FRONTKEN

Frontken Corporation Berhad
200401012517 (651020-T)

ANNUAL REPORT 2025





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CORPORATE INFORMATION



NG WAI PIN
Chairman / Chief Executive Officer

DR TAY KIANG MENG
Executive Director / Chief Scientist / Chief Sustainability Officer

NG CHEE WHYE
Independent Non-Executive Director

GERALD CHIU YOONG CHIAN
Non-Independent Non-Executive Director

KOH HUEY MIN
Independent Non-Executive Director

RAJA JASTINA ADLINA BINTI RAJA ARSHAD
Independent Non-Executive Director

AUDIT COMMITTEE

Ng Chee Whye *(Chairman)*
Koh Huey Min
Raja Jastina Adlina Binti Raja Arshad

NOMINATION COMMITTEE

Raja Jastina Adlina Binti Raja Arshad *(Chairman)*
Ng Chee Whye
Gerald Chiu Yoong Chian
Koh Huey Min

REMUNERATION COMMITTEE

Ng Chee Whye *(Chairman)*
Koh Huey Min
Raja Jastina Adlina Binti Raja Arshad

COMPANY SECRETARY

Mah Li Chen
MAICSA 7022751
PC No. 202008002006

REGISTERED OFFICE

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HEAD OFFICE

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Email: ir@frontken.com
Website: www.frontken.com

INVESTOR RELATIONS

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Email: ir@frontken.com

SHARE REGISTRAR

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Tel: (03) 2783 9299
Email: is.enquiry@vistra.com

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: (03) 2788 9999
Fax: (03) 2788 9998

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: FRONTKN
Stock Code: 0128
Reuters Code: FRKN.KL
Bloomberg Code: FRCB MK

GROUP CORPORATE STRUCTURE
AS AT 24 MARCH 2026



OUR VISION, MISSION AND PROFILE

OUR PROFILE

Frontken Corporation Berhad, listed on the Main Market of Bursa Malaysia Securities Berhad, has since its inception in 1996, established itself as a world leading service provider of advanced precision cleaning and surface treatment for semiconductor process chamber parts and repair and maintenance services for the oil and gas industry.

The Group uses cutting edge technology including advanced precision cleaning, advanced surface treatment and specialty spray coating to extend the lifespan of the high precision tools/equipment used in the fabrication of wafers, while significantly improving its customer's process efficiency, operating and maintenance costs.

The Group's continuous focus on research and development helped to improve our customers' process tool part optimisation. As a result, we were able to constantly exceed customers expectation by re-designing some of the tools to further increase the parts' shelf life and at the same time reducing impact on the environment.

The Group's customer portfolio comprises key players in the semiconductor, optoelectronics, oil and gas and petrochemical industries around the world.

To date, the Group has facilities in Singapore, Malaysia, Taiwan, and the Philippines, with 1430 employees.

OUR VISION

To be the leading service provider in the industry we serve.

OUR MISSION

To serve our customers with complete satisfaction which includes not only the most competitive price and fastest delivery time but also the highest technical performance and reliability for all our services and products.

OUR SERVICES

Semiconductor

Advanced Precision Cleaning

Advanced Precision cleaning and surface treatment of vacuum processes equipment parts in the semiconductors and TFT industries.

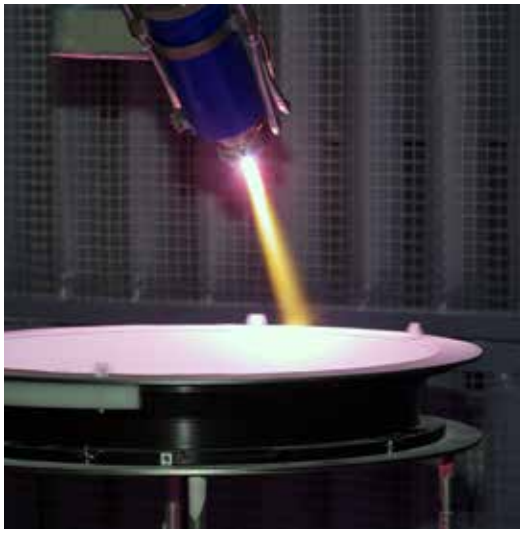
Decontamination of newly manufactured parts and routine maintenance. Kit management of semiconductor manufacturing components.



Advanced Surface Treatment & Specialty Coating

Advanced Surface treatment services include thermal spray coatings, arc spray coatings, precision anodisation and precision texturing and polishing.

Protection, lifetime extension, performance and efficiency improvements via advance surface treatment technology such as cold build up treatment, plating, plating & conversion coating, and specialised plasma transferred arc welding.



Engineering

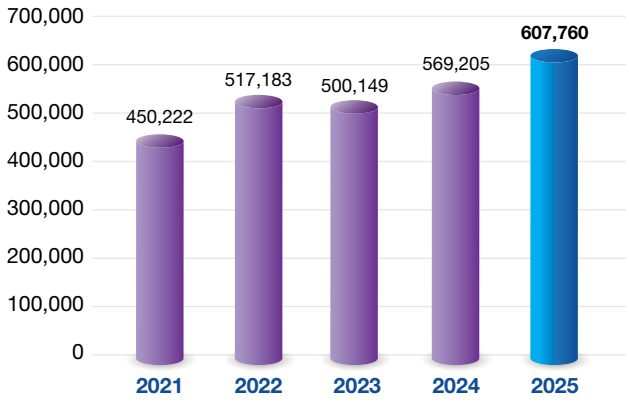
Rotating Equipment

Equipment maintenance and overhaul, mechanical fitting & assembly, dynamic balancing, heat treatment, on site machining, metal stitching, and laser alignment.

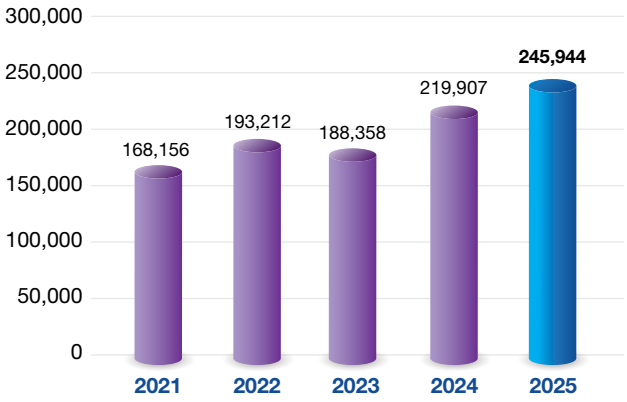


FINANCIAL HIGHLIGHTS

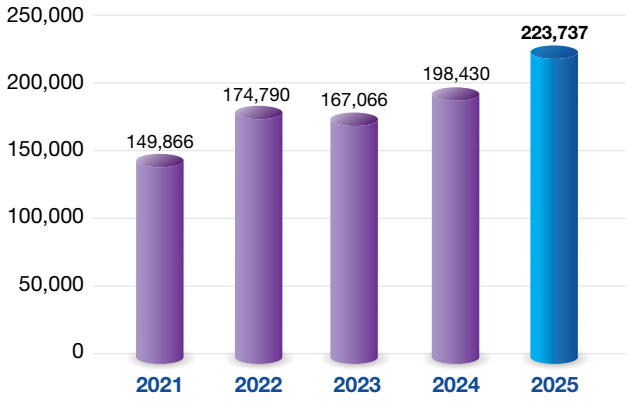
REVENUE (RM'000)



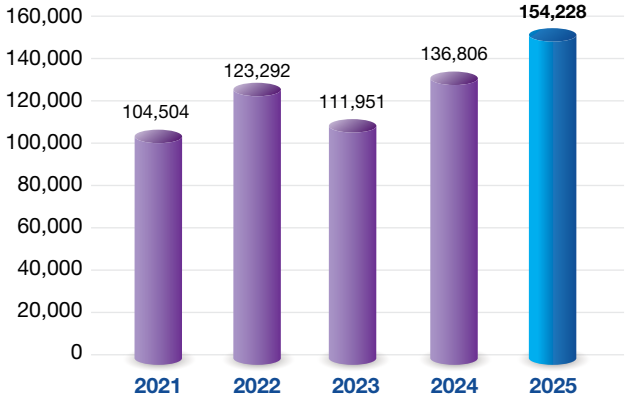
Earning before interest, tax, depreciation and amortisation (RM'000)



Profit before tax (RM'000)



Net profit (RM'000)



	2021	2022	2023	2024	2025
SEGMENTAL REVENUE – BY LOCATION (RM'000)					
Taiwan	310,419	347,368	327,758	383,372	449,064
Malaysia	63,856	88,848	93,133	102,456	87,832
Singapore	60,000	66,509	64,064	65,935	53,875
Others	15,947	14,458	15,194	17,442	16,989
	450,222	517,183	500,149	569,205	607,760
SEGMENTAL REVENUE – BY INDUSTRY (RM'000)					
Semiconductor	378,685	413,322	383,174	437,213	500,534
Oil & Gas	50,419	82,500	97,459	106,319	83,960
General*	21,118	21,361	19,516	25,673	23,266
	450,222	517,183	500,149	569,205	607,760

* Comprises power generation, marine, steel, cement, wood processing, pulp & paper, printing, agriculture, industrial manufacturing, food, construction and other sectors.

FINANCIAL HIGHLIGHTS (CONT'D)

	2021	2022	2023	2024	2025
SUMMARISED GROUP FINANCIAL POSITION AS AT 31 DECEMBER (RM'000)					
Non-Current Assets	257,937	300,195	307,538	293,582	306,784
Current Assets	460,699	505,626	577,887	694,961	994,880
Total Assets	718,636	805,821	885,425	988,543	1,301,664
Share Capital	118,441	118,441	118,441	155,607	449,666
Treasury shares	(4,747)	(4,747)	(3,739)	(3,739)	(9,661)
Share application money	-	-	-	16,108	-
Reserves	387,162	434,775	526,465	552,588	596,075
Shareholders' Equity	500,856	548,469	641,167	720,564	1,036,080
Non-Controlling Interests	34,225	39,454	46,735	52,343	53,907
Total Equity	535,081	587,923	687,902	772,907	1,089,987
Non-Current Liabilities	22,295	31,999	31,109	27,829	27,770
Current Liabilities	161,260	185,899	166,414	187,807	183,907
Total Liabilities	183,555	217,898	197,523	215,636	211,677
Total Equity and Liabilities	718,636	805,821	885,425	988,543	1,301,664

	2021	2022	2023	2024	2025
SUMMARISED GROUP CASH FLOWS YEAR ENDED 31 DECEMBER (RM'000)					
Net Cash Flows From Operating Activities	138,773	142,868	143,999	166,626	202,909
Net Cash Flows For Investing Activities^	(129,618)	(16,030)	(29,617)	(21,260)	(300,147)
Net Cash Flows (For)/From Financing Activities	(61,084)	(50,629)	(71,801)	(19,974)	200,749
Net Increase/(Decrease) in Cash and Cash Equivalents^	(51,929)	76,209	42,581	125,392	103,511
Effect of exchange differences ^	11,082	(8,471)	13,440	(30,660)	(38,418)
Cash and Cash Equivalents at Beginning of Year^	291,468	250,621	318,359	374,380	469,112
Cash and Cash Equivalents at End of Year^	250,621	318,359	374,380	469,112	534,205

^ The comparative figures have been reclassified to conform with the presentation of current financial year.

	2021	2022	2023	2024	2025
FINANCIAL ANALYSIS					
Turnover growth	22.2%	14.9%	-3.3%	13.8%	6.8%
Profit Before Tax Growth	31.2%	16.6%	-4.4%	18.8%	12.8%
Net Profit Growth	27.5%	18.0%	-9.2%	22.2%	12.7%
Pre-tax Profit Margin	33.3%	33.8%	33.4%	34.9%	36.8%
Net Profit Margin	23.2%	23.8%	22.4%	24.0%	25.4%
Return on Average Shareholders' Equity	22.2%	23.5%	18.8%	20.1%	17.6%
Return on Average Total Assets	15.6%	16.2%	13.2%	14.6%	13.5%
Earnings Per Share (Sen)					
- Basic	6.7	7.8	7.1	8.7	9.7
- Diluted	# 6.7	# 7.8	# 7.1	8.6	9.6

The potential conversion of warrants is anti-dilutive as its exercise price is higher than the average market price of the Company's ordinary shares during the current financial period and hence, the diluted earnings per share is equal to the basic earnings per share.

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

Welcome to our Annual Report 2025.

On behalf of the Board of Directors, I present to you the Annual Report and Audited Financial Statements of the Frontken Group (the "Group") for the financial year 2025 ("FY2025"). As part of this Annual Report, we have also included the Management Discussion and Analysis to provide our shareholders with clearer insight into the Group's operations and performance.

I am pleased to report that for FY2025, the Group continued to deliver a resilient and commendable set of results despite a dynamic and evolving global landscape. Our focus on disciplined execution, operational efficiency and continuous improvement enabled us to achieve stable financial performance while strengthening our position across the industries we serve.



▲ 7%

REVENUE

RM607.8

million



▲ 13%

NET INCOME

RM154.2

million



CAPEX

RM42.7

million

MANAGEMENT DISCUSSION AND ANALYSIS

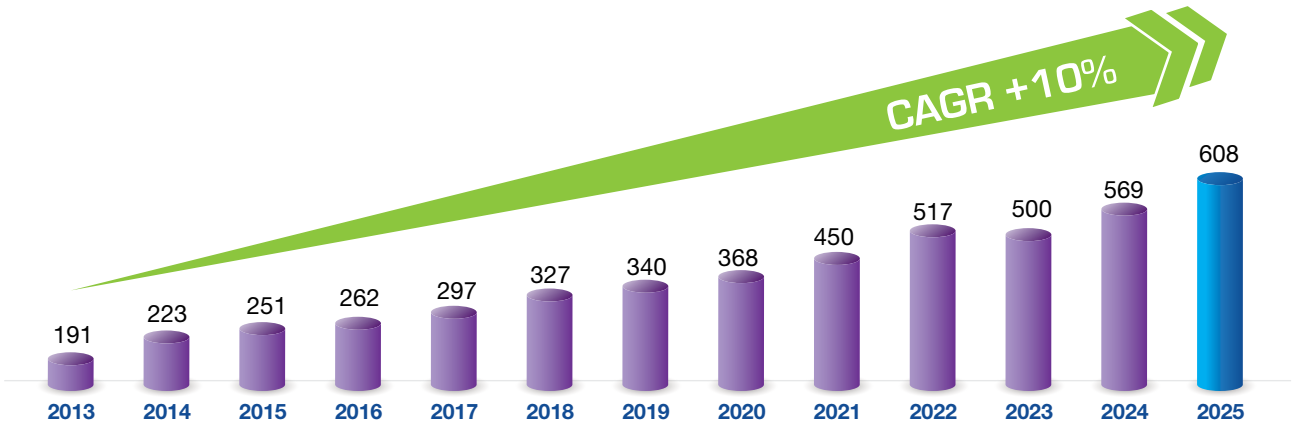
In FY2025, we recorded a revenue of RM607.8 million, representing a 7% increase from last year. Net income improved by 13% to RM154.2 million with profit margin expanding to 25%, an increase of 1.4 percentage points year-on-year. The improved performance was primarily attributable to higher volumes from our semiconductor customers, improved capacity utilisation across our facilities and a sustained focus on cost discipline and operational improvements.

In recognition of our performance and commitment to delivering value to shareholders, the Board declared a dividend of 2.0 sen per share for FY2025. The Board remains committed to maintaining a sustainable dividend policy while balancing the Group's reinvestment needs and long-term growth objectives.

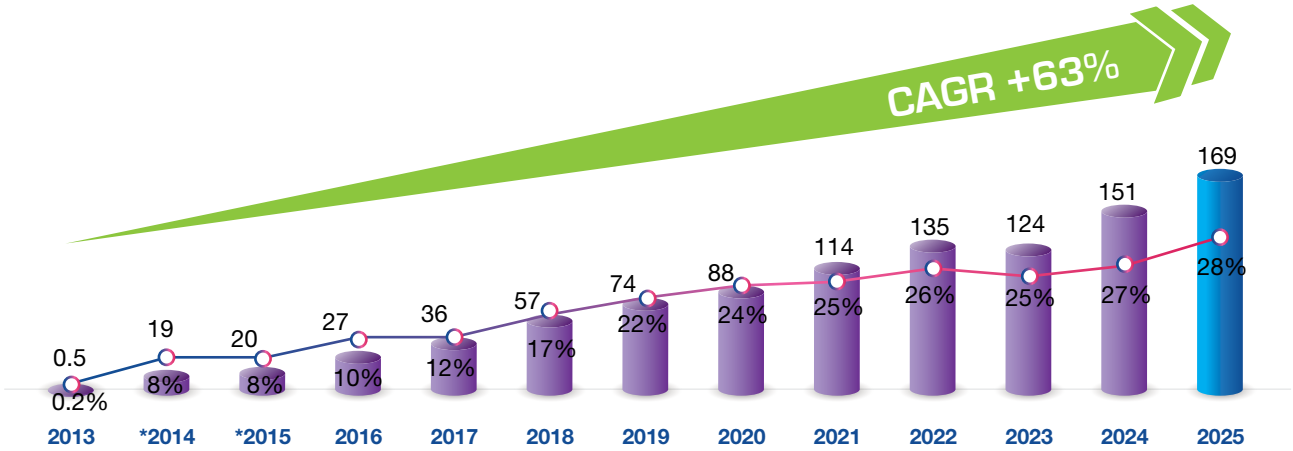
During the year, the Group generated positive cash flow of RM202.9 million from its operations. Capital expenditures ("CAPEX") for property, plant and equipment amounted to RM42.7 million were primarily for capacity expansion, efficiency improvements and growth-related investments to support anticipated future demand. Despite dividend distributions and CAPEX outflows, the Group's cash balance remained strong at RM833 million as at 31 December 2025, providing greater financial flexibility for ongoing operations and investment needs.

