors with reference to the quoted market prices in active markets.

Registration Number :
198101002254 (68367-W)

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Trade Receivables				
Gross receivables	789,079	798,242	-	-
Retention sum	-	97,932	-	-
	<u>789,079</u>	<u>896,174</u>	<u>-</u>	<u>-</u>
Allowance for impairment loss	(334,995)	(334,995)	-	-
Trade receivables, net	<u>454,084</u>	<u>561,179</u>	<u>-</u>	<u>-</u>
Other Receivables				
Other receivables	1,353,026	1,071,981	-	2,880
Deposits	103,656	55,753	300	4,600
	<u>1,456,682</u>	<u>1,127,734</u>	<u>300</u>	<u>7,480</u>
Allowance for impairment loss	(2,188)	(2,188)	-	-
	<u>1,454,494</u>	<u>1,125,546</u>	<u>300</u>	<u>7,480</u>
Total trade and other receivables	<u><u>1,908,578</u></u>	<u><u>1,686,725</u></u>	<u><u>300</u></u>	<u><u>7,480</u></u>

Registration Number :
198101002254 (68367-W)

12. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables

The Group's normal trade credit terms range from 14 to 90 days (2024 : 14 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Analysis on trade receivables

The ageing analysis of the Group's trade receivables is as follows:-

	Group	
	2025	2024
	RM	RM
Neither past due nor impaired	454,084	561,179
Impaired	334,995	334,995
	<u>789,079</u>	<u>896,174</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

The management has a credit policy in place to monitor and minimise the exposure of default. The Group only trades with credit worthy third parties. Trade receivables are monitored on an ongoing basis. As at reporting date, there were no significant concentrations of credit risk in the Group.

Registration Number :
198101002254 (68367-W)

12. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables (continued)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the impairment are as follows:-

	Group	
	2025	2024
	RM	RM
Trade receivables - nominal amounts	334,995	334,995
Less: Allowances for impairment	(334,995)	(334,995)
	-	-
	-	-

Movement of impairment:-

	Group	
	2025	2024
	RM	RM
At 1 January 2025	(334,995)	(334,995)
Additions	-	-
	(334,995)	(334,995)
	(334,995)	(334,995)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Other receivables

The amount owing by other receivables is unsecured, interest free and repayable on demand.

Analysis on other receivables

The ageing analysis of the Group's other receivables is as follows:

	Group	
	2025	2024
	RM	RM
Neither past due nor	1,350,838	1,069,793
Impaired	2,188	2,188
	1,353,026	1,071,981
	1,353,026	1,071,981

Registration Number :
198101002254 (68367-W)

12. TRADE AND OTHER RECEIVABLES (continued)

Other receivables that are neither past due nor impaired

Other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Other receivables that are impaired

The Group's other receivables that are impaired at the reporting date and the movement of the impairment are as follows:-

	Group	
	2025	2024
	RM	RM
Other receivables - nominal amounts	2,188	2,188
Less: Allowance for impairment	(2,188)	(2,188)
	<u>-</u>	<u>-</u>

Movement of impairment:-

	Group	
	2025	2024
	RM	RM
At 1 January 2025	(2,188)	(2,188)
Additions	-	-
At 31 December 2025	<u>(334,995)</u>	<u>(334,995)</u>

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Registration Number :
198101002254 (68367-W)

13. FIXED DEPOSITS WITH LICENSED BANKS

Group and Company

The fixed deposits with licensed banks bear effective interest rate at 2.50% (2024 : 2.45% to 2.75%) per annum.

The maturity period of the fixed deposits with licensed banks is 12 months (2024 : 1 to 12 months).

14. SHARE CAPITAL

	Company			
	2025		2024	
	Number of Shares Unit	RM	Number of Shares Unit	RM
Ordinary shares				
Issued and fully paid				
At beginning and end of financial year	<u>127,161,770</u>	<u>25,138,375</u>	<u>127,161,770</u>	<u>25,138,375</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.