CHAIRMAN'S MESSAGE (CONT'D)

REVENUE FY2013 - FY2025 (RM, in million)



PAT FY2013 – FY2025 (RM, in million) and PAT margin

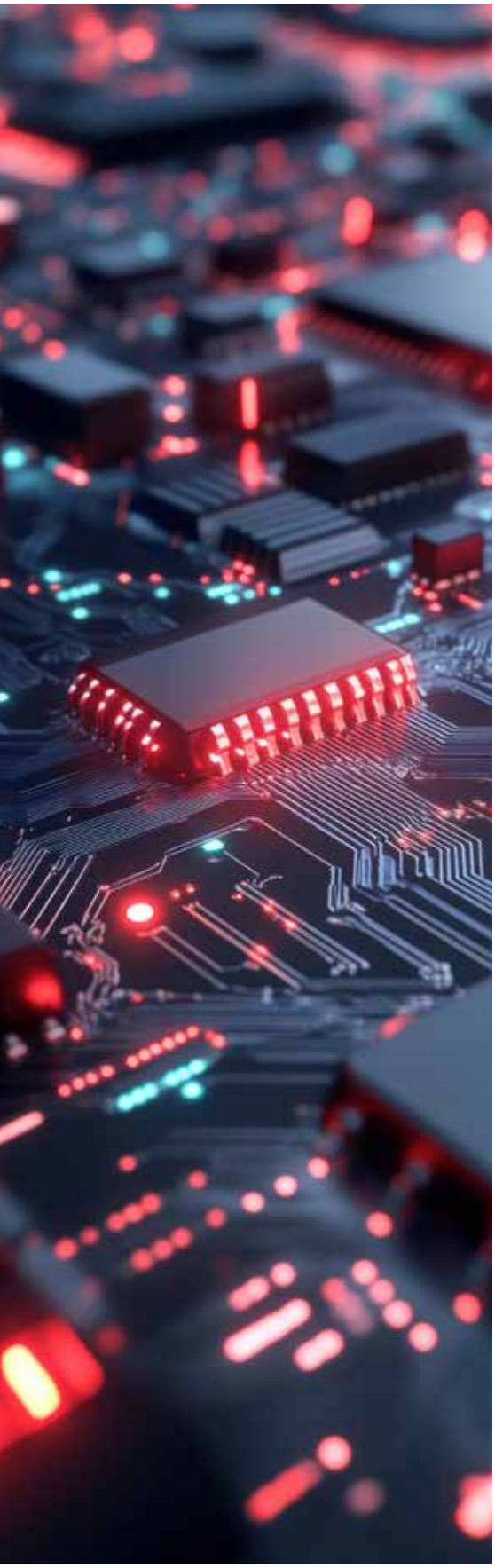


* *Note: Excluded the one-off ATB project for a like-for-like comparison.*

FY2025 marked another year of steady progress for the Group. The semiconductor segment remained a key earnings contributor. As semiconductor manufacturing processes advance toward lower technology nodes, demand for high-precision cleaning services continues to intensify. Customer production activity held steady throughout the year, supporting overall performance across our facilities. During the year, the Group expanded its capacity and refined operational processes to meet evolving customer requirements; reinforcing its position as a trusted long-term partner. Innovation and research and development ("R&D") remained central to our strategy with continued investment in automation, process improvements and new technologies to enhance productivity, quality and turnaround time. Sustainability initiatives were further enhanced in line with customers' growing emphasis on environmentally responsible manufacturing and services.

The engineering segment delivered a satisfactory overall performance. Although activity levels were below those of the prior year and fell short of initial expectations, the segment drew on its deep expertise in repair, maintenance and engineering services across the oil and gas, energy and general industries to remain profitable and competitive.

CHAIRMAN'S MESSAGE (CONT'D)



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") AND SUSTAINABILITY

Strong ESG practices are fundamental to sustainable growth and remain embedded in the Group's strategy and day-to-day operations. We recognise that our long-term success is linked to how responsibly we manage our environmental impact, support our people and uphold the highest standards of governance. Progress against our ESG commitments is monitored regularly by the Board and forms an integral part of our operational planning and reporting.

Environmental – Protecting the environment is a core responsibility particularly given the nature of our business. Chemicals, water and energy are fundamental resources to our processes and thus managing their consumption responsibly is an operational priority. We continued to implement programmes across all facilities to reduce our environmental footprint with progress measured against targets. Energy management remained a key focus. To that end, the Group invested in solar energy systems integrating approximately 6.2 million kWh of solar-generated electricity between 2018 and 2025. Water is an essential resource and given the volumes involved and the criticality of water to our operations, responsible water management has been a priority for the Group. Since 2018, the Group has implemented deionised-water ("DI-water") recycling system, resulting in cumulative savings of approximately 577,500 tonnes of recycled DI-water. The Group's operations generate a range of waste streams including chemicals and general industrial waste. Managing these responsibly through reduction, recovery and compliant disposal is an integral part of our environmental commitment. Since 2018, the Group has also achieved cumulative recycling of approximately 585,500 kilograms of waste through ongoing initiatives.

Social – Our people are the foundation of our business. The Group employs a skilled and diverse workforce across all our facilities and we are committed to providing a workplace where every individual is safe, valued and supported to grow. The safety of our workforce is non-negotiable. Our health and safety management system is built on proactive risk identification and regular training. Additionally, developing workforce capabilities is essential to maintaining the high technical standards expected by our customers. During the year, training programmes covered technical skills, safety procedures, leadership development and cross-functional competencies.

Beyond our operations, we recognise our responsibility to contribute positively to the communities around us. In FY2025, the Group continued its community engagement initiatives across all our facilities focusing on education support, environmental awareness and charitable works. These efforts reflect our ongoing commitment to fostering a culture of giving back across the Group.



Beach clean-up activities by employees

CHAIRMAN'S MESSAGE (CONT'D)

Governance – Good governance practices underpins everything the Group does. The Board remains steadfast in upholding robust corporate governance practices consistent with the Malaysian Code on Corporate Governance ("MCCG") and regularly reviews it to ensure alignment with evolving regulatory expectations and best practice standards. Transparency and accountability are central to our governance culture. The Group maintains clear policies including anti-bribery and corruption, conflicts of interest, whistleblowing and data privacy. Our Code of Business Conduct sets out the standards expected of all employees, directors and business partners and is reinforced through periodic training, management oversight and a confidential reporting mechanism available to all staff. The Group also continues to engage constructively with regulators, industry bodies and shareholders to foster transparency, build and support long-term sustainability.

For a more comprehensive overview of the Group's sustainability strategy, performance data and targets, please refer to the Sustainability Report on page 23 of this Annual Report. The full Sustainability Report along with related policies and governance documents are available on the Group's website at www.frontken.com.

AWARDS AND RECOGNITION

During the year, the Group received various awards and recognitions in acknowledgement of its operational excellence, performance and commitment to sustainability. These accolades reflect the continued dedication of our people and the trust placed in us by our customers and partners.



Forbes Asia Best Under A Billion Award 2025



Awarded by customer for Best Quality, Grade A Parts Cleaning Supplier

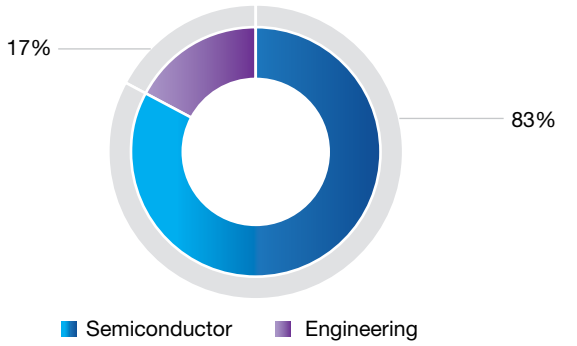


Awarded the Environmental Friendly Enterprise by Hsinchu County Environmental Protection Bureau, Taiwan

CHAIRMAN'S MESSAGE (CONT'D)

BUSINESS OVERVIEW

Revenue in (%) in FY2025



Semiconductor

The global semiconductor industry maintained its growth trajectory in 2025 with customers progressively increasing utilisation rates and investing in advanced manufacturing capabilities. According to the Semiconductor Industry Association, global semiconductor sales rose approximately 25.6% year-on-year to a record US$791.7 billion, driven by robust demand across artificial intelligence, high-performance computing, automotive electronics and data centre applications.

Against this backdrop, the Group's semiconductor segment delivered a solid performance driven by its advanced precision cleaning and refurbishment services. As wafer fabrication continues to advance toward smaller and more complex technology nodes, contamination tolerance has become increasingly stringent, increasing the importance of high-reliability surface treatment solutions for equipment uptime, yield optimisation and process stability. Our ability to meet these evolving requirements remains a core competitive strength.

With established operations in Malaysia, Singapore and Taiwan, the Group is well positioned to serve customers across key semiconductor manufacturing hubs. While we remain focused on deepening our presence in these core markets, selective opportunities beyond our current footprint will continue to be evaluated in line with our disciplined growth approach. The semiconductor segment will remain the Group's principal earnings driver, underpinned by the recurring nature of its services and the increasing technical complexity of semiconductor manufacturing.



Coating process being performed under controlled cleanroom environment



RFID scanning process for real-time parts monitoring

Ares Green Technology Corporation ("AGTC")

AGTC delivered another strong year in FY2025, with revenue growing 17% and operating profit rising 21% year-on-year. Performance was driven by higher volumes, improved capacity utilisation and stronger operating leverage resulting in margin expansion. Its results were partially offset by a one-off foreign exchange loss for a proposed transaction that did not happen as well as the appreciation of the Ringgit against the New Taiwan Dollar which resulted in a negative translation effects at Group level. Despite these currency headwinds, the underlying business remained solid. The improvement reflected increased activity from key customers in advanced manufacturing technologies. During the year, AGTC worked closely with customers across the R&D and production ramp-up cycles, delivering tailored technical solutions to meet their evolving requirements.

CHAIRMAN'S MESSAGE (CONT'D)

Operational improvements remain a priority. Following the acquisition of a new facility that will house its Plant 3, AGTC will be relocating its flat panel display cleaning operations from Plant 1 to Plant 3, freeing up capacity in Plant 1 to further expand its semiconductor cleaning capacity. The relocation is expected to enhance workflow efficiency and improve utilisation across facilities. New cleaning lines were also installed in Plant 2 to support a specialised tool platform with qualification and production ramp-up expected to happen around the second and third quarters of 2026. In parallel, AGTC is evaluating opportunities to acquire additional land to accommodate longer-term growth.

With expanded capacity and enhanced operational capabilities, AGTC is well positioned to support customers' technology migration and production growth and continue to provide cleaning solutions and specialised surface treatment that are critical to equipment reliability and process stability in advanced manufacturing.

Frontken (Singapore) Pte Ltd (Semiconductor)

The Singapore semiconductor division recorded marginally lower revenue in FY2025 primarily due to reduced volume from some of its customers. That said, the operating environment is expected to improve gradually through 2026 supported by a broader recovery in semiconductor end-markets and ongoing industry advancements. With our customers expected to expand and increase their production capacities including the setting up of new plants, we believe that the demand for our services in the coming years will increase substantially.

During the year, facility upgrades were undertaken to meet the requirements of a new customer. These enhancements position this division to support the process requirements and incremental service volumes as the customer progresses through R&D and production ramp-up phases. This is expected to provide a potential new revenue stream as soon as the second half of 2026 and increasing in the coming years.

Attracting and retaining skilled technical personnel remains a key challenge. We continue to address this through proactive workforce planning and retention initiatives alongside ongoing productivity improvements. Greater emphasis will be placed on broadening our customer base, deepening technical competencies and maintaining margin discipline. Looking ahead, performance is expected to improve in the coming year, supported by recovering demand, contributions from the new customer and continued operational enhancements.

Frontken Malaysia - Semiconductor ("FMSB")

FMSB operates precision cleaning facilities in Kulim, Kuching and Melaka, serving as an integral part of the wafer fabrication equipment component cleaning ecosystem within Malaysia's semiconductor industry. Its performance improved in FY2025, driven by higher volumes from wafer fabrication customers and equipment manufacturers supported by better capacity utilisation and ongoing operational enhancements. This division also continued to support wide bandgap semiconductor production.

During the year, capital investment focused on selective equipment upgrades to enhance operational stability and production efficiency while workflow optimisation and process consistency were strengthened across facilities. The competition for skilled labour remained an industry-wide challenge and was managed through proactive retention initiatives and ongoing efforts to improve productivity at every level of the operation.

Malaysia's semiconductor industry is well positioned for continued growth supported by sustained demand from advanced electronics, emerging technologies and the broader digitalisation of key industries. Ongoing fab expansions and production ramp-ups across the country are expected to translate into increased cleaning and refurbishment requirements, providing a favourable demand environment for FMSB's services. Pricing adjustments secured during the year are expected to support performance in the coming year while the division's continued focus on operational discipline and close customer engagement provides a strong foundation for sustained performance going forward.

Engineering

The engineering segment delivered a satisfactory performance despite a softer operating environment. Deep technical expertise built over decades across the oil and gas, energy and general industries provided the segment with solid foundation, cushioning the impact of reduced project activity.

According to the International Energy Agency ("IEA"), global upstream oil and gas investment is expected to reach approximately US$570 billion in 2025, reflecting sustained spending to maintain production and existing field infrastructure. This level of industry activity continues to underpin demand for our specialised maintenance, repair and engineering services. Amid market fluctuations and cost pressures, the segment maintained strict operational discipline, pursuing productivity improvements and cost management measures that enabled it to remain profitable while preserving long-standing customer relationships.

CHAIRMAN'S MESSAGE (CONT'D)

The outlook for engineering support services remains cautious given ongoing geopolitical uncertainties and market volatility. While maintenance requirements are expected to sustain baseline demand, activity levels may vary depending on developments in the broader operating environment. Just like what we are doing for our other business segment, we will continue to focus on operational efficiency, cost optimisation and selective project opportunities to maintain performance.

TTES Frontken Integrated Services ("TTES")

TTES recorded lower revenue and reduced profitability in FY2025, primarily due to the deferment of several major project deliveries to 2026. Projects that commenced during the year are on track for completion in 2026 and are expected to support a revenue recovery.

Despite the temporary slowdown, TTES continued to strengthen its service capabilities and broaden its offerings. Strategic collaboration with local and international partners was deepened, complementing in-house technical expertise and expanding the range of solutions available to customers. These partnerships are expected to open new work categories and reinforce long-term competitiveness.

Capital investment during the year was measured and targeted at growth-related initiatives and efficiency upgrades. For FY2026, planned investments include improvements to existing service centres and the establishment of a new service centre in East Malaysia to strengthen coverage and enhance responsiveness.

The oil and gas sector remains inherently volatile, facing pressures from global economic conditions, competition and supply chain uncertainties. In response, TTES will continue to diversify its market exposure, strengthen execution discipline and focus on productivity improvements to protect margins. For FY2026, priorities include accelerating delivery of existing work orders, maximising utilisation of current and newly enhanced assets and expanding participation in new project categories.

Frontken (Singapore) Pte Ltd (Engineering)

The Singapore engineering division experienced a softer year in FY2025, with revenue declining from the prior year and falling below expectations mainly due to reduced work scopes from several key oil and gas customers as well as lower service and repair activities. Operationally, manpower availability remained a persistent challenge. Replacing skilled technical personnel particularly in specialised roles requires time and remuneration expectations remain elevated in a competitive labour market. Higher raw material prices for certain jobs also affected cost structures, although these were mitigated through pricing adjustments.

Entering FY2026, this business unit is encouraged by early signs of recovery in the oil and gas sector with stronger activity at the start of the year. Contract renewal discussions and expanded service scope negotiations are ongoing. Beyond its traditional oil and gas base, the unit continues to pursue opportunities in marine, electronics and other industrial segments with several potential long-term projects.

This division remains focused on restoring momentum by strengthening core customer relationships, broadening its industry exposure and enhancing operational efficiency to support sustainable performance.

Frontken Philippines Inc. ("FPI")

FPI delivered stable financial performance in FY2025, broadly in line with expectations. Revenue in local currency term improved year-on-year supported by increased participation in maintenance and specialised engineering works while profitability was sustained through disciplined cost management and operational efficiency.

Business activity in FY2025 was primarily driven by power generation and oil and gas industries where FPI executed critical works including turbine and generator overhauls, diaphragm and valve servicing and precision machining across geothermal, gas-powered and upstream energy facilities. Fabrication, machining and specialised maintenance activities within the oil and gas sector contributed to revenue stability with early customer engagement enabling it to align resources and capabilities ahead of drilling and production-related requirements.

Looking ahead, FPI expects the power generation and oil and gas sectors to remain the primary drivers of activity in FY2026. Development opportunities in coal-fired and hydroelectric power plants, ongoing drilling activities, gas field developments and the transition of LNG facilities into steady-state operations are anticipated to support a pipeline of larger and more technically demanding scopes.

FPI will continue to strengthen its execution capabilities, deepen customer and technology partner relationship and invest in workforce development to position itself for higher-value opportunities. As the Philippines economy grows, demand for electricity, fuel and water is expected to sustain service and maintenance requirements across critical infrastructure.

CHAIRMAN'S MESSAGE (CONT'D)

LOOKING AHEAD

As we enter 2026, Frontken marks its 30th anniversary of establishment. Over the past three decades, the Group has evolved from a specialised surface treatment provider into a trusted partner within the global semiconductor manufacturing supply chain – a testament to the dedication of our people, the trust of our customers and the continued support of our shareholders.

The Group remains focused on strengthening its position as a provider of advanced precision cleaning and surface treatment solutions. The structural drivers of semiconductor demand including digitalisation, electrification, artificial intelligence and advanced manufacturing continue to support long-term industry growth. At the same time, increasing process complexity and tighter contamination standards further reinforce the value of our services within the ecosystem.

The Group will continue to prioritise operational efficiency, automation and selective capacity expansion to support customer ramp-ups while maintaining margin discipline. Investment decisions will remain measured and aligned with demand visibility to support sustainable growth. We will continue to evaluate opportunities that complement our technical capabilities and strengthen our long-term positioning with a disciplined approach to risk, capital allocation and value creation.

While global economic uncertainties and geopolitical developments remain factors to monitor, the Group's strong balance sheet, recurring business model and long-standing customer relationships provide a resilient foundation. We remain cautiously optimistic about the year ahead and are confident in our ability to navigate evolving market conditions.



APPRECIATION

I would like to extend my sincere appreciation to our Board of Directors for their continued guidance, counsel and unwavering support throughout the year.

To our management team and employees, thank you for your dedication, professionalism and commitment to operational excellence. Your perseverance and discipline have enabled the Group to deliver resilient and better results and build a stronger foundation for the future.

To our valued customers, thank you for your partnership and continued trust in us. We remain committed to delivering consistent quality, reliability and technical excellence in support of your operations.

To our business partners, regulators and government authorities across our operating jurisdictions, we are grateful for your continued cooperation and support.

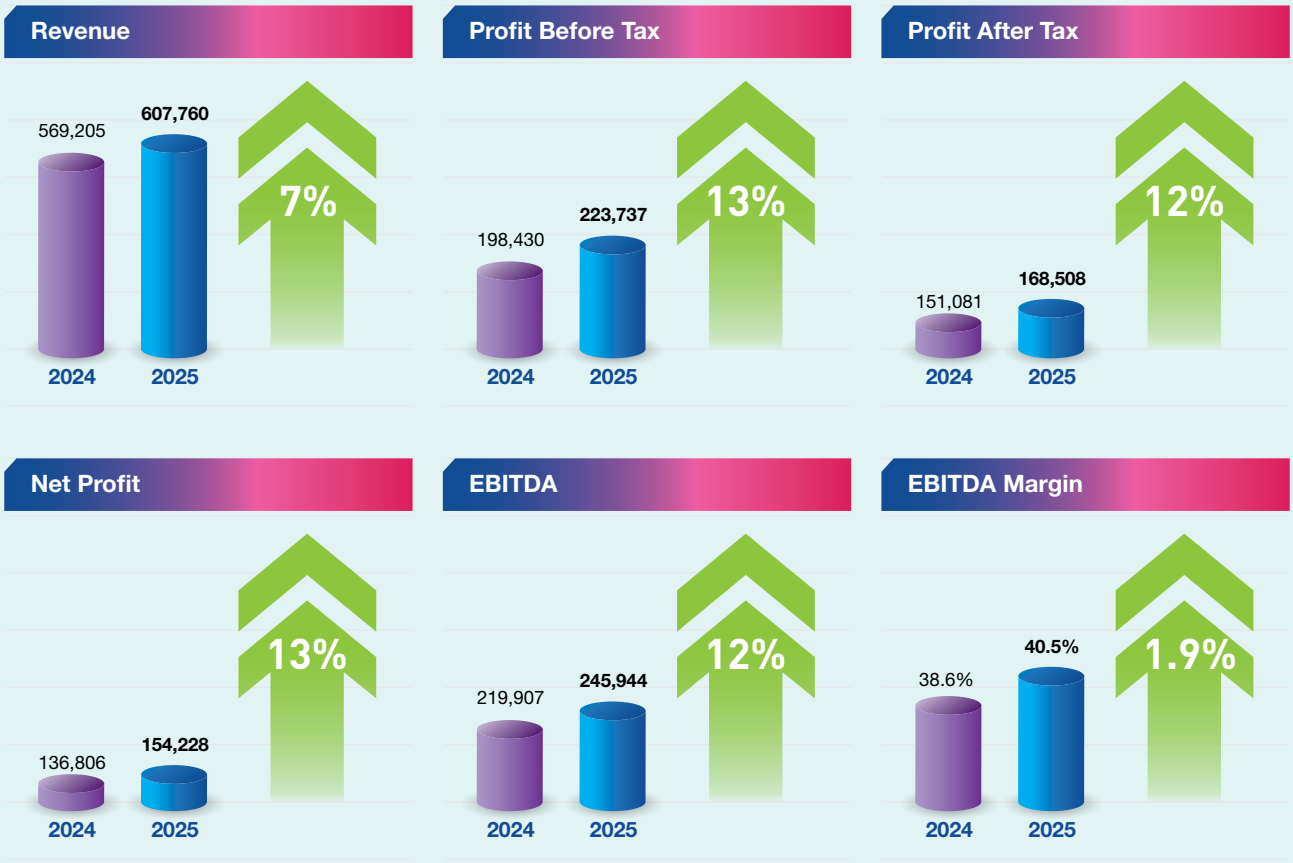
To our shareholders and stakeholders, we appreciate your confidence in us. We remain committed to disciplined growth, prudent capital management and sustainable value creation as we move forward together.

Lastly, I would like to express our sincere appreciation to all our stakeholders for your unwavering support and trust in us. Your contributions play a vital role in our journey toward sustainable growth.

As we move forward, we remain committed to building on our achievements, embracing new opportunities and delivering excellence in everything we do. Thank you for being part of our journey, and we look forward to achieving greater milestones together.

FINANCIAL REVIEW

RESULTS OF OPERATIONS
in RM'000



REVENUE

REVENUE (by location)	2025 RM'000	%	2024 RM'000	%	% change in revenue
Taiwan	449,064	74	383,372	67	17
Malaysia	87,832	14	102,456	18	-14
Singapore	53,875	9	65,935	12	-18
Others	16,989	3	17,442	3	-3
Total	**607,760**	**100**	**569,205**	**100**	**7**

The Group achieved a revenue of RM607.8 million for FY2025 representing a 7% increase over the previous year. This growth was primarily driven by our subsidiary in Taiwan which reported a 17% increase in revenue due to robust order intake and higher customer demand. Taiwan continued to be the largest contributor, contributing 74% of the Group's total revenue.

Conversely, revenue in Malaysia, Singapore and the Philippines experienced a decline. This was mainly due to slowdown in our customers' business in the oil and gas industry, impacting our subsidiaries operating within that sector.

FINANCIAL REVIEW (CONT'D)

EARNINGS

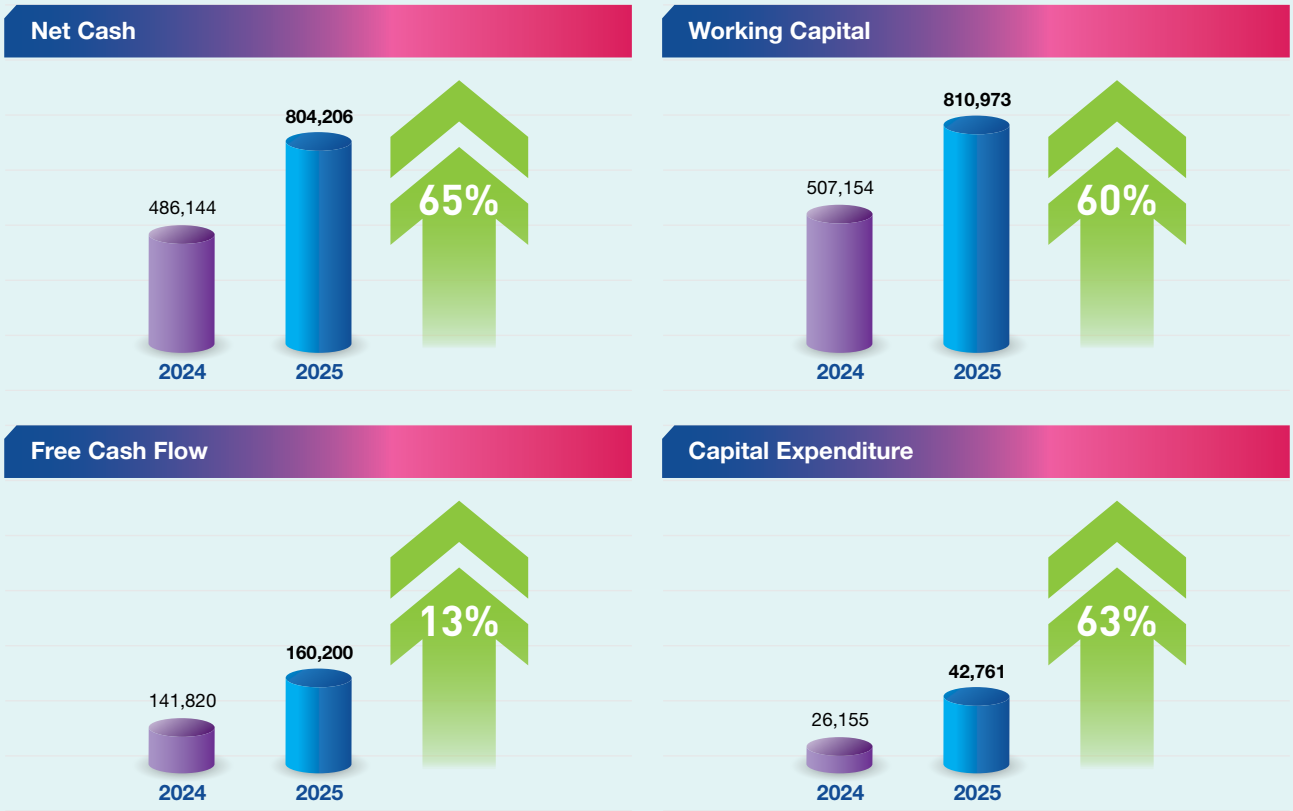
Following a strong performance in FY2024, the Group achieved new historical highs in both top-line and bottom-line results in FY2025.

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") for FY2025 increased to RM246 million, a 12% increase from the preceding financial year. The Group's profit after tax reached a record RM168 million, an increase of 12% compared to last year.

This growth is a result of increased revenue from semiconductor segment and continual efforts to improve efficiency across the Group.

Additionally, the Group's profit attributable to shareholders also grew by 13% to RM154 million compared to last year. Consequently, the Group's basic earnings per share increased from 8.67 sen to 9.65 sen, demonstrating consistent value creation for shareholders.

CASH FLOWS
in RM'000



The free cash flow increased from RM141.8 million to RM160.2 million in FY2025 mainly due to higher cash generated from operations.

The net cash generated from operating activities in FY2025 increased to RM202.9 million compared with RM166.6 million in FY2024; tracking the Group's profit growth. The net cash inflow for financing activities increased to RM200.7 million in year 2025 mainly due to the RM278.0 million in proceeds from the exercise of warrants, partially offset by RM63.6 million in dividend payments. Net cash used for investing activities increased to RM300.1 million in FY2025 mainly comprising RM248.9 million investment in money market funds and RM42.7 million in capital expenditure.

FINANCIAL POSITION

The Group's financial position continues to strengthened with its shareholders' fund increased by 44% to RM1,036.1 million as of 31 December 2025.

The Group's total assets increased by 32% to RM1,301.7 million primarily due to RM318.2 million increase in cash and bank balances, fixed deposits with licensed banks and money market fund investments. The Group's liabilities decreased by RM4.0 million to RM211.7 million, driven by a reduction in trade and other payables.

BOARD OF DIRECTORS' PROFILE

NG WAI PIN

Chairman / Chief Executive Officer

Malaysian | Male | Aged 60 | Appointed to the Board on 10 April 2006

Ng Wai Pin, formerly a Senior Independent Non-Executive Director of Frontken Corporation Berhad ("FCB"), was re-designated as the Chairman / Chief Executive Officer / Managing Director of the Company on 19 January 2012. He holds a Bachelor of Laws degree from University of Auckland and was admitted to the roll of barristers and solicitors of the High Court of New Zealand in 1989. He then practised as a barrister and solicitor in a leading legal firm in Auckland for a number of years before returning to Malaysia where he was admitted as an Advocate and Solicitor of the High Court of Malaya in 1993. He later became a Director and Chief Executive Officer of an oil and gas services company listed on Bursa Malaysia Securities Berhad with regional operations. From September 2005 to February 2009, he was the Chief Operating Officer of a company listed on the Singapore Exchange Limited and was seconded as the Chief Executive Officer of a company listed on the Australian Stock Exchange. He is also the Executive Chairman of Ares Green Technology Corporation, a public company in Taiwan, R.O.C., a subsidiary of FCB. In addition, he is also a non-executive director of GNS Tech Berhad.

He has no family relationship with any other Directors or major shareholders of the Company.

He has not been convicted of any offences within the past five years. He has no conflict of interest with the Company.

DR TAY KIANG MENG

Executive Director / Chief Scientist / Chief Sustainability Officer

Singaporean | Male | Aged 61 | Appointed to the Board on 10 April 2006

Dr Tay Kiang Meng holds a Bachelor of Engineering (First Class Honours) in Manufacturing Systems Engineering from University of Portsmouth, and a Master of Science in Advanced Manufacturing Systems and a PhD in Engineering from Brunel University, United Kingdom.

He is responsible for research and development ("R&D") leading the Group's technology roadmap, spearheading R&D activities, formalising the Group's quality systems, developing critical manufacturing technologies for FCB's semiconductor technology and advanced materials engineering, and exploring new technology opportunities for the Group. He has more than 20 years of professional experiences in technology development, R&D, and has led some of the most significant technology innovations in semiconductor-related manufacturing technology and advanced materials engineering.

An engineer and scientist by training, Dr Tay began his professional R&D experience with research think tank, Gintic Institute of Manufacturing Technology, Singapore. Dr Tay has received honours and awards in many of his academic, research and technology development work.

Dr Tay also sits on the board of the FCB's subsidiary, Ares Green Technology Corporation.

He has no family relationship with any other Directors or major shareholders of the Company.

He has not been convicted of any offences within the past five years. He has no conflict of interest with the Company.

BOARD OF DIRECTORS' PROFILE (CONT'D)

NG CHEE WHYE

Independent Non-Executive Director
Chairman of Audit Committee and Remuneration Committee, Member of Nomination Committee

Malaysian | Male | Aged 60 | Appointed to the Board on 31 July 2019

Ng Chee Whye is a Chartered Accountant with the Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce degree from the University of Canterbury, New Zealand. He began his professional career with KPMG Peat Marwick in Auckland, New Zealand, gaining experience with clients from varied industries. Following which, he relocated closer to home to assume varied Senior Finance roles with various IT related entities in Singapore and Malaysia, namely Hewlett-Packard Singapore (Pte) Ltd, Creative Technology Ltd and Electronic Data Systems IT Services (M) Sdn Bhd. He subsequently moved on to assume Chief Financial Officer roles with various Wealth Advisory and Fund Management entities at Prudential Fund Management Bhd, AXA Financial Services and Nexus Financial Services Pte Ltd.

He has no family relationship with any other Directors or major shareholders of the Company.

He has not been convicted of any offences within the past five years. He has no conflict of interest with the Company.

GERALD CHIU YOONG CHIAN

Non-Independent Non-Executive Director
Member of Nomination Committee

Singaporean | Male | Aged 52 | Appointed to the Board on 31 July 2019

Gerald Chiu Yoong Chian holds a BA (First Class Honours) in Engineering and Master's in Engineering (with distinction), both from the University of Cambridge, United Kingdom. He joined Dymon Asia Capital in 2012, helped establish Dymon Asia Private Equity ("DAPE"), and is a member of DAPE's investment committee. DAPE is focused on making private equity investments in Small and Medium Enterprises in South East Asia, and aims to contribute both capital and expertise to the companies it invests in. DAPE's current funds are Fund II (USD450 million) and Fund III (USD650 million). DAPE has offices in Singapore, Malaysia and Thailand, and has invested in 36 companies and exited 18 companies in the region across these geographies.