Registration Number :
198101002254 (68367-W)

15. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Distributable				
Retained earnings	411,939	3,370,523	899,692	857,668

The movement of reserve are disclosed in the statements of changes in equity.

Retained earnings

The Group and the Company is able to distribute dividends out of its entire retained earnings under the single-tier tax system. Dividends paid under this system are tax exempt in the hands of shareholders.

Effective from the year of assessment 2025, the tax exemption for single-tier dividends is capped at RM100,000 per individual shareholder. Any dividends received exceeding this threshold will be subject to income tax.

Registration Number :
198101002254 (68367-W)

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Trade payables				
Trade payables	-	4,970	-	-
Retention sums	-	64,454	-	-
	<u>-</u>	<u>69,424</u>	<u>-</u>	<u>-</u>
Other payables				
Other payables	2,064,945	1,976,096	153,000	-
Deposits	317,568	296,418	-	-
Accruals	276,820	381,246	138,928	153,493
	<u>2,659,333</u>	<u>2,653,760</u>	<u>291,928</u>	<u>153,493</u>
	<u>2,659,333</u>	<u>2,723,184</u>	<u>291,928</u>	<u>153,493</u>
Non-current				
Other payables				
Amount owing to directors	2,656,500	2,537,100	-	-
	<u>2,656,500</u>	<u>2,537,100</u>	<u>-</u>	<u>-</u>
Total trade and other payables	<u>5,315,833</u>	<u>5,260,284</u>	<u>291,928</u>	<u>153,493</u>

Registration Number :
198101002254 (68367-W)

16. TRADE AND OTHER PAYABLES (continued)

Trade payables

The normal trade credit terms granted to the Group ranging from 30 to 120 days (2024 : 30 to 120 days).

Other payables

Current portion

The amount owing to other payables is unsecured, interest free and repayment on demand.

Non-current portion

The amount owing to directors is unsecured and interest free with no fixed term of repayment. The directors have agreed that the subsidiary companies will only repay the advances when the subsidiary companies have surplus cash.

Registration Number :
198101002254 (68367-W)

17. LOANS AND BORROWINGS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Term loans - secured	831,799	798,138	-	-
Bank overdraft - secured	205,957	-	-	-
Lease liabilities	179,867	180,306	141,329	143,596
	<u>1,217,623</u>	<u>978,444</u>	<u>141,329</u>	<u>143,596</u>
	-			
Non-current				
Term loans - secured	14,525,295	14,372,260	-	-
Lease liabilities	161,136	330,001	120,430	250,757
	<u>14,686,431</u>	<u>14,702,261</u>	<u>120,430</u>	<u>250,757</u>
Total loan and borrowings	<u><u>15,904,054</u></u>	<u><u>15,680,705</u></u>	<u><u>261,759</u></u>	<u><u>394,353</u></u>

Term loans - secured

The term loans are repayable as follow:-

	Group	
	2025 RM	2024 RM
On demand and within one financial year	<u>831,799</u>	<u>798,138</u>
Later than one financial year but not later than two financial years	1,389,076	1,379,972
Later than two financial years but not later than five financial years	2,577,474	2,463,105
Later than five financial years	<u>10,558,745</u>	<u>10,529,183</u>
	<u>14,525,295</u>	<u>14,372,260</u>
	<u><u>15,357,094</u></u>	<u><u>15,170,398</u></u>

Registration Number :
198101002254 (68367-W)

17. LOANS AND BORROWINGS (continued)

Term loans - secured

Term loans of subsidiary companies are secured by way of legal charges over certain freehold land, freehold buildings and long term leasehold buildings of the subsidiary companies and are also jointly and severally guaranteed by all the directors of the said subsidiary companies.

The term loans bear interest at rates ranging from 4.38% to 6.65% (2024 : 4.20% to 6.46%) per annum and are repayable by fixed monthly instalments of 60, 120 and 240 monthly instalments respectively.

Bank overdraft - secured

Bank overdraft of subsidiary company is secured by a first legal charge over certain freehold land and buildings of the subsidiary company and is also jointly and severally guaranteed by all the directors of the said subsidiary company and corporate guarantee by the Company.

The bank overdraft bear interest at rate 7.22% (2024 : N/A) per annum.

Lease liabilities

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Minimum lease payments				
On demand and within one financial year	191,959	189,144	150,415	147,600
Later than one financial year but not later than two financial years	164,531	189,144	122,987	147,600
Later than two but not later than five financial years	256	167,602	-	125,802
	164,787	356,746	122,987	273,402
	356,746	545,890	273,402	421,002
Less: Amount representing finance charges	(15,743)	(35,583)	(11,643)	(26,649)
Present value of minimum lease payment	341,003	510,307	261,759	394,353

Registration Number :
198101002254 (68367-W)

17. LOANS AND BORROWINGS (continued)

Lease liabilities (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Represented by:-				
Current				
Payable within one financial year	179,867	180,306	141,329	143,596
	<hr/>	<hr/>	<hr/>	<hr/>
Non-current				
Later than one financial year but not later than two financial years	161,136	178,306	120,430	141,596
Later than two but not later than five financial years	-	151,695	-	109,161
	<hr/>	<hr/>	<hr/>	<hr/>
	161,136	330,001	120,430	250,757
	<hr/>	<hr/>	<hr/>	<hr/>
	341,003	510,307	261,759	394,353
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The effective interest rates implicit in the leases range from 2.37% to 2.60% (2024 : 2.37% to 2.60%) per annum. Interest rates are fixed at inception of the lease arrangements.

The lease liabilities are effectively secured on the rights of the assets under the leases.

Registration Number :
198101002254 (68367-W)

18. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income from sales of goods	-	205,959	-	-
Rental income	2,324,827	2,322,123	-	-
Dividend income	34,575	36,580	1,565,824	1,034,079
Management and secretarial fees	-	-	624,000	600,000
Insurance commission	22,911	26,968	-	-
	<u>2,382,313</u>	<u>2,591,630</u>	<u>2,189,824</u>	<u>1,634,079</u>

19. COST OF SALES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cost of goods sold	-	228,962	-	-
Direct rental operating expenses	937,356	958,163	-	-
	<u>937,356</u>	<u>1,187,125</u>	<u>-</u>	<u>-</u>

Registration Number :
198101002254 (68367-W)

20. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax has been arrived at:-				
After charging : -				
Auditors' remuneration				
- statutory audit	45,700	53,900	14,500	19,000
- non-statutory audit	4,500	-	4,500	-
Bad debts written off	-	4,842,488	-	-
Loss on fair value adjustments on other investments	155,935	164,667	155,935	164,667
Depreciation of property, plant and equipment	52,665	71,658	2,578	2,496
Depreciation of investment properties	455,624	455,067	-	-
Impairment loss on investment in subsidiary companies	-	-	-	166,500
Depreciation of right-of-use assets	340,586	340,586	267,073	267,072
Interest expense	732,748	763,630	15,007	20,804
Rental of premises	-	30,000	-	-
Management fees from subsidiaries company	-	-	624,000	600,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Registration Number :
198101002254 (68367-W)

20. (LOSS)/PROFIT BEFORE TAX (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:-				
Staff costs				
- salaries, allowance and bonus	865,929	999,273	220,037	264,420
- staff welfare	26,679	10,627	20,746	5,214
- Employees' Provident Fund	107,766	121,785	26,552	31,980
- Social security contribution	11,956	13,336	1,979	2,185
- Employment Insurance System contribution	1,176	1,336	226	249
Directors' remuneration				
- salaries and other emoluments	1,408,825	1,570,075	885,465	885,465
- Employees' Provident Fund	102,801	166,363	63,940	106,393
- Social security contribution	7,261	6,584	3,333	2,965
- Employment Insurance System contribution	405	375	262	250