He has no family relationship with any other Directors or major shareholders of the Company.

He has not been convicted of any offences within the past five years. He has no conflict of interest with the Company.

BOARD OF DIRECTORS' PROFILE (CONT'D)

KOH HUEY MIN

Independent Non-Executive Director
Member of Audit Committee, Nomination Committee and Remuneration Committee

Malaysian | Female | Aged 60 | Appointed to the Board on 1 December 2021

Koh Huey Min is a Fellow Member of the Chartered Institute of Management Accountants and a member of the Malaysian Institute of Accountants.

She has more than 30 years of experience in finance, accounting, tax, treasury fields, marketing, business development, property investment and development and shopping complex operations.

She was an Executive Director of Berjaya Assets Berhad ("BAssets") from 23 June 2017 to 31 August 2021. Prior to that, she was attached to PricewaterhouseCoopers and subsequent to that, she worked in Hong Leong Group of Companies as an Accountant. She joined Berjaya Times Square ("BTSSB"), a wholly-owned subsidiary of BAssets in March 1994 as the Head of Finance and Admin. She was appointed as an Executive Director of BTSSB from 8 January 2013 to 31 August 2021. She anchored the overall property development and investment division and also managed the overall operations of Berjaya Times Square Group. She also held directorships in various subsidiaries of BAssets. Currently she is an Independent Non-Executive Director of Scientex Packaging (Air Keroh) Berhad and Paragon Union Berhad.

She is the Chairman of the Audit Committee of Paragon Union Berhad and a member of the various board committees.

She has no family relationship with any other Directors or major shareholders of the Company.

She has not been convicted of any offences within the past five years. She has no conflict of interest with the Company.

RAJA JASTINA ADLINA BINTI RAJA ARSHAD

Independent Non-Executive Director
Chairman of Nomination Committee, Member of Audit Committee and Remuneration Committee

Malaysian | Female | Aged 44 | Appointed to the Board on 15 August 2023

Raja Jastina holds an Economics degree from Liverpool University, England and a Masters in Marketing Communications from Westminster University, England. She is currently the Head of Astro Shaw and Vice President of Malay Nusantara Business at Astro. She spearheads Malaysia's leading film studio which is behind the highest grossing local movies of all-time. Apart from championing local movie production, her all rounded portfolio includes heading strategy for Astro's digital brand, driving revenue growth for Astro's pay per view business, managing's Astro's on – air Talent Management business and Astro's movie distribution division where she looks into IP exportation to regional and international market.

She has close to 20 years of business management, media, marketing and branding experience where she has driven Astro's Malay content strategy and built a strong business network both locally and internationally.

She has no family relationship with any other Directors or major shareholders of the Company.

She has not been convicted of any offences within the past five years. She has no conflict of interest with the Company.

SENIOR MANAGEMENT'S PROFILE

MOHD SHUKRI BIN HITAM

Managing Director of TTES Frontken Integrated Services Sdn Bhd ("TFIS")

Malaysian | Male | Aged 59 | Appointed in 2000

Mohd Shukri Bin Hitam holds a Bachelor of Science in Aerospace Engineering, Bachelor of Science in Aeronautics (specialised in Aircraft Maintenance Engineering), Associate Science (Diploma) in Aircraft Maintenance Management Technology and Certificate in Airframe and Power Plant Mechanic.

He has extensive working experience in engineering related fields. Prior to the incorporation of TFIS, he worked in various organisations as engineer and consulting specialist in rotating equipment and turbomachinery engineering and technical services.

He is the Managing Director of TFIS and is responsible to oversee the overall operations of TFIS, engineering and technical services and directs various engineering and technical consultancy services at joint-service and consultancy companies.

He has no family relationship with any other Directors or major shareholders of the Company.

He has not been convicted of any offences within the past five years. He has no conflict of interest with the Company.

TSAI YU MIN

General Manager, Ares Green Technology Corporation ("AGTC")

Taiwanese | Male | Aged 49 | Appointed in 2013

Tsai Yu Min holds a Degree in Chemical Engineering from Taiwan Taichung Feng Chia University.

He has extensive working experience in sales and marketing and general management and has been working with AGTC, a subsidiary of FCB, since 2000. Before his appointment as General Manager in 2013, he was the sales manager, responsible for formulation of sales and marketing strategies for AGTC.

He has no family relationship with any other Directors or major shareholders of the Company.

He has not been convicted of any offences within the past five years. He has no conflict of interest with the Company.

SENIOR MANAGEMENT'S PROFILE (CONT'D)

WONG CHEE WAI

Chief Financial Officer

Malaysian | Male | Aged 55 | Appointed in 2022

Wong Chee Wai is an associate member of Chartered Institute of Management Accountants and Chartered Accountant of Malaysian Institute of Accountants.

He has more than 30 years of experience in audit, accounting, financial, tax, treasury and budget management in audit firm and various organisations. He joined Frontken Corporation Berhad in 2009 as senior finance manager and, subsequently, he was promoted to Financial Controller and Senior Financial Controller. He serves on the boards of several subsidiaries of Frontken Corporation Berhad.

He has no family relationship with any other Directors or major shareholders of the Company.

He has not been convicted of any offences within the past five years. He has no conflict of interest with the Company.

Save as disclosed on pages 18 to 22, none of the Directors and members of Key Senior Management hold any other directorship in any public company and/or listed issuer in Malaysia.

SUSTAINABILITY REPORT

Message From Sustainability Committee

DEAR STAKEHOLDERS,

INTRODUCTION

Since 1996, for nearly three decades, Frontken Group has been committed to building technology and providing services that empower our customers to embrace sustainability, fostering a positive impact on our environment, communities, and society at large. Our mission is anchored in integrating innovation, best practices, strategic partnerships, and streamlined processes — all united by a singular goal: advancing sustainability through actionable technology. Together with our customers, employees, and stakeholders, we strive to create measurable contributions that safeguard the planet and strengthen society.

At Frontken Group, sustainability is not an afterthought — it is embedded in everything we do. Our unwavering commitment extends to: (a) Health and Safety: Protecting people and communities; (b) Environmental Responsibility: Reducing carbon footprints and conserving resources; (c) Corporate Accountability: Operating with transparency and integrity; (d) Sustainable Development: Aligning our efforts with the United Nations Sustainable Development Goals.

We deliver products, services, and technologies that not only enhance sustainable business practices but also directly address global challenges such as climate change, resource efficiency, and social equity. We believe in the power of collaboration and collective action. By working hand-in-hand with our partners, we continue to drive innovation that supports a greener economy and a more resilient society. Our journey is ongoing, and our vision remains steadfast: to make a lasting, positive difference for generations to come.

In fiscal year 2025 (“FY2025”), our journey was defined by both formidable challenges and meaningful opportunities. The global economy faced persistent fluctuations, with inflationary pressures, recessionary risks, and volatile interest rates shaping the business landscape. Supply chain disruptions — intensified by geopolitical tensions, natural disasters, and the imposition of sweeping tariffs that disrupted global trade — continued to test resilience across industries. At the same time, a tight labour market made attracting and retaining top talent increasingly difficult. Businesses also grappled with evolving regulatory frameworks, particularly those operating across multiple jurisdictions, while rising expectations for sustainability and climate action demanded significant investment and innovation.



SUSTAINABILITY REPORT (CONT'D)



Collectively, the world confronted prolonged conflicts, diverse natural disasters, heightened political tensions, and widespread supply chain disruptions, alongside the realities of high inflation and economic slowdown. Yet, within these challenges lie opportunities for innovation, transformation, and growth. Frontken Group has responded proactively, adapting to these shifting realities to strengthen our position for long-term success.

As we navigate this new era, our focus extends beyond immediate challenges to encompass critical priorities such as responsible innovation, climate change mitigation, environmental stewardship, and shared prosperity. It is clear that the global business community must undergo profound industrial transformation — fostering collaboration, embracing responsible technologies, and re-shaping operations to meet the demands of a complex future. Key imperatives include accelerating innovation, embedding sustainability into business models, reducing carbon emissions, and transitioning toward renewable energy sources.

To succeed, businesses must uphold compliance with laws and regulations, maintain the highest ethical standards, and integrate sustainability into their core strategies. At Frontken Group, we are committed to contributing to this transformation — championing responsible practices, driving innovation, and making a positive impact on the global stage. Together, through sustainable operations and responsible innovation, we can build a more resilient, equitable, and prosperous future.

FRONTKEN GROUP: DRIVING SUSTAINABLE VALUE CREATION

At Frontken Group, we continuously evolve our business operations, focusing on our innovation efforts on areas where our technologies, processes, systems, and capabilities can drive meaningful change and accelerate progress. We understand the dynamic nature of our stakeholders, customers, and supply chains, and we are dedicated to addressing climate change risks, clean water challenges, circular economy principles, and fostering green innovation and sustainable production practices.

During the fiscal year 2025 meetings of the Sustainability Committee, members engaged in ongoing discussions to enhance our specific business materiality assessment, refine enterprise risk management processes, and strengthen internal control systems. These endeavours are part of our commitment to fine-tune sustainability development priorities and management strategies in response to the evolving risk landscape and challenges confronting our employees, customers and stakeholders.

SUSTAINABILITY REPORT (CONT'D)

A notable aspect of our deliberations involved exploring the incorporation of circular economy principles into our business models. This includes a comprehensive consideration of life cycle impacts in the markets we serve. The group recognises the importance of aligning our operations with sustainability principles and strives to implement circular economy concepts that promote resource efficiency, reduce waste, and contribute to a more sustainable future.

Frontken Group's sustainability agenda is not only about responsible operations — it is a strategic pathway to long-term value creation, resilience, and industry leadership. Our commitments are designed to strengthen trust, mitigate risks, and unlock opportunities in a rapidly evolving global landscape:

(a) **Enhanced Materiality Assessment**
We continuously refine our materiality assessment to ensure our priorities reflect the most pressing sustainability issues. By aligning with stakeholder expectations and global Environmental, Social, and Governance ("ESG") standards, we position ourselves to capture emerging opportunities while addressing risks that could impact long-term performance.

(b) **Strengthened Enterprise Risk Management**
Our enterprise risk management framework is evolving to anticipate and respond to emerging risks, from climate change to supply chain disruptions. This proactive approach safeguards operational resilience and ensures sustainable growth, reinforcing investor confidence in our ability to adapt and thrive.

(c) **Effective Internal Control Systems**
We are elevating governance and internal controls to uphold transparency, accountability, and ethical conduct. This commitment strengthens our reputation, fosters stakeholder trust, and ensures that sustainability is embedded into every decision-making process.

(d) **Circular Economy Integration**
By embedding circular economy principles into our business models, we are driving resource efficiency, reducing waste, and creating regenerative value chains. This not only contributes to environmental sustainability but also enhances cost efficiency and positions Frontken as a leader in sustainable innovation.

By actively pursuing these objectives, Frontken Group aims to reinforce its commitment to sustainability, resilience, and responsible business practices, creating enduring value for both the organisation and its broader ecosystem.

The Group has set ambitious targets to be achieved by 2050, reflecting our commitment to sustainability and environmental responsibility. These objectives are as follows:

(a) **Environmental Vision 2050:** By 2050, our goal is to neutralise 100% of our greenhouse gas emissions, aligning with our Environmental Vision 2050 and contributing to a carbon-neutral future.

(b) **Innovation Portfolio:** By 2050, we aim to generate 100% of our innovation portfolio, ensuring that it significantly addresses sustainability challenges and creates substantial value for our employees, customers and stakeholders.

(c) **Sustainable Products and Processes:** By 2050, our aim is to create 100% of our products and processes with strict adherence to sustainability development criteria, incorporating green chemistry, green production practices, and embracing circular economy principles to minimise climate impact.

These ambitious targets underscore our commitment to long-term sustainability, innovation, and responsible business practices. By setting clear milestones for greenhouse gas emissions, innovation generation, and sustainable product development, we are dedicated to making a positive and lasting impact on the environment, society, and the markets we serve. These objectives reflect our proactive approach to sustainability, aligning with global goals for a more sustainable and resilient future.

SUSTAINABILITY REPORT (CONT'D)

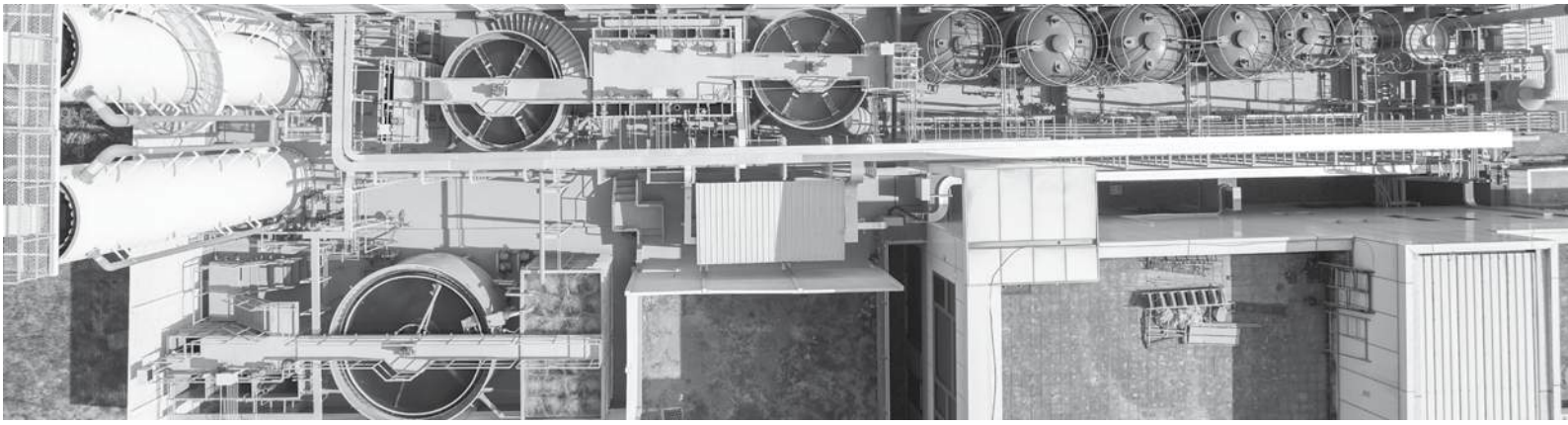
SIGNIFICANT MILESTONES

In fiscal year 2025, Frontken Group achieved significant milestones across several key areas, demonstrating our commitment to innovation, sustainability, and responsible business practices. Some of our key accomplishments include:

(a) Strengthened Innovation Platform	We successfully enhanced our innovation platform, fostering increased value creation through innovative solutions. By prioritising research and development initiatives, we have expanded our capabilities to address emerging challenges and meet the evolving needs of our customers and stakeholders.
(b) Updated Greener Products and Production Processes	We made substantial progress in updating our product offerings and production processes to be more environmentally friendly. Through specialised capabilities and investments in sustainable technologies, we have advanced towards greener practices, reducing our environmental footprint and promoting resource efficiency. These efforts support a transition toward a low-carbon, circular economy, while delivering products that meet evolving customer expectations for sustainability.
(c) Greener and Safer Chemical Usage and Management Policy	We have implemented a holistic chemical usage and management policy that prioritises human health, ecological safety, and regulatory compliance. By adopting green chemistry principles and stringent monitoring, we safeguard employees, communities, and ecosystems. This initiative reflects our commitment to pollution prevention and responsible stewardship of natural resources.
(d) Increased Transparency and Risk Reduction	We have strengthened governance and disclosure practices to enhance accountability and reduce sustainability risks. We enhanced transparency in our operations, reducing risks and taking proactive measures to address sustainability challenges. Our initiatives, including those related to climate change and pollution control, have resulted in tangible actions aimed at mitigating environmental impact and promoting sustainable practices throughout our value chain.
(e) Proactive Risk Management and Regulatory Compliance	We systematically assess the impacts of our business activities on climate change, water usage, and other environmental factors. Our approaches emphasised transparency and accountability regarding our performance and data by committing to third-party platforms such as the International Financial Reporting Standards and the Carbon Disclosure Project. By engaging with these platforms, we are better positioned to focus on optimising our activities, ultimately reducing the environmental impact of our operations.
(f) Promote Net Zero Goals through Continuous Sustainable Production	We consistently advocate for low-carbon solutions by continuously advancing technologies and projects related to part recovery, cleaning, and refurbishment. Through our comprehensive assessments, we are able to quantify the greenhouse gas emissions that have been avoided within the value chain as a result of our business activities, which are reported as Scope 4 Emissions. We believe that by disclosing these avoided greenhouse gas emissions, we can effectively promote a Circular Economy and sustainable sourcing within the supply chain.

These accomplishments underscore our ongoing commitment to driving positive change and creating value for all stakeholders. By prioritising innovation, sustainability, and transparency, we are positioned to contribute meaningfully to addressing global challenges and building a more resilient and sustainable future.