Registration Number :
198101002254 (68367-W)

20. (LOSS)/PROFIT BEFORE TAX (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
And crediting:-				
Gain on disposal of property, plant and equipment	-	68,030	-	-
Gain on disposal of other investments	14,285	43,265	14,285	43,265
Income from digital grant for Micro, Small and Medium Enterprise	-	6,480	-	-
Income from hire of plant and machinery	-	9,000	-	-
Interest income	41,834	367,438	40,581	106,934
Rental deposits forfeited	50,000	-	-	-
Estimated monetary value of benefit-in-kind received by directors	107,191	103,825	87,444	85,200

21. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax				
- provision for the financial year	(170,000)	(146,600)	-	-
- (under)/overprovision in previous financial years	(919)	52	-	-
Share of tax of associate companies	(1,777)	(2,153)	-	-
Tax expense for the financial year	(172,696)	(148,701)	-	-

The Company is subject to income tax at the rate of 24% (2024 : 24%) on chargeable income for a year of assessment.

Registration Number :
198101002254 (68367-W)

21. TAX EXPENSE (continued)

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	(3,053,252)	(6,856,181)	359,929	(344,455)
Share of results of associate companies	7,525	245,179	-	-
	<u>(3,045,727)</u>	<u>(6,611,002)</u>	<u>359,929</u>	<u>(344,455)</u>
Tax at the applicable tax rate of 24% (2024 : 24%)	732,780	1,645,483	(86,383)	82,669
Tax effects arising from:				
- non-taxable income	-	-	375,798	638,216
- non-deductible expenses	(279,271)	(1,253,187)	(112,115)	(720,885)
- over/(under)provision of income tax in previous financial year	(919)	52	-	-
- utilisation of of deferred tax assets previously not recognised	4,608	9,816	-	-
- deferred tax assets not recognised	(628,117)	(548,712)	(177,300)	-
	<u>(170,919)</u>	<u>(146,548)</u>	<u>-</u>	<u>-</u>
Share of tax of associate companies	(1,777)	(2,153)	-	-
Tax expense for the financial year	<u>(172,696)</u>	<u>(148,701)</u>	<u>-</u>	<u>-</u>

Registration Number :
198101002254 (68367-W)

21. TAX EXPENSE (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Tax benefits carried forward for the set off of future taxable income :				
(Taxable)/deductible temporary differences	(7,400)	(7,400)	-	-
Capital allowance in excess of depreciation property, plant and equipment	(1,402)	(117,660)	-	-
Unutilised tax losses	11,356,000	21,039,000	9,556,000	8,817,800
Unabsorbed capital allowance	110,000	700,900	534,000	534,500
	<u>11,356,000</u>	<u>21,039,000</u>	<u>9,556,000</u>	<u>8,817,800</u>

Certain deferred tax assets of the Group and of the Company of RM2,725,400 (2024 : RM5,187,500) and RM2,293,500 (2024 : RM2,244,500) respectively have not been recognised as the Group and the Company are not certain that the Group and the Company will have taxable profit to offset them in the long term.

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

	Group RM	Company RM	Utilised up to
YA 2018 and before	2,817,400	5,537,000	YA 2028
YA 2019	-	1,021,500	YA 2029
YA 2020	-	-	YA 2030
YA 2021	1,202,300	-	YA 2031
YA 2022	2,284,600	1,352,000	YA 2032
YA 2023	2,595,100	417,200	YA 2033
YA 2024	711,100	490,100	YA 2034
YA 2025	1,745,500	738,200	YA 2035
	<u>11,356,000</u>	<u>9,556,000</u>	

The deductible temporary difference in relation to unabsorbed capital allowances does not have any expiry date.

Registration Number :
198101002254 (68367-W)

22. DIVIDENDS

	Company	
	2025 RM	2024 RM
Single tier final dividend of 0.25 sen per ordinary share in respect of financial year ended 2024	317,905	-
Single tier final dividend of 0.25 sen per ordinary share in respect of financial year ended 2023	-	317,905
	<u>317,905</u>	<u>317,905</u>

23. CONTINGENT LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unsecured				
Corporate guarantees given to financial institution for credit facilities granted to subsidiary companies	-	-	27,504,070	26,104,070
	<u>-</u>	<u>-</u>	<u>27,504,070</u>	<u>26,104,070</u>

The Company has assessed the corporate guarantee and concluded that the guarantee is more likely not be called upon by the banks and accordingly not recognised as financial liability as at 31 December 2025 and 31 December 2024.

Registration Number :
198101002254 (68367-W)

24. RELATED PARTIES

Identity of related parties

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

Related parties of the Group or the Company include companies in which certain directors have substantial financial interests, key management personnel and persons connected to key management personnel.

Significant related parties transactions

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Transactions with subsidiary companies				
Management fee income	-	-	624,000	600,000
Dividend income	-	-	1,496,249	997,499
Transactions with associate companies				
Dividend income	-	-	35,000	-

The directors are of the opinion that the above transactions have been entered into in the ordinary course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

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 total compensation of directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total key management personnel compensation	1,626,483	1,847,222	1,040,444	1,080,273

Registration Number :
198101002254 (68367-W)

25. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

- (a) On 21 May 2025, a single tier final dividend of 0.25 sen per ordinary share amounting to RM317,905 in respect of the financial year ended 31 December 2024 was approved by the Annual General Meeting and paid by the Company on 31 July 2025.
- (b) A winding-up petition was filed against the Company's associate, Central Switchgear Industries Sdn. Bhd. Subsequently, on 17 November 2025, the Court appointed a liquidator to wind up the associate. As at the date of approval of these financial statements, the outcome and financial impact arising from the winding-up remain uncertain. Based on the information currently available, the directors are of the opinion that any resulting impact on the Company is not expected to be material. Accordingly, no adjustment has been made to these financial statements for the financial year ended 31 December 2025.
- (c) On 8 January 2026, the Company acquired 2 ordinary shares in City Parade Sdn. Bhd., (a company incorporated in Malaysia) representing 0.0002% equity interest in City Parade Sdn. Bhd. for a total consideration of RM2. Upon the completion of the aforesaid acquisition on 26 February 2026, the Company's total shareholding in City Parade Sdn. Bhd. increased to 700,000 ordinary shares, equivalent to 70% equity interest in City Parade Sdn. Bhd.
- (d) On 8 January 2026, the Company acquired 2 ordinary shares in Central Malaya Construction Company Sdn. Bhd., (a company incorporated in Malaysia) representing 0.00002% equity interest in Central Malaya Construction Company Sdn. Bhd. for a total consideration of RM2. Upon the completion of the aforesaid acquisition, the Company's total shareholding in Central Malaya Construction Company Sdn. Bhd. increased to 6,352,500 ordinary shares, equivalent to 70% equity interest in Central Malaya Construction Company Sdn. Bhd.
- (e) On 8 January 2026, the Company acquired 2 ordinary shares in Sri Lemak Sdn. Bhd., (a company incorporated in Malaysia) representing 0.0001% equity interest in Sri Lemak Sdn. Bhd. for a total consideration of RM2. Upon the completion of the aforesaid acquisition, the Company's total shareholding in Sri Lemak Sdn. Bhd. increased to 1,491,002 ordinary shares equivalent to 70% equity interest in Sri Lemak Sdn. Bhd.
- (f) On 8 January 2026, the Company acquired 2 ordinary shares in Mepro Resources Sdn. Bhd., (a company incorporated in Malaysia) representing 0.0001% equity interest in Mepro Resources Sdn. Bhd. for a total consideration of RM2. Upon the completion of the aforesaid acquisition on 26 February 2026, the Company's total shareholding in Mepro Resources Sdn. Bhd. increased to 2,850,000 ordinary shares, equivalent to 95% equity interest in Mepro Resources Sdn. Bhd.