SUSTAINABILITY REPORT (CONT'D)



CONTINUOUS ACHIEVEMENTS

Frontken Group's commitment to sustainability is evident through our proactive efforts to transform and mitigate carbon emissions while embracing sustainable energy practices. Over the years, we have made strategic investments and transitions to lower greenhouse gas designs for both our production processes and overall operations. As part of our commitment to renewable energy, we are pleased to share the following achievements from 2018 to 2025:

Adoption of Solar Energy	We have invested significantly in solar energy systems, leading to the adoption of renewable energy practices. As of 2018 to 2025, we have successfully integrated the equivalent of 6,226,682 kilowatt-hours (kWh) of electricity using solar energy for our operations. This transition to sustainable energy sources reflects our dedication to reducing our carbon footprint and contributing to a greener, more sustainable future.
DI-Water Recycling	Since 2018 - 2025, we have implemented a robust DI-Water recycling system, resulting in an accumulative savings of 577,495 tonnes of recycled DI-Water. This initiative not only showcases our commitment to resource efficiency but also contributes to the conservation of water resources, a critical aspect of sustainable operations.
Waste Recycling	Our commitment to waste reduction is evident in the accumulative savings of 585,483 kilogrammes of recycled waste since 2018 - 2025. By implementing effective waste recycling programmes, we aim to minimise our environmental impact, promote circular economy principles, and contribute to a more sustainable waste management system.

These achievements underscore our dedication to environmental stewardship, sustainability, and responsible resource management. By adopting renewable energy sources, recycling initiatives, and efficient water management, Frontken Group is actively contributing to the global effort to combat climate change and build a more sustainable and resilient future.

SUSTAINABILITY REPORT (CONT'D)

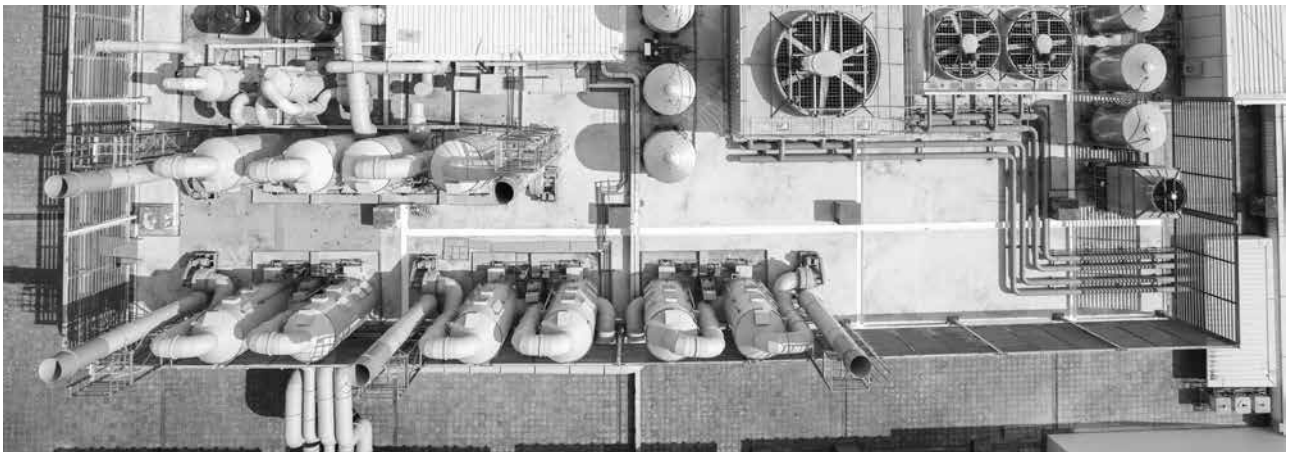
CLIMATE CHANGE CHALLENGES

The Sustainability Committee, in alignment with various references and standards — including the recommendations of the Climate-related Financial Disclosures ("TCFD"), the Carbon Disclosure Project ("CDP"), and the International Financial Reporting Standards ("IFRS") on greenhouse gas emissions — diligently evaluated and identified risks and opportunities pertaining to the environment, specifically in relation to climate change. This comprehensive assessment guided discussions on the direction of the Company's environmental initiatives, emphasising waste recovery, recycling practices, and efforts toward establishing a circular economy.

Frontken Group is committed to navigating the challenges associated with reducing greenhouse gas emissions, with a particular focus on Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from purchased energy). By systematically measuring, managing, and disclosing these emissions in accordance with CDP and IFRS standards, we aim to strengthen transparency and accountability while concurrently enhancing our positive impact on the environment and society.

Our continuous exploration of innovative approaches to business growth is grounded in the development of technologies, products, and services that actively contribute to environmental protection, energy conservation, and the mitigation of global warming. By actively working towards reducing global greenhouse gas emissions, we aspire to play a meaningful role in addressing climate challenges while advancing our business endeavours.

As part of our commitment to transparency and accountability, we will concentrate on disclosing comprehensive ESG information. This includes detailed insights into our initiatives related to climate change, pollution control, and Scope 1 and 2 emissions reporting, reinforcing our dedication to responsible business practices and contributing to a sustainable and resilient global future.



CONTINUOUS IMPROVEMENT

Frontken Group FY2025: Sustainability as a Driver of Long-Term Value

In FY2025, Frontken Group has reaffirmed its commitment to sustainability as a strategic enabler of growth, profitability, and resilience. We recognise that sustainability is not only about responsibility — it is about creating enduring value for shareholders, customers, employees, and society.

Our focus areas include governance excellence, employee health and safety, environmental stewardship, emissions reduction, climate resilience, pollution control, and sustainable supply chain management. These pillars form the foundation of our FY2025 Sustainability Report, which details both achievements and forward-looking strategies to embed sustainability into our long-term vision. We will also continue to build the company on the foundation of:

(a)	Responsible Management;	(e)	Responsible Inclusion and Diversity;
(b)	Responsible Innovation and Service;	(f)	Responsible Supply Chain;
(c)	Responsible Green Production;	(g)	Responsible Climate Change; and
(d)	Responsible Workplace;	(h)	Responsible IFRS.

SUSTAINABILITY REPORT (CONT'D)

Sustainability as a Value-Creation Strategy

We have dedicated significant resources to digitisation, integration, and full control of sustainability initiatives, ensuring measurable outcomes and accountability. These investments deliver tangible benefits:

(a) Profitability through efficiency: Reducing waste and optimising resource use lowers costs and enhances margins.
(b) Risk mitigation: Proactive climate and pollution control strategies safeguard operations against regulatory, reputational, and environmental risks.
(c) Enterprise value growth: Sustainability strengthens brand equity, investor confidence, and customer loyalty.
(d) Integrity and reputation: Transparent governance and ethical practices protect shareholder interests and reinforce trust.

At the core of our strategy is the belief that sustainability is inseparable from long-term business success.

Technology as a Competitive Advantage

Frontken Group's advanced technologies empower customers to create sustainable products and services. By extending the lifespan, performance, and appeal of critical parts used in production processes, we enable customers to:

(a) **PROTECT** surfaces against wear, reducing replacement costs.

(b) **PRESERVE** materials for longer lifespans, minimising resource consumption.

(c) **PROVIDE** sustainable solutions through recycling, repairing, refurbishment, re-engineering, and re-coating.

These innovations not only reduce environmental impact but also unlock new revenue streams by transforming sustainability challenges into market opportunities.

Aligned with Global Standards

Guided by the United Nations Sustainable Development Goals, we actively pursue opportunities to re-engineer shared value from fewer resources. Our approach transforms societal and environmental challenges into innovative solutions, positioning Frontken Group as a trusted partner for global customers seeking sustainable growth. In 2025, We started to adopt IFRS responsibility. The IFRS report are presented separately.

We believe that excellent corporate governance amplifies sustainability impact, ensuring transparency, accountability, and ethical leadership. This alignment fosters long-term resilience, strengthens investor confidence, and contributes positively to society and the environment.

Investments in Sustainable Operations

Frontken Group has invested significant time and resources in transitioning toward sustainable, digital, and automated business models. Our success is evident in:

(a) Digitisation of advanced production systems.

(b) Expanded production capacity.

(c) Re-engineering efforts in water usage, conservation systems, renewable energy, and waste treatment/discharge systems.

These initiatives have positioned us as leaders in semiconductor parts processing support technology and environmental sustainability, reinforcing our competitive advantage in global markets.

SUSTAINABILITY REPORT (CONT'D)

Stakeholder Engagement and Risk Management

We place strong emphasis on stakeholder engagement for comprehensive risk management and materiality assessment. By involving stakeholders in discussions on critical trends — such as emissions reduction, energy efficiency, waste minimisation, inclusivity, governance, and business continuity — we transform risks into opportunities that fortify resilience and create enduring value.

Long-Term Vision: Governance and Oversight

The Board of Directors, supported by the Sustainability Management Committee and Risk Management Committee, plays a pivotal role in providing oversight. These committees rigorously review and implement ESG initiatives, ensuring alignment with the highest standards of transparency, accountability, and responsible business practices.

The assessment and enhancement of operational sustainability are seamlessly integrated into the strategic formulation of the Group. Key issues identified have paved the way for the development of strategies and the establishment of medium-term and long-term goals. In our long-term vision, we aspire to benchmark our sustainability development against recognised frameworks, including the GRI Framework, United Nations Sustainable Development Goals, Responsible Business Alliance Framework (RBA), and Bursa Malaysia FTSE Russell ESG Model Framework. By continuously focusing on the economic and ESG dimensions of our business, we aim to contribute meaningfully to resolving environmental and social challenges.

The Board, supported by the Sustainability Management Committee and Risk Management Committee, plays a pivotal role in providing oversight. These committees rigorously review and implement initiatives related to ESG, and more. This collaborative approach ensures that our sustainability initiatives align with the highest standards, promoting transparency, accountability, and responsible business practices throughout the organisation. Through these ongoing efforts, Frontken Group is committed to delivering positive outcomes not only for the business but also for the broader community and the environment.

Employee Commitment and Achievement

Moving forward, Frontken Group recognises that the health and safety of our employees, their families, and our business partners are paramount priorities. In FY2025, we continued our unwavering commitment to the eight Core Areas for Action on Sustainability, which form the foundation of our development strategy. Our employees remain dedicated to this mission, with skills and knowledge continuously enhanced to align with sustainability goals.

Their contributions are directly linked to operational requirements and progress toward our sustainability targets, reinforcing our culture of accountability and innovation.

Encouragingly, our dedicated employees at Frontken Group remain committed to our mission and core values. The Group consistently invests in enhancing the skills and knowledge of our workforce, ensuring they contribute effectively to our sustainability development vision. As we undergo transformations in our business practices and operations, we express gratitude for our on-site employees who safeguard our facilities, production output, and innovation creation on a daily basis. Their actions align with our employee roles and responsibilities, integrated into their personal objectives and incentives programme, directly linked to our business operational requirements and progress toward Frontken Sustainability Goals.

(a) **Continuous Innovation and Value Creation:** Strengthening our innovation and production platform to provide tangible benefits to customers, ensuring a competitive advantage, and delivering positive social and environmental impact for sustainability development.

(b) **Maximising Resources and Productivity:** Strengthening productivity and optimising resources in production, operations, and the supply chain. This includes managing critical materials, eliminating waste, and reducing costs to become a more sustainable and competitive company.

For more detailed information, the Frontken FY2025 Sustainability Report is available, providing a comprehensive update on our sustainability strategy.

This report builds upon the detailed information shared in our FY2025 Environmental Climate Change and Pollution Control reporting. Covering the 2025 fiscal year, the report includes data, performance highlights, progress against targets, and outlines notable targets set for the medium-term and long-term. This transparent reporting underscores our commitment to accountability, transparency, and the pursuit of sustainable practices.

SUSTAINABILITY REPORT (CONT'D)

CONCLUSION

As we move forward, we anticipate a business environment characterised by volatility, uncertainty, and complexity, with emerging threats and challenges. Yet within these challenges lie significant opportunities for Frontken Group to drive meaningful change – for our business, our stakeholders, and the planet.

We are inspired by the collaboration and dedication of our customers and partners across our value chain. Frontken Group remains steadfast in its commitment to transform into an exceptional organisation, delivering long-term value by fostering sustainable growth, profitability, and strong return on equity ("ROE"). Our vision is to preserve the environment, enrich lives, and support communities where we operate, while ensuring resilient financial performance.

In our pursuit of technological advancements, we continuously reshape our products, services, and technology portfolio with sustainability as a guiding principle. Our focus is on driving growth while addressing global challenges such as climate change, resource scarcity, and circularity. By embedding sustainability into innovation, we aim to deliver resilient returns, enhanced ROE, and measurable impact for all stakeholders.

Frontken Group builds upon a strong foundation rooted in responsible management, environmental stewardship, and innovative practices. Our core values — integrity, commitment, innovation, and customer trust — guide us in upholding the highest standards of corporate governance. We recognise our employees as invaluable assets and actively foster a collaborative culture that champions sustainability, inclusivity, and shared purpose.

Our commitment extends to providing customers with cutting-edge process technologies and services that enable greener outcomes. Through continuous innovation, low-carbon production methods, and sustainable supply chains, we contribute to an environmentally responsible future. We take affirmative action to give back to society, aligning our business practices with the United Nations Sustainable Development Goals and broader social responsibility commitments.

This report highlights our dedication to supporting customers' sustainability objectives through precision recycled cleaning, refurbishment, and re-coatings for critical parts — significantly extending their lifespan and reducing waste. Our offerings also include solutions that prevent corrosion, conserve natural resources, and enhance efficiency, thereby reducing environmental footprints across industries while strengthening profitability.

We emphasise sustainability across our entire value chain — from responsible procurement to ethical production methods — ensuring that our operations minimise environmental impact while creating positive outcomes for communities.

Our employees play a pivotal role in advancing sustainability through innovation and collaboration with customers. Recognising their central role in our success, we detail measures taken to safeguard their health, safety, and well-being, while empowering them to contribute to our sustainability journey.

Beyond the workplace, we uphold stringent environmental standards in our facilities, safeguarding the well-being of surrounding communities. By prioritising climate responsibility, employee welfare, and environmentally conscious practices, we aim to create shared value both internally and externally.

On behalf of the Board and Management, we extend heartfelt gratitude to our employees, partners, and stakeholders who have accompanied us on this sustainability journey. Your dedication and collaboration are invaluable as we collectively navigate the path toward a greener economy.

This report provides insights into how we integrate sustainability into every aspect of our operations. Our commitment extends beyond compliance: we aim to lead in addressing climate change, advancing circular economy practices, and fostering industry-wide collaboration for a sustainable future. Importantly, we remain focused on delivering sustainable growth, profitability, and strong ROE — ensuring that our sustainability journey translates into enduring financial strength and stakeholder value.

For a comprehensive overview of our corporate responsibility initiatives, please visit the Frontken Sustainability website, which includes additional sustainability-related information. To learn more about our business, refer to the "About Frontken" section in Investor Relations on our website.

SUSTAINABILITY REPORT (CONT'D)



1. ABOUT THIS REPORT

1.1 Basis of Preparation

Frontken Corporation Berhad ("Frontken" or "the Group") presents this Sustainability-Related Financial Disclosures Report for the financial year ended 31 December 2025. The report has been prepared in compliance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, both issued by the International Sustainability Standards Board (ISSB) in June 2023 and effective for annual reporting periods beginning on or after 1 January 2024.

This report covers operations across Taiwan, Malaysia, and Singapore and is published alongside the Frontken Annual Report 2025. The scope, boundary, and reporting period are consistent with Frontken's consolidated financial statements.

1.2 Related Financial Statements

These disclosures relate to the audited consolidated financial statements of Frontken for the year ended 31 December 2025, as presented in the Frontken Annual Report 2025, filed with Bursa Malaysia Securities Berhad. All monetary amounts are presented in Malaysian Ringgit ("RM"), consistent with the presentation currency of the consolidated financial statements. GHG emissions are expressed in metric tonnes of CO_2 equivalent ("tCO_2e"). Energy is expressed in megawatt-hours ("MWh"). Water and waste are expressed in metric tonnes.

SUSTAINABILITY REPORT (CONT'D)

1.3 Transition Reliefs

This is Frontken's first year of applying IFRS S1 and IFRS S2. The following first-year transition reliefs have been applied:

- Comparative information: FY2024 Scope 1 and Scope 2 GHG figures have been restated to correct emission factor errors identified during preparation of this report; full details are disclosed in Section 1.5. Scope 3 comparative data is presented on the same basis as previously reported and has not been restated to conform with IFRS S2 measurement requirements.
- Scope 3 emissions: Scope 3 data is disclosed voluntarily and on a best-efforts basis, with boundary expansion ongoing. The formal Scope 3 requirement under IFRS S2 has been deferred to FY2026.
- Climate-first approach: In this first year of application, these disclosures focus on climate-related risks and opportunities. Disclosures on other sustainability topics will be progressively added in future periods as data frameworks mature.