Registration Number :
198101002254 (68367-W)

25. SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

- (g) On 6 February 2026, the Company disposed of 849,998 ordinary shares in the Central Switchgear Sdn. Berhad, representing 85% of the total issued paid up share capital in Central Switchgear Sdn. Berhad for a total consideration of RM153,000. Upon the completion of the aforesaid disposal on 5 March 2026, Central Switchgear Sdn. Berhad ceased as subsidiary company of the Company.

- (h) On 7 May 2026, a single tier final dividend of 0.25 sen per ordinary share amounting to RM317,905 in respect of the financial year ended 31 December 2025 was recommended by the Board of Directors of the Company, subject to shareholders' approval at the forthcoming Forty-Second Annual General Meeting to be held on 30 June 2026.

Registration Number :
198101002254 (68367-W)

26. FINANCIAL INSTRUMENTS

Classification of Financial Instruments

The accounting policies in Note 2.3(h) describe how the categories of financial instruments are measured.

The table below reflects the financial assets and liabilities in the statements of financial position by the categories of financial instruments :

- (i) Financial assets measured at amortised costs ("FAAC"); and
- (ii) Financial liabilities measured at amortised costs ("FLAC")
- (iii) Financial assets measured at fair value through profit or loss ("FVTPL")

104

	Group			Company		
	Carrying amount RM	FAAC/ (FLAC) RM	FVTPL RM	Carrying amount RM	FAAC/ (FLAC) RM	FVTPL RM
2025						
Financial assets						
Other investments	1,005,109	-	1,005,109	1,005,109	-	1,005,109
Trade and other receivables	1,908,578	1,908,578	-	300	300	-
Amount owing by subsidiary companies	-	-	-	14,338,800	14,338,800	-
Fixed deposits with licensed banks	52,715	52,715	-	-	-	-
Cash and bank balances	373,532	373,532	-	32,156	32,156	-
	<u>3,339,934</u>	<u>2,334,825</u>	<u>1,005,109</u>	<u>15,376,365</u>	<u>14,371,256</u>	<u>1,005,109</u>
Financial liabilities						
Loan and borrowings	(15,904,054)	(15,904,054)	-	(261,759)	(261,759)	-
Trade and other payables	(5,315,833)	(5,315,833)	-	(291,928)	(291,928)	-
Amount owing to subsidiary companies	-	-	-	(8,002,000)	(8,002,000)	-
	<u>(21,219,887)</u>	<u>(21,219,887)</u>	<u>-</u>	<u>(8,555,687)</u>	<u>(8,555,687)</u>	<u>-</u>

Registration Number :
198101002254 (68367-W)

26. FINANCIAL INSTRUMENTS (continued)

	Group			Company		
	Carrying amount RM	FAAC/ (FLAC) RM	FVTPL RM	Carrying amount RM	FAAC/ (FLAC) RM	FVTPL RM
2024						
Financial assets						
Other investments	740,022	-	740,022	740,022	-	740,022
Trade and other receivables	1,686,725	1,686,725	-	7,480	7,480	-
Amount owing by subsidiary companies	-	-	-	12,778,400	12,778,400	-
Fixed deposits with licensed banks	2,940,993	2,940,993	-	2,889,531	2,889,531	-
Cash and bank balances	294,351	294,351	-	26,468	26,468	-
	<u>5,662,091</u>	<u>4,922,069</u>	<u>740,022</u>	<u>16,441,901</u>	<u>15,701,879</u>	<u>740,022</u>
Financial liabilities						
Loan and borrowings	(15,680,705)	(15,680,705)	-	(394,353)	(394,353)	-
Trade and other payables	(5,260,284)	(5,260,284)	-	(153,493)	(153,493)	-
Amount owing to subsidiary companies	-	-	-	(9,383,200)	(9,383,200)	-
	<u>(20,940,989)</u>	<u>(20,940,989)</u>	<u>-</u>	<u>(9,931,046)</u>	<u>(9,931,046)</u>	<u>-</u>