1.4 Sources of Guidance

The following standards and frameworks have been applied in preparing these disclosures:

Framework / Standard	Application	Industry / Topic
IFRS S1 (2023)	General requirements: materiality, governance, strategy, risk management, metrics and targets.	All sustainability topics
IFRS S2 (2023)	Climate-related disclosures: governance, strategy, scenario analysis, GHG metrics, targets.	Climate change
SASB Standards — TC-SC	Semiconductor and Semiconductor Equipment industry metrics applied for materiality identification and sector-specific disclosure. All six SASB TC-SC disclosure topics are addressed: energy management (TC-SC-130a), water management (TC-SC-140a), hazardous waste management (TC-SC-150a), workforce health and safety (TC-SC-320a), product lifecycle management (TC-SC-410a), and supply chain management (TC-SC-430a). A full SASB TC-SC index with quantitative metrics is disclosed in Section 5.7 of this report.	Semiconductors (primary)
GHG Protocol (2004, revised)	Corporate Accounting and Reporting Standard — Scope 1, 2, 3 boundary and measurement.	GHG inventory
GHG Protocol Scope 3 Standard	Category identification and calculation methodology.	Scope 3 emissions
TCFD Recommendations (2017/2021)	Supplementary guidance on scenario analysis and physical risk assessment.	Climate strategy
GRI Universal Standards (2021)	Supplementary disclosures; GRI 302, 303, 305, 306.	Energy, water, emissions, waste
IEA Sustainable Development Scenario	1.5°C transition scenario inputs for climate resilience assessment.	Scenario analysis
IPCC AR6 Physical Climate Scenarios	4°C physical risk scenario inputs (SSP3-7.0 pathway).	Scenario analysis

SUSTAINABILITY REPORT (CONT'D)

1.5 Errors and Restatements

Frontken corrects material errors in sustainability disclosures retrospectively by restating comparative amounts. Where restatement is impracticable, the fact is disclosed together with a description of how the error has been corrected and the period from which corrections apply.

(a) Restatement of FY2024 Scope 1 and Scope 2 GHG Emissions — Correction of Emission Factor Errors

(i) Nature of error

During the preparation of this FY2025 report, Frontken identified errors in the grid electricity emission factors and fuel combustion emission factors applied in the FY2024 GHG inventory. Specifically: (1) the Scope 2 grid emission factor applied for Taiwan used an incorrect year's coefficient, not applying the mandatory one-year publication lag required under Taiwan Ministry of Economic Affairs ("MOEA") practice; (2) the Malaysia grid emission factor applied was sourced from an outdated publication rather than the Suruhanjaya Tenaga (Energy Commission) provisional figure published on 23 February 2026; and (3) certain Scope 1 fuel combustion emission factors for diesel and gasoline were applied using incorrect regional values. These errors resulted in an understatement of Scope 1 emissions and an understatement of Scope 2 location-based emissions as originally reported in the Frontken FY2024 Sustainability Development Report and FY2024 TCFD Report.

(ii) Corrected emission factors applied to FY2024 restated figures

The FY2024 comparative figures presented in Section 5.1 of this report have been restated using the following corrected emission factors:

- Scope 2 — Taiwan: 0.494 $kgCO_2e$/kWh (MOEA Year 112 / 2023 coefficient, one-year lag applied), corrected from an incorrectly applied value;
- Scope 2 — Malaysia (Peninsular): 0.760 $kgCO_2e$/kWh (Suruhanjaya Tenaga provisional GEF for year 2023, published 23 February 2026); Frontken's Malaysia operations are located in Peninsular Malaysia only;
- Scope 2 — Singapore: 0.412 $kgCO_2$/kWh (EMA, 2023 full-year figure), corrected from the 2022 factor which had been applied in error;
- Scope 1 — Fuel combustion: Taiwan diesel corrected to 2.679 $kgCO_2$/litre and gasoline to 2.201 $kgCO_2$/litre (MOEA Year 114 factors); Malaysia/Singapore diesel corrected to 2.68 $kgCO_2$/litre (IPCC 2006 Tier 1).

(iii) Impact of restatement on FY2024 comparative figures

- Scope 1: restated from 1,637 tCO2e to 1,708 tCO2e (increase of 71 tCO2e, +4.3%);
- Scope 2 (location-based and market-based): restated from 12,219 tCO2e to 12,496 tCO2e (increase of 277 tCO2e, +2.3%).

The errors are within the 5% tolerance, and is considered not material. It does not affect Frontken's progress against its Scope 1 and Scope 2 emission intensity targets, which remain on track after restatement. The originally published FY2024 Sustainability Development Report and TCFD Report will be noted as superseded by the restated figures presented in this report. Frontken is implementing enhanced emission factor controls, including a formal annual emission factor review checklist and cross-verification against official regulator publications, to prevent recurrence.

(b) Note on Scope 3 Year-on-Year Variation

The variation in reported Scope 3 emissions across years (FY2023: 41,348 tCO_2e; FY2024 restated: 39,130 tCO_2e; FY2025: 48,152 tCO_2e) reflects the progressive refinement of Frontken's Scope 3 boundary and methodology. Note that figures reported in the FY2024 Sustainability Development Report and TCFD Report (FY2022: 44,196 tCO_2e; FY2023: 764,554 tCO_2e; FY2024: 167,796 tCO_2e) are not directly comparable to those presented in this report, as they were compiled under a different boundary scope and calculation methodology. The FY2024 comparative figure has been restated to 39,130 tCO_2e to reflect the current stable boundary, which covers GHG Protocol Categories 1–9. Prior large variations were driven by: (1) progressive expansion of Scope 3 boundary coverage as new categories were added; (2) changes in supplier engagement response rates affecting upstream category calculations; and (3) methodology refinements in calculating purchased goods and services. FY2025 is the first year in which a consistent Scope 3 boundary and methodology has been applied, enabling meaningful year-on-year comparison going forward. Frontken will continue to refine supplier data collection to reduce reliance on spend-based estimation.

1.6 Materiality and Scope

Information is material if omitting, misstating, or obscuring it could reasonably be expected to influence the decisions of the primary users of general purpose financial reports. Disclosures in this report have been assessed for materiality using the same concept applied in Frontken's IFRS Accounting Standards financial statements. Where no specific IFRS Sustainability Disclosure Standard exists for a topic, Frontken applies SASB Standards (TC-SC), TCFD recommendations, and the GRI framework to identify applicable disclosures. All six SASB TC-SC sector disclosure topics applicable to the Semiconductor and Semiconductor Equipment industry are addressed in this report; the full SASB TC-SC content index with quantitative metrics is set out in Section 5.7.

Materiality

Disclosures cover all material sustainability-related risks and opportunities, assessed using the same materiality concept as IFRS Accounting Standards.

Reporting Period

Sustainability disclosures cover the same reporting period as Frontken's financial statements: 1 January – 31 December 2025.

Connected Information

Sustainability disclosures are connected to Frontken's financial statements, with cross-references to the Annual Report 2025 provided throughout.

2. GOVERNANCE

2.1 Board Oversight

The Frontken Board of Directors, chaired by Mr Ng Wai Pin (Chairman/Chief Executive Officer), holds ultimate responsibility for sustainability and climate-related governance. The Board integrates ESG factors as core governance principles to achieve long-term enterprise value creation. Climate-related risks and opportunities are a standing agenda item at every Board meeting. The Board convened five times in FY2025, with 100% attendance by all six directors.

Committee	Climate and Sustainability Role	FY2025 Frequency	Key FY2025 Actions
Board of Directors	Ultimate responsibility for climate strategy; approves Net Zero targets and major climate policies; oversees scenario analysis; approves climate-related disclosures.	6 meetings — climate reviewed at every meeting as a standing agenda item	Declared Net Zero by 2050; issued FCB Climate Change Policy; approved capital expenditure ("capex") for waste treatment, expansion of production line

SUSTAINABILITY REPORT (CONT'D)

Committee	Climate and Sustainability Role	FY2025 Frequency	Key FY2025 Actions
Audit Committee	Oversees accuracy and reliability of climate-related data and disclosures; reviews Enterprise Risk Management ("ERM") framework; ensures compliance with TCFD, GHG Protocol, and evolving climate regulations.	5 meetings — climate-related risk reviewed at every meeting	Reviewed Sustainability Report; reviewed climate metrics for accuracy; reviewed internal climate risk controls and ERM risk register
Remuneration Committee	Links executive and employee compensation to ESG and climate performance metrics, ensuring management accountability on climate goals. A defined portion of 1–2% of annual bonus for executive and senior management is set aside for achievement of sustainability targets, including GHG reduction milestones, energy efficiency improvements, and climate governance KPIs.	2 meetings	Reviewed incentive alignment with climate targets; confirmed that 1–2% of annual bonus for executive and senior management is set aside and tied to achievement of sustainability and climate performance targets
Nomination Committee	Ensures Board and senior leadership possess climate and sustainability expertise; facilitates climate training; assesses Board skills and competencies against sustainability requirements.	1 meeting	Semi-annual evaluation of Directors and Senior Management on climate performance; engaged PLC & C Sdn Bhd for independent Board effectiveness evaluation including ESG competency assessment

2.1.1 Board Climate Skills and Competency Assessment

The Nomination Committee conducts a formal Board skills matrix review annually, encompassing climate change, ESG governance, energy management, and regulatory risk as defined competency areas. In FY2025, the Board effectiveness evaluation conducted by an independent professional company, PLC & C Sdn Bhd, specifically assessed directors' understanding of ESG-related risks and opportunities. Dr Tay Kiang Meng (Executive Director and Chief Sustainability Officer ("CSO")) completed the Top Executive WSH Programme in FY2024. The Nomination Committee has identified climate scenario analysis expertise as an area for continued development and has included this in the director training plan for FY2025.

2.2 Management's Role

The Sustainability Steering Committee, chaired by Executive Director and CSO Dr Tay Kiang Meng, is the top management body for climate change oversight. It reviews climate change strategies and goals quarterly and reports directly to the Board of Directors at every Board meeting. The Sustainability Development Committee — comprising members from Frontken Singapore, Frontken Malaysia, and Ares Green Technology Corporation — operationalises action plans under the Steering Committee's guidance.

Management skills and competencies in sustainability are maintained through the following processes:

- Annual performance review of all management personnel includes ESG-related KPIs.
- The CSO participates in external sustainability forums and regulatory briefings to maintain current knowledge of IFRS S2, CDP, and FTSE Russell developments.
- Facility managers in Taiwan, Malaysia, and Singapore complete mandatory sustainability training annually, covering GHG inventory methodology, energy management systems, and climate risk identification.
- The internal audit function (Sterling Business Alignment Consulting Sdn Bhd for Malaysia/Singapore; in-house Ares Green Technology Corporation team for Taiwan) reviews sustainability controls annually, including GHG data collection, energy management, and Safety, Health and Environment compliance.
- External audit is carried out by Crowe Malaysia PLT.

SUSTAINABILITY REPORT (CONT'D)

Management Role	Climate Responsibilities	Reporting Frequency
CSO — Dr Tay Kiang Meng	Leads overall climate strategy; formulates mid-to-long-term management plans; identifies climate risks; oversees interdepartmental coordination.	Quarterly to Board; annual to external stakeholders via Sustainability Report
Chief Financial Officer	Assesses financial implications of climate-related risks and opportunities; ensures accurate climate disclosures; manages capex allocation to sustainability projects; oversees the approximately 2–3% of Group annual revenue directed toward sustainability-related initiatives; reviews IFRS S2 financial effects disclosures.	Quarterly to Board; integrated into financial statements
Head of Operations	Implements operational changes to reduce emissions; manages energy efficiency programmes; oversees ISO 50001 compliance.	Monthly to CSO; quarterly to Steering Committee
Head of Risk Management	Integrates climate risks into ERM Programme; maintains climate risk register; coordinates with operations on mitigation.	Quarterly to Audit Committee
Head of research and development ("R&D")	Drives innovation in refurbishment technology; develops low-carbon process methods; manages Scope 4 avoided emissions methodology.	Quarterly to CSO
Facility ESG Coordinators (Taiwan/ Malaysia/Singapore)	Collect and validate GHG inventory data; manage local compliance; implement site-level sustainability targets.	Monthly to Head of Operations; annual inventory to CSO

3. STRATEGY

3.1 Business Model and Value Chain

Founded in 1996, Frontken is a world-leading provider of advanced precision cleaning and surface treatment services for semiconductor process chamber parts, and repair and maintenance services for the oil and gas industry. Frontken's business model is inherently aligned with the circular economy: by refurbishing, recycling, and extending the lifespan of high-precision components, Frontken enables customers to avoid the significant GHG emissions associated with manufacturing new components — classified as Scope 4 (Avoided) Emissions.

Frontken's value chain spans raw material suppliers, in-house refurbishment operations (Taiwan, Malaysia, Singapore), and semiconductor/oil and gas customers globally. Climate-related risks and opportunities have been identified across all segments of this value chain. The Group's core refurbishment model means that sustainability and commercial advantage are structurally aligned: as customers accelerate decarbonisation of their own supply chains, demand for Frontken's services grows.

3.2 Climate-Related Risks and Opportunities

Frontken holds internal cross-functional reviews every six months to identify and assess material climate-related risks and opportunities. Risks and opportunities are assessed across short (1–3 years), medium (3–10 years), and long (>10 years) time horizons and ranked by likelihood and potential financial magnitude within the Group's Enterprise Risk Management framework.

Risk / Opportunity	Category	Time Horizon	Potential Financial Impact
GHG emissions control and carbon taxes/fees	Transition Risk	Short–Medium	Restriction on production capacity expansion; increase in operating costs; estimated 1% of annual revenue
Net zero emissions compliance requirements	Transition Risk	Medium–Long	Increased capex on carbon reduction facilities and renewable energy; estimated 1-3% of annual revenue by 2050
Uncertainties in new energy-saving technologies	Transition Risk	Medium	Higher operating costs if technology transitions are delayed; estimated 1-3% of annual revenue

SUSTAINABILITY REPORT (CONT'D)

Risk / Opportunity	Category	Time Horizon	Potential Financial Impact
Impact on company reputation	Transition Risk	Short–Long	Revenue and profit impact if stakeholder expectations not met; loss of FTSE4Good inclusion; estimated 1-3% of annual revenue
Renewable energy regulations and procurement	Transition Risk	Short–Medium	Compliance costs; potential sourcing constraints in Taiwan under net-zero legislation; estimated 1-3% of annual revenue
Drought — Own Operations	Physical Risk	Medium–Long	Operational disruption; estimated <2% of average annual revenue per event
Drought — Supply Chain	Physical Risk	Medium–Long	Supplier disruptions affecting component availability; estimated <2% of average annual revenue per event
Flood — Own Operations	Physical Risk	Medium–Long	Facility damage and production downtime; estimated <2% of average annual revenue per event
Rising temperatures	Physical Risk	Long	Increased energy consumption and production run costs; estimated <2% of average annual revenue per event
Develop low-carbon products and services	Opportunity	Short–Long	Revenue and profitability growth from accelerating demand for refurbished, energy-efficient components
Improve company reputation	Opportunity	Short–Long	Attract ESG-focused investors, customers, and talent
Drive low-carbon green operations	Opportunity	Short–Medium	Energy efficiency gains reduce utility costs
Participate in carbon trading markets	Opportunity	Medium–Long	Generate revenue or offsets from carbon credits

3.3 Strategy Adjustments and Financial Planning

The identified climate risks and opportunities have directly influenced Frontken's strategy and capital allocation. Key investments in FY2025 directly attributable to climate-related strategy include the expansion of waste treatment and sustainable production facilities, energy efficiency upgrades across Taiwan and Malaysia operations, and supply chain engagement programmes.

Financial Effect	FY2025	FY2026–2030 Anticipated	Basis of Estimate
Net Zero compliance capex (transition risk)	Expansion of waste treatment and sustainable production facilities. Included in existing energy and facilities capex budget.	~1% of annual revenue per year from 2030, rising cumulatively to 2050	IEA Sustainable Development Scenario cost trajectory; management estimate
Physical risk (drought) — revenue impact	Zero (no drought event in FY2025).	<2% of annual revenue if a drought event occurs	ERM assessment; water supply contingency cost modelling
Physical risk (flood) — revenue impact	Zero (no flood event in FY2025).	<2% of annual revenue if a flood event occurs	ERM assessment
Renewable energy cost savings (opportunity)	Solar PV generation cumulative offset 6,226,682 kWh since 2018; FY2025 incremental savings estimated RM0.3 million.	Increasing as further solar installations proceed	Electricity tariff avoided × kWh generated

SUSTAINABILITY REPORT (CONT'D)

The following climate-related financial disclosures are provided in accordance with IFRS S2 cross-industry metric requirements. These figures should be read in conjunction with Note 11 to the Audited Financial Statements for the financial year ended 31 December 2025.

A. Climate-Related Capital Expenditure

Item (RM'000)	FY2025
Total Group capital expenditure	42,743
of which: renewable energy and solar PV installations	Nil
of which: energy efficiency upgrades	1,724
of which: waste treatment and environmental compliance facilities	147
Total climate-related capital expenditure	1,871
Climate capex as % of total Group capex	4.4%

Notes to Table A: (1) Renewable energy and solar PV installations: No new solar PV capital assets were commissioned in FY2025. Ongoing solar generation from existing installations is reflected in energy consumption and eco-efficiency data in Section 5.4; the carrying value of existing solar assets is included in the Kaohsiung facility fixed assets disclosed in Table B. (2) Waste treatment and environmental compliance facilities: RM147,000 relates to upgrades to waste treatment facilities and low-GWP refrigerant replacement programmes. (3) Energy efficiency upgrades: RM1,724,000 covers chiller system upgrades, scrubber overhaul and energy-optimisation projects. (4) A FY2024 comparative column is not presented for Table A as this is the first year of IFRS S2 application and the transition relief on comparative financial disclosures has been applied (see Section 1.3).

B. Carrying Value of Assets Exposed to Material Climate Risks

Asset Category (RM'000 carrying value)	FY2025	As % of Group Fixed Assets
Transition risk — Taiwan operations (carbon pricing under Climate Change Response Act)	-	0%
Physical risk — Tainan and Kaohsiung, Taiwan facility (flood and drought exposure)	4,912	2% (estimated)

Notes to Table B: Disclosure policy: (1) Transition risk — Taiwan operations: Taiwan operations account for approximately 75% of Group revenue. The aggregate carrying value of property, plant and equipment ("PPE") located in Taiwan (which represents the primary transition-risk-exposed asset base under the Climate Change Response Act carbon pricing regime) is disclosed in Note 11 to the Audited Financial Statements for the financial year ended 31 December 2025. Frontken will implement climate-risk tagging of individual asset categories in its fixed asset register from FY2026 to enable disaggregated disclosure. (2) Physical risk — Tainan and Kaohsiung facility: The Tainan and Kaohsiung, Taiwan facility is identified as the primary physical risk exposure (flood and drought). Its carrying value of RM4,912,000 is included within the Taiwan PPE balance in Note 11 and represents approximately 2% of total Group fixed assets based on management assessment. No separate impairment has been recognised in FY2025 as no physical climate event occurred and no indicators of impairment were identified. Frontken will separately track carrying values of facilities in flood- and drought-risk locations from FY2026.

C. Liabilities Arising from Climate-Related Risks

Liability Type (RM'000)	FY2025
Carbon tax / carbon fee obligations (Taiwan)	0
Climate-related provisions or contingent liabilities	0
Total climate-related liabilities	0

No carbon tax or carbon fee obligations arose in FY2025. Under Taiwan's Climate Change Response Act, the carbon fee mechanism applies above a threshold of 25,000 tCO_2e per year for covered installations. Frontken's Taiwan operations did not exceed this threshold in FY2025, and accordingly no carbon fee obligation was incurred.

SUSTAINABILITY REPORT (CONT'D)

3.4 Climate Scenario Analysis and Strategic Resilience

Frontken has assessed strategic resilience under two internationally recognised climate scenarios, covering a time horizon to 2050, consistent with the Group's Net Zero commitment. The analysis was conducted by the Sustainability Steering Committee with input from operations, finance, and risk management, and reviewed by the Board in FY2025.

Parameter	Scenario 1: Orderly Transition	Scenario 2: High Physical Impact
Temperature alignment	1.5°C — limit warming to 1.5°C above pre-industrial levels.	~4°C by 2100 — high-emission pathway, limited mitigation.
Framework	IEA Sustainable Development Scenario ("SDS") / Net Zero Emissions by 2050.	IPCC AR6 SSP3-7.0 (high emissions, moderate mitigation).
Time horizon	2025–2050 (short: 2025–2028; medium: 2028–2035; long: 2035–2050).	2024–2050, with physical impacts intensifying post-2035.
Key transition assumptions	Carbon price: USD75/tCO_2e by 2030, USD130/tCO_2e by 2050; electricity decarbonisation per IEA SDS; semiconductor sector demand growth +8% p.a.; Taiwan NETA 2023 renewable energy mandates.	Not applicable (transition policies assumed weak).
Key physical assumptions	Drought return period remains ~40 years; minimal increase in extreme weather frequency.	Taiwan drought return period reduces to ~10 years by 2050; Kaohsiung facility flood probability increases from 0.5% to 2% annual by 2040; average temperature +2.5°C above current by 2050.
Financial impact	Net positive: refurbishment demand increases as customers seek to reduce Scope 3 emissions. Carbon compliance costs ~1% of revenue by 2050. Net Zero capex modest relative to revenue.	Drought event estimated at <2% revenue impact; rising energy costs +3–5% above baseline by 2040; no material facility damage at current risk assessment.
Strategic assessment	Frontken's refurbishment model is structurally advantaged: the circular economy business is demand-advantaged in the transition. FTSE4Good and CDP ratings support access to capital.	All adaptive standards are already implemented (backup water supply, flood drills, wind reinforcement). Adaptive capex is modest and manageable within the existing ERM framework.

Frontken's strategy is assessed as resilient across both scenarios. The core business model of component refurbishment is inherently low-carbon and demand-advantaged under transition scenarios. Physical risks are manageable through adaptive standards that were fully implemented in FY2025.

3.5 Net Zero Roadmap

Frontken's Net Zero Roadmap is structured in three phases:

- Phase A — Zero emissions growth by 2030: fuel reduction, LED upgrades, renewable energy adoption and upgrades.
- Phase B — Return to 2020 absolute emission levels by 2040: energy management systems, supplier collaboration, waste recycling.
- Phase C — Full net zero across the value chain by 2050: Carbon Capture, Utilisation and Storage investment, Power Purchase Agreements, and cascading SBTi requirements to suppliers.

The roadmap is subject to annual review by the Sustainability Steering Committee and Board of Directors.

SUSTAINABILITY REPORT (CONT'D)

4. RISK MANAGEMENT

4.1 Identifying and Assessing Climate-Related Risks

Frontken follows a four-stage Climate Risks and Opportunities Identification Process embedded within its ERM Programme. Internal reviews are conducted every six months. The Sustainability Development Committee reports annually to the Sustainability Steering Committee and Audit Committee on results, financial impact, and countermeasures.

Stage		Process	Detail
1.	Collect	List related risks and opportunities	Filter climate risks and opportunities relevant to Frontken based on external trends (regulatory developments, IPCC guidance, market shifts) and internal operational changes across Taiwan, Malaysia, and Singapore.
2.	Identify	Determine material risks and opportunities	Cross-functional group discussions to identify risks and opportunities requiring attention, covering own operations and the supply chain. Climate scenario analysis outputs are used as primary inputs.
3.	Assess Materiality	Develop risk and opportunity matrix	Apply the ERM impact evaluation framework to calculate probability and financial impact. Risks and opportunities are ranked in a Climate Risks and Opportunities Matrix across short-, medium-, and long-term horizons.
4.	Respond and Monitor	Formulate and implement responses	List and implement responses; conduct financial impact analysis for material risks; monitor performance and outcomes; report results to the Sustainability Steering Committee and Audit Committee annually.

4.2 Integration into Overall Risk Management

Climate-related risks are fully integrated into Frontken's ERM Programme, which also covers operational, financial, and hazard risks including utility supply, earthquake, fire, and chemical spill. The Audit Committee, authorised by the Board, reviews the ERM framework and risk profile annually to ensure key risks remain within the Group's risk appetite. Climate risks are identified across both own operations and the supply chain, assessed for financial impact, and countermeasures are reported to the Sustainability Steering Committee and Audit Committee.

4.3 Mitigation Management

Responsible Innovation and Services

Frontken's core refurbishment and recycling technology generates Scope 4 avoided emissions. Compared to manufacturing a new precision metal component, refurbishing the same component over ten cycles reduces GHG emissions by approximately 58.5%. The R&D team continuously develops environmentally friendly methods for chemical management, coating, and cleaning processes, aligned with the Group's sustainability targets.

Responsible Green Production

Rooftop solar photovoltaic systems generate an average monthly output of up to 124,897 kWh. Energy conservation upgrades include chiller system improvements, LED lighting, dust collection and exhaust system upgrades, frequency conversion technology, and flow monitoring systems. Ares Green Technology Corporation Plant 1 (Taiwan) holds ISO 50001:2018 Energy Management System certification, issued 18 November 2024 and valid until 18 November 2027.

SUSTAINABILITY REPORT (CONT'D)

Responsible Supply Chain

Frontken requires suppliers to progressively: (1) calculate and disclose Scope 1 and 2 emissions; (2) calculate and disclose Scope 3 emissions; (3) set science-based carbon targets per SBTi; (4) report on target progress; and (5) cascade requirements to their own suppliers.

4.4 Adaptive Management

Frontken's Climate Risk Adaptive Standards address power shortage, floods, drought, high winds, regulatory change, and customer demands. All standards were fully complied with in FY2025. The Group achieved zero days of production interruption due to climate events.

Climate Risk	Adaptive Standard	FY2025 Status
Power Shortage	Contingency measures for power restrictions and backup emergency power generators	✓ Complied
Floods	Annual evaluation of external facilities and major suppliers for flood risk; contingency drills completed at flood-risk factories	✓ Complied
Drought	Internal water conservation promoted; reclaimed water systems developed; minimum two days' backup water supply maintained at all facilities	✓ Complied
High Winds	Outdoor facilities (water cooling towers, decontamination facilities) reinforced to withstand Beaufort scale 17 winds	✓ Complied
Carbon Regulations	Mitigation measures strengthened; renewable energy market developed to reduce impacts from carbon taxes and energy taxes	✓ Complied
Customer Demands	Participating in customer carbon credit programmes to meet expectations	✓ Complied
Stakeholder Expectations	Carbon neutrality strategies developed with approval from external parties	✓ Complied

5. METRICS AND TARGETS

5.1 GHG Emissions

Frontken conducts an annual GHG emissions inventory across all reporting facilities in Taiwan, Malaysia, and Singapore in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The organisational boundary is set using the operational control approach. All six Kyoto Protocol greenhouse gases are included where material; CO_2 dominates. Biogenic emissions are excluded as immaterial.

5.1.1 Scope 1 and Scope 2 Emissions

GHG Category	FY2023	FY2024	FY2025
Scope 1 Total (tCO_2e)	1,619	1,708	1,690
Scope 2: Location-based — grid average emission factors (tCO_2e)	11,517	12,496	12,445
Scope 2: Market-based — adjusted for verified RECs (tCO_2e)	11,517	12,496	12,445

SUSTAINABILITY REPORT (CONT'D)

Emission Factors Applied — FY2025 Reporting Year

Scope	Jurisdiction	Factor Applied (FY2025)	Source
Scope 2	Taiwan	0.474 $kgCO_2e/kWh$	MOEA Year 113 / 2024 coefficient (one-year lag per MOEA practice)
Scope 2	Malaysia (Peninsular)	0.740 $kgCO_2e/kWh$	Suruhanjaya Tenaga provisional GEF for year 2024, published 23 February 2026
Scope 2	Singapore	0.402 $kgCO_2/kWh$	EMA 2024 full-year grid emission factor
Scope 1	Taiwan — diesel	2.679 $kgCO_2/litre$	MOEA Year 114 factors
Scope 1	Taiwan —gasoline	2.201 $kgCO_2/litre$	MOEA Year 114 factors
Scope 1	Malaysia / Singapore — diesel	2.68 $kgCO_2/litre$	IPCC 2006 Tier 1 default factors
Scope 1	All — refrigerants (R22)	GWP 1,760 (AR5, 100-yr)	IPCC Fifth Assessment Report (AR5); consistent with UNFCCC/Paris Agreement reporting requirement
Scope 1	All — refrigerants (R410A)	GWP 2,088 (AR5, 100-yr)	IPCC Fifth Assessment Report (AR5); consistent with UNFCCC/Paris Agreement reporting requirement

Scope 2 location-based emissions are calculated using grid average emission factors published by the relevant national authorities — the MOEA, Year 113 / 2024 coefficient: 0.474 $kgCO_2e/kWh$, one-year lag applied), Malaysia's Suruhanjaya Tenaga (Peninsular: 0.740 $kgCO_2e/kWh$, provisional GEF for year 2024, published 23 February 2026), and Singapore's Energy Market Authority (EMA, 2024 full-year grid emission factor: 0.402 $kgCO_2/kWh$). As Frontken does not currently hold renewable energy certificates or green power contracts, the market-based Scope 2 figure is calculated using the same emission factors as the location-based figure. This is consistent with GHG Protocol Scope 2 Guidance, which permits use of the location-based grid average factor as the market-based proxy where no residual mix emission factor is published for a jurisdiction. No residual mix emission factors are published for Taiwan, Malaysia, or Singapore; accordingly, the location-based grid average factor is applied as the market-based proxy for all three jurisdictions. In both cases, on-site solar generation reduces reported emissions by displacing grid electricity consumption — whether the energy is consumed directly at the facility or exported to the local network.

5.1.2 Scope 3 Emissions — Voluntary Disclosure by GHG Protocol Category

Scope 3 data below is disclosed on a voluntary best-efforts basis. FY2025 is the first year in which a consistent Scope 3 boundary and methodology have been applied across GHG Protocol Categories 1–9, enabling meaningful year-on-year comparison going forward. Continued refinement of supplier activity data to reduce reliance on spend-based estimation is planned for FY2026.

Cat.	GHG Protocol Category	FY2023 (tCO_2e)	FY2024 (tCO_2e)	FY2025 (tCO_2e)
1	Purchased goods and services	6,486	7,823	7,110
2	Capital goods	28,951	29,072	31,090
3	Fuel- and energy-related activities (not in Scope 1/2)	3	145	28
4	Upstream transportation and distribution	0	0	0
5	Waste generated in operations	215	249	316
6	Business travel	290	261	301
7	Employee commuting	257	303	351

SUSTAINABILITY REPORT (CONT'D)

Cat.	GHG Protocol Category	FY2023 (tCO_2e)	FY2024 (tCO_2e)	FY2025 (tCO_2e)
8	Upstream leased assets	0	0	0
9	Downstream transportation and distribution	5,146	1,277	8,956
10	Processing of sold products	0	0	0
11	Use of sold products	0	0	0
12	End-of-life treatment of sold products	0	0	0
13	Downstream leased assets	0	0	0
14	Franchises	0	0	0
15	Investments	0	0	0
	Scope 3 Total (disclosed categories)	**41,348**	**39,130**	**48,152**

Frontken's Scope 4 avoided emissions (FY2025: 103,608 tCO_2e) are disclosed separately and are not netted against Scope 1–3.

5.2 Cross-Industry Climate Metrics

The following five cross-industry metrics are required under IFRS S2. Quantitative disclosures for metrics (i), (ii), and (iv) are provided in Section 3.3 above and cross-referenced here. All figures should be read in conjunction with Note 11 of the Audited Financial Statements for the financial year ended 31 December 2025.

	Metric	FY2025 Disclosure
(i)	Assets/activities vulnerable to transition risks	Transition risk primarily affects operations in Taiwan, where carbon pricing applies under the Climate Change Response Act. Taiwan operations represent approximately 75% of Group revenue. Asset-level carrying value is disclosed in Section 3.3 (Table B) above; see also Note 11 to the Audited Financial Statements for the financial year ended 31 December 2025.
(ii)	Assets/activities vulnerable to physical risks	Physical risk assessment (Section 3.4) identifies the Tainan and Kaohsiung, Taiwan facility as the primary exposure, representing an estimated 2-5% of Group fixed assets (flood and drought risk). Asset-level carrying value is disclosed in Section 3.3 (Table B) above.
(iii)	Assets/activities aligned with climate-related opportunities	Frontken's entire refurbishment and recycling business model is aligned with the low-carbon transition opportunity. Scope 4 avoided emissions in FY2025: 103,608 tCO_2e. Solar PV: cumulative 6,226,682 kWh generated since 2018. Revenue from low-carbon services constitutes 78% of semiconductor segment revenue.
(iv)	Capital deployment toward climate risks and opportunities	FY2025 climate-related capex includes energy efficiency upgrades (RM1,724,000) and waste treatment and environmental compliance facilities (RM147,000), totalling RM1,871,000. In aggregate, approximately 4.4% of the Group's capital expenditure is directed toward sustainability-related initiatives, encompassing capital expenditure on energy efficiency and environmental compliance, operational costs of environmental compliance programmes, sustainability reporting and assurance, and supply chain decarbonisation engagement. A full breakdown by category is disclosed in Section 3.3 (Table A) above.
(v)	Internal carbon price	Internal carbon price is set at USD20 per tCO_2e in FY2025. Estimated carbon price will increase to USD35 per tCO_2e in FY2026 onwards.

5.3 Measurement Uncertainty

The following table discloses the key assumptions and range of outcomes for metrics involving significant estimation uncertainty.