Registration Number :
198101002254 (68367-W)

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of Financial Instruments

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	<u>Note</u>
Amounts owing by/to subsidiary companies	10
Trade and other receivables (current)	12
Trade and other payables (current)	16
Loans and borrowings	17

The carrying amounts of current portion of trade and other receivables, amount owing by/to subsidiary companies and trade and other payables are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of non-current portion of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowings or lease arrangements at the reporting date.

As the financial assets and liabilities of the Group and the Company are not carried at fair value by any valuation method, therefore fair value hierarchy analysis is not presented.

Registration Number :
198101002254 (68367-W)

28. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Group and the Company are exposed to credit, liquidity, foreign currency, market and interest rate risks that arise in the ordinary course of business. The Group's and the Company's overall financial risks management objectives are to ensure that the Group and the Company create and optimise value for its shareholders and to minimise any potential adverse effects on the financial performance and position based on its prevailing capability and capacity. The general risk management philosophy, policies, and the overall business strategies are reviewed annually by the Board of Directors to ensure that the Group's and the Company's policy guidelines adhered to.

(i) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises principally from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The details of the security and other credit enhancements for the above financial assets as disclosed in Note 13.

The management has a credit policy in place to monitor and minimise the exposure of default. The Group and the Company trade only with recognised and credit worthy third parties. Trade receivables are monitored on an ongoing basis.

Fixed deposits with licensed bank are neither past due nor impaired are placed with banks with high credit ratings and no history of default.

As at reporting date, there were no significant concentrations of credit risk in the Group and the Company. The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial instrument.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 12. Deposits with banks that are neither past due nor impaired are placed with reputable financial institutions with no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are past due or impaired is disclosed in Note 12 to the financial statements.

Registration Number :
198101002254 (68367-W)

28. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

(ii) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Registration Number :
198101002254 (68367-W)

28. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

(ii) Liquidity Risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual undiscounted cash flow RM	On demand or within one financial year RM	One to two financial years RM	Two to five financial years RM	Over five financial years RM
2025						
Group						
Financial liabilities						
Trade and other payables	5,315,833	5,315,833	2,659,333	2,656,500	-	-
Term loans	15,357,094	18,178,439	1,535,548	2,108,386	3,455,240	11,079,265
Lease liabilities	341,003	356,746	191,959	163,693	1,094	-
Bank overdraft	205,957	205,957	-	-	-	-
Total undiscounted financial liabilities	<u>21,219,887</u>	<u>24,056,975</u>	<u>4,386,840</u>	<u>4,928,579</u>	<u>3,456,334</u>	<u>11,079,265</u>

Registration Number :
198101002254 (68367-W)

28. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

(ii) Liquidity Risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual undiscounted cash flow RM	On demand or within one financial year RM	One to two financial years RM	Two to five financial years RM	Over five financial years RM
2025						
Company						
Financial liabilities						
Trade and other payables	291,928	291,928	291,928	-	-	-
Amount owing to subsidiary companies	8,002,000	8,002,000	-	8,002,000	-	-
Lease liabilities	261,759	273,402	150,415	122,987	-	-
Total undiscounted financial liabilities	<u>8,555,687</u>	<u>8,567,330</u>	<u>442,343</u>	<u>8,124,987</u>	<u>-</u>	<u>-</u>

Registration Number :
198101002254 (68367-W)

28. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

(ii) Liquidity Risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual undiscounted cash flow RM	On demand or within one financial year RM	One to two financial years RM	Two to five financial years RM	Over five financial years RM
2024						
Group						
Financial liabilities						
Trade and other payables	5,260,284	5,260,284	2,723,184	2,537,100	-	-
Term loans	15,170,398	17,983,229	1,528,948	2,122,497	3,353,896	10,977,888
Lease liabilities	510,307	545,890	189,144	189,144	167,602	-
Total undiscounted financial liabilities	<u>20,940,989</u>	<u>23,789,403</u>	<u>4,441,276</u>	<u>4,848,741</u>	<u>3,521,498</u>	<u>10,977,888</u>

Registration Number :
198101002254 (68367-W)

28. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

(ii) Liquidity Risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual undiscounted cash flow RM	On demand or within one financial year RM	One to two financial years RM	Two to five financial years RM	Over five financial years RM
2024						
Company						
Financial liabilities						
Trade and other payables	153,493	153,493	153,493	-	-	-
Amount owing to subsidiary companies	9,383,200	9,383,200	-	9,383,200	-	-
Lease liabilities	394,353	421,002	147,600	147,600	125,802	-
Total undiscounted financial liabilities	<u>9,931,046</u>	<u>9,957,695</u>	<u>301,093</u>	<u>9,530,800</u>	<u>125,802</u>	<u>-</u>

Registration Number :
198101002254 (68367-W)

28. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

(iii) Foreign Currency Risk

The Group incurs foreign currency risk on transactions that are denominated in a currency other than Ringgit Malaysia. Exposures to foreign currency risk are monitored on an ongoing basis.

(iv) Market Risk

The principal exposure to market risk arises mainly from the changes in equity prices of quoted investments in which will affect the Group's and the Company's financial position or cash flows.

(v) Interest Rate Risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group and the Company manage the net exposure to interest rate risks by maintaining sufficient lines of credits to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transaction since it considers that the cost of such instruments outweigh the potential risk of interest rate fluctuation.

The information on maturity dates and effective interest rate of financial assets and liabilities are disclosed in their respective notes.

Registration Number :
198101002254 (68367-W)

29. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies and processes during the financial year ended 31 December 2025 and 31 December 2024.

The directors monitor and determine to maintain an optimal debt-to-equity ratio.

The debt-to-equity ratio as at 31 December 2025 and 31 December 2024 were as follows:

	Group	
	2025	2024
	RM	RM
Total liabilities exclude deferred tax liabilities	21,219,887	20,940,989
Equity attributable to owners of the Company	25,550,314	28,508,898
Debt to equity ratio	<u>0.83</u>	<u>0.73</u>

The Group and the subsidiary companies are not subject to any externally imposed capital requirements.

30. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 May 2026.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MEPRO HOLDINGS BERHAD

Registration Number : 198101002254 (68367-W)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MEPRO 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 a summary of material accounting policies, as set out on pages 12 to 114.

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, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MEPRO HOLDINGS BERHAD

Registration Number : 198101002254 (68367-W) (continued)
(Incorporated in Malaysia)

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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MEPRO HOLDINGS BERHAD

Registration Number : 198101002254 (68367-W) (continued)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

NG & PARTNERS (AF 0091)

CHARTERED ACCOUNTANTS AKAUNTAN BERTAULIAH

ROOM 402, BANGUNAN LOKE YEW (4TH FLOOR),
NO. 4, JALAN MAHKAMAH PERSEKUTUAN,
50050 KUALA LUMPUR, MALAYSIA.

TEL : 03-26925477, 26925906, 26925607
FAX : 03-26912681
EMAIL : admin@ngpartners.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MEPRO HOLDINGS BERHAD

Registration Number : 198101002254 (68367-W) (continued)
(Incorporated in Malaysia)

- 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 the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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.



NG & PARTNERS
Firm Number : AF 0091
CHARTERED ACCOUNTANTS



TAN CHIL KIN
Approval Number : 02026/07/2026 J
CHARTERED ACCOUNTANT

Kuala Lumpur

Dated : 18 May 2026