Metric	Key Assumptions	Range of Outcomes	Uncertainty Level
Scope 1 (1,690 tCO_2e)	Taiwan MOEA Year 114 emission factors; fuel consumption from site meter readings (±2% meter accuracy)	±85 tCO_2e (±5%)	Low — meter readings validated quarterly; factors published by regulators
Scope 2 location-based (12,445 tCO_2e)	Grid average emission factors from national regulators; electricity consumption from utility bills	±622 tCO_2e (±5%)	Low — utility bills are primary data; factors published annually
Scope 2 market-based (12,445 tCO_2e)	No purchase of RECs; residual mix factor not available	±622 tCO_2e (±5%)	Low — uncertainty level assumed same as location-based emission
Scope 3 (48,152 tCO_2e)	Spend-based method using DEFRA/ EXIOBASE emission intensity factors for semiconductor raw materials; supplier spend from management accounts	±14,446 tCO_2e (±30%)	High — spend-based method involves significant estimation; supplier activity data collection underway
Scope 4 avoided emissions (103,608 tCO_2e)	58.5% emissions reduction ratio based on 10-cycle refurbishment vs. new manufacture; component volume from production records	±10,361 tCO_2e (±10%)	Medium — lifecycle assumption validated by internal engineering study; independent verification not yet conducted
Physical risk financial impact	Drought return period of once per decade under SSP3-7.0; water supply disruption estimated at 5–10 production days	0.5%–3.5% of revenue	High — return period and operational impact involve significant uncertainty

SUSTAINABILITY REPORT (CONT'D)

5.4 Eco-Efficiency and Operational Metrics

All monetary eco-efficiency indicators are expressed as revenue (RM'000) generated per unit of environmental impact, enabling performance to be assessed independently of business growth.

Indicator	FY2022	FY2023	FY2024	FY2025
GHG emissions efficiency (Scope 1 and 2) (RM'000 / tCO_2e)	41	38	40	43
Energy consumption efficiency (RM'000 / MWh)	25	22	22	23
Water consumption efficiency (RM'000 / metric tonne)	1.95	1.79	1.80	1.74
Waste production efficiency (RM'000 / tonne)	1,133	2,324	2,285	1,926
Green power generation — cumulative since 2018 (kWh)	2,245,318	3,151,354	4,727,922	6,226,682
Deionised water recycling — cumulative since 2018 (tonnes)	307,623	394,517	492,699	577,495
Waste recycling — cumulative since 2018 (kg)	281,196	360,807	462,518	585,483
Scope 4 avoided emissions (tCO_2e)	91,803	96,284	104,118	103,608

All four eco-efficiency indicators improved over the three-year period, demonstrating that Frontken's energy conservation, carbon reduction, and circular resource programmes have delivered results at a rate exceeding business growth.

5.5 ESG Ratings and External Validation

External Measure	FY2025 Result	Trend
FTSE Russell ESG Score (out of 5.0)	4.5	Maintained from FY2024. Past results: 3.5 (FY2021), 3.8 (FY2022), 4.3 (FY2023), 4.5 (FY2024)
CDP Climate Disclosure Score	B (overall climate aspect)	Maintained from FY2024 (First Year)
FTSE4Good Index	Constituent member	Maintained
ISO 50001:2018 Energy Management	Certified — Ares Green Technology Corporation Plant 1	Issued 18 November 2024; valid to 18 November 2027
GHG Inventory Assurance	Third-party assurance not yet obtained	Independent assurance (ISAE 3000 / AA1000AS) planned for FY2026

SUSTAINABILITY REPORT (CONT'D)

5.6 Targets

All current Scope 1 and Scope 2 reduction targets are gross targets — they do not rely on carbon offsets or carbon credits to be achieved. The Net Zero 2050 target at the value-chain level is a net target, reflecting the expectation that residual hard-to-abate emissions will be offset through high-quality carbon removal mechanisms. Frontken does not currently purchase voluntary carbon offsets.

Initiative	Target	Type and Baseline	Gross/Net	Year	FY2025 Status
Mitigation	Reduce Scope 1 emissions intensity by 25%	Intensity; FY2020 baseline	Gross	2035	✓ On Track — 7% reduction vs. FY2020
Mitigation	Reduce Scope 2 GHG per unit production by 20%	Intensity; FY2020 baseline	Gross	2035	✓ On Track
Mitigation	Reduce waste generated per unit production by 20%	Intensity; FY2019 baseline	N/A	2035	✓ On Track
Adaptation	Zero production interruption due to climate disasters	Absolute; annual	N/A	Annual	✓ Achieved — zero interruption days
Adaptation	Reduce water consumption per unit production by 20%	Intensity; FY2019 baseline	N/A	2035	✓ On Track
Low-Carbon	Double energy efficiency (parts per kWh)	Intensity; FY2020 baseline	N/A	2035	✓ On Track
Supply Chain	Energy conservation consultation to 100% of key suppliers	Coverage	N/A	2035	✓ On Track
Supply Chain	CDP average supplier score of 'B' with 95% response rate	External rating	N/A	Annual	✓ Achieved
Net Zero	Zero emissions growth (Scope 1+2)	Absolute; FY2020 baseline	Gross	2030	✓ On Track
Net Zero	Return to 2020 absolute emission levels (Scope 1+2)	Absolute; FY2020 baseline	Gross	2040	In Progress, On Track
Net Zero	Net zero across the value chain (Scope 1+2+3)	Absolute; value chain	Net	2050	Roadmap Active — exploring SBTi validation

5.7 SASB TC-SC Industry Metrics Index

The following table presents Frontken's disclosures against the SASB Semiconductor and Semiconductor Equipment (TC-SC) Standard, covering all six disclosure topics. Metrics are sourced from the Frontken FY2025 Sustainability Development Report. All figures cover the semiconductor business operations in Taiwan, Malaysia, and Singapore for the financial year ended 31 December 2025 unless otherwise stated. This index satisfies the IFRS S1 paragraph 37 requirement to disclose applicable industry-based metrics.

SUSTAINABILITY REPORT (CONT'D)

TC-SC-130a — Energy Management

SASB Code	Metric	FY2023	FY2024	FY2025	Unit
TC-SC-130a.1	Total energy consumed	23,150	25,371	**26,718**	MWh
TC-SC-130a.1	Energy intensity per unit revenue	46.29	44.57	**43.96**	MWh / RM million
TC-SC-130a.2	Energy consumed per unit of production	11.68	13.00	**11.79**	kWh / unit
TC-SC-130a.1	Renewable energy generated (solar PV, cumulative since 2018)	3,215,908	4,727,922	**6,226,682**	kWh
TC-SC-130a.1	Internal carbon price per tonne of GHG	20	20	**20**	USD / tCO_2e

TC-SC-140a — Water Management

SASB Code	Metric	FY2023	FY2024	FY2025	Unit
TC-SC-140a.1	Total water withdrawn	278,989	315,438	**348,841**	m^3
TC-SC-140a.1	Water recycled and reused (DI-water recycling programme, cumulative since 2018)	394,517	492,699	**577,495**	Tonnes
TC-SC-140a.2	Incidents of non-compliance with water quality / quantity permits	0	0	**0**	Number

TC-SC-150a — Hazardous Waste Management

SASB Code	Metric	FY2023	FY2024	FY2025	Unit
TC-SC-150a.1	Total hazardous waste generated	641	804	**937**	Tonnes
TC-SC-150a.1	Total non-recycled waste generated	816	1,062	**1,286**	Tonnes
TC-SC-150a.1	Environmental fines and penalties	0	153	**0**	USD

TC-SC-320a — Workforce Health and Safety

SASB Code	Metric	FY2023	FY2024	FY2025	Unit
TC-SC-320a.1	Lost-time incident rate (LTIR)	0.019%	0.009%	**0.016%**	Lost hrs / 100 emp.
TC-SC-320a.1	Work-related fatalities (employees and contractors)	0	0	**0**	Number
TC-SC-320a.1	% employees trained on health and safety protocols	100%	100%	**100%**	%

TC-SC-410a — Product Lifecycle Management

SASB Code	Metric	FY2023	FY2024	FY2025	Unit
TC-SC-410a.1	Scope 4 avoided GHG emissions (refurbishment and recycling vs. new manufacture)	96,284	104,118	**103,608**	tCO_2e
TC-SC-410a.2	Total waste recycled (general waste, cumulative since 2018)	360,807	462,518	**585,483**	kg

SUSTAINABILITY REPORT (CONT'D)

TC-SC-430a — Supply Chain Management

SASB Code	Metric	FY2023	FY2024	FY2025	Unit
TC-SC-430a.1	Suppliers with sustainability qualification (RBA SAQ or equivalent)	27	34	**30**	Number
TC-SC-430a.1	% sites with ISO 45001 / OHSAS 18001 (H&S) certification	100%	100%	**100%**	%
0	Onsite contractor / supplier H&S fatalities	0	0	**0**	Number

Source: All metrics above sourced from the Frontken FY2025 Sustainability Development Report. FY2025 figures in bold. Metrics are for the semiconductor business operations in Taiwan, Malaysia, and Singapore unless otherwise stated. "N/A" indicates data not tracked for that period. Cumulative figures are accumulated since the year stated. All data has been prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, GRI Universal Standards, and the RBA Code of Conduct as detailed in the Frontken FY2025 Sustainability Development Report.

6. FORWARD-LOOKING STATEMENT

Frontken is committed to achieving Net Zero Emissions by 2050 and will continue to strengthen four major management strategies: Mitigation, Adaptation, Supply Chain Carbon Reduction, and Low-Carbon Products and Services.

- Continue rolling out low-carbon manufacturing practices and improving energy efficiency across all facilities.
- Update Climate Risk Adaptive Guidelines annually based on the latest IPCC physical climate scenarios.
- Assemble Green Supply Chain Management Team to drive suppliers toward carbon reduction.
- Develop and implement an internal carbon pricing scheme to embed carbon cost considerations in operational decision-making.
- Explore new technologies for clean energy, such as hydrogen fuel cells, nuclear reactors.
- Transition to 30% renewable energy across all facilities by 2035.
- Extend lifespan of refurbished components to 100% lifecycle extension by 2030.
- Explore submission to SBTi for target validation for the Net Zero 2050 commitment.
- Explore third-party GHG assurance (ISAE 3000 or AA1000AS) on Scope 1 and Scope 2.
- Continue CDP, FTSE4Good, TCFD, and IFRS S1/S2 disclosures annually.

Frontken recognises that net zero emissions is an inevitable global trend, with over 130 countries having committed to achieve net zero by 2050. We will uphold the principle of minimising climate risks and maximising climate opportunities as we work with all stakeholders toward a net zero value chain.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements in accordance with the applicable approved accounting standards set out by Malaysian Accounting Standards Board, and the provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and to lay these before the Company at its Annual General Meeting.

The Directors are responsible for ensuring that the financial statements provide a true and fair view of the financial position of the Group and the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year ended 31 December 2025.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Frontken Corporation Berhad ("Company") implements high standard of corporate governance in the Company for the purpose of safeguarding the interest of its stakeholders including the Company's assets. In applying corporate governance best practices, the Board is mindful that the same should reflect transparency, accountability, ethical culture, sustainability and financial performance of the Group.

As such, the Board has embedded in the Group, a culture aimed at delivering a balance between conformance requirements and the need to deliver long-term strategic imperatives through performance, without compromising on personal or corporate ethics and integrity.

This Statement, which is issued pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), provides an overview of the Company's application of the 3 Principles set out in the Malaysian Code on Corporate Governance ("MCCG") for the financial year under review and up to the date of this report. Specific details on how the Company has applied each of the Practices as set out in the MCCG are disclosed in the Corporate Governance Report, which is available for viewing on the Company's website at www.frontken.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board is collectively responsible to the Company's shareholders for the long-term success of the Group in terms of strategic direction, values and governance. The Board is led by experienced and knowledgeable Directors who provide the Company with the core competencies and the leadership necessary for the Group to meet its business objectives.

The Directors are aware of their responsibility to take decisions objectively which promote the success of the Group for the benefits of its stakeholders. The role and responsibilities of the Board, which are delineated in the Board Charter is available on the Company's website at www.frontken.com and are summarised as follows:

- Set the strategic direction of the Group and monitor the implementation of strategies by Management;
- Oversee the conduct of the Company's business;
- Identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures;
- Succession planning;
- Oversee the development and implementation of shareholders' communications policy for the Company; and
- Review the adequacy and integrity of the management information and internal control system of the Company.

To ensure continuous alignment with prevailing regulations, the Board Charter and the Directors' Fit and Proper Policy were reviewed and approved at the Board of Directors' meeting held in May 2025. Both documents are accessible to the public on the Company's website.

In discharging its stewardship role effectively, the Board has delegated and conferred some of its authority and powers to its Committees, namely the Audit Committee, Nomination Committee ("NC") and Remuneration Committee ("RC") ("Board Committees"). The Board Committees are entrusted with responsibilities to oversee specific aspects of the Company's affairs according to their respective terms of reference, approved by the Board, and to report to the Board their findings and recommendations. The decision to act on such recommendation lies solely with the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

The Chairman of the Board, leads the Board in fulfilling its fiduciary and stewardship roles. The Board Charter sets out the Chairman's responsibilities as follows:

- Lead the Board in deliberating the business and affairs of the Company and its oversight on Management;
- Oversee the Board in discharging of its supervisory and stewardship role;
- Oversee an efficient organisation and conduct of Board's function and meetings;
- Facilitate the effective contribution by all Directors;
- Brief Directors in relation to issues arising at meetings;
- Promote constructive and respectful relations among Board members and between the Board and Management;
- Commit the time necessary to discharge effectively the designated Chairman roles; and
- Ensure regular and effective evaluation of the Board's performance.

In carrying out his role, the Chairman works with Senior Management, leads the Board, and promotes effective relations with stakeholders and the public.

The role of day-to-day management of the Group's business development and operations, including implementation of Board's policies and decisions, is helmed by the Chief Executive Officer, assisted by his fellow Executive Director. The Board is mindful of the dual role held by Mr Ng Wai Pin as the Board Chairman and Chief Executive Officer which is a departure from Practice 1.3 of the MCCG that states that the positions of Chairman and the Chief Executive Officer are to be held by different individuals. The Board is of the view that there is no concentration of power and authority, and that no one individual has unfettered powers for decision making, especially when the Board comprises a majority of Non-Executive Directors. Furthermore, such Non-Executive Directors are individuals of calibre, credibility and are free from any relationship which could materially interfere with the exercise of their objective judgement. These four (4) Non-Executive Directors (three (3) of whom are Independent Non-Executive) are capable of exercising objective and unbiased judgement to ensure fair and objective deliberations at Board meetings.

To enhance accountability, the Board has established clear functions reserved for itself and those delegated to the Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include the approval of annual budgets, quarterly and annual financial statements for announcement, investment, and divestiture, as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Charter. Delegation of authorities has also been formalised to ensure a balance between operational efficiency and control over corporate and financial governance.

The Company has a Code of Conduct for its Directors and employees, available on the Company's website. The Board has also formalised in writing its Whistle Blowing Policies and Procedures and Anti Bribery and Corruption Policy ("ABC Policy"), for employees to raise genuine concerns, without fear of reprisal, about possible improprieties on matters pertaining to financial reporting, compliance, fraud, corruption, malpractices, and unethical business conduct within the Group. The Whistle Blowing Policies and Procedures and the ABC Policy can be found on the Company's website at www.frontken.com.

Directors have full access to the Company Secretary, who is a member of the Malaysian Institute of Chartered Secretaries and Administrators, a division of Chartered Governance Institute, United Kingdom, to provide advisory services to the Board, particularly on corporate governance issues and compliance with the relevant policies and procedures, laws and regulatory requirements, in addition to the administrative matters on meetings of the Board, Board Committees and shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

As stipulated in the Board Charter and Fit and Proper Policy, the Directors are required to devote sufficient time to carry out their responsibilities. The Board obtains this commitment from Directors at the time of appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and/or Board Committees.

Continuous Professional Development

The Board encourages its members to enrol in appropriate continuing education programme to equip them to serve the interests of the Company. The Directors are updated by way of circulars on matters relating to changes to the MMLR and briefing by the Company Secretary at the Board Meeting following the changes.

All Directors have completed the Mandatory Accreditation Programme as required by the Main Listing Requirements of Bursa Securities. During the financial year under review, the training courses attended by the Directors included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies. Details of the training programmes attended or participated by the Directors are as follows:

Directors	Training/Seminar/Conference/Workshop
Ng Wai Pin	• UBS KL Tech Day 2025 • UBS OneASEAN Summit 2025 (Singapore) • 21st CITIC CLSA ASEAN Forum (Bangkok) • Jefferies 6th Asia Forum (Hong Kong) • UOB Kay Hian – Malaysia Gems Conference • JPM ASEAN TMT and Fintech Forum • Macquarie Asia Conference 2025 (Hong Kong) • SEMICON Southeast Asia 2025 • Citi's 2025 Macro and Pan-Asia Investor Conference (Singapore) • UBS Asian Investment Conference 2025 (Hong Kong) • Citi's 2025 ASEAN C-Suite Corporate Day (Singapore) • CITIC CLSA Investors Forum (Hong Kong) • SEMICON Taiwan • AOB Conversation with Audit Committees
Dr Tay Kiang Meng	• Supply Chain Responsibility Programme 2025 Expectations Webinar • CDP webinar: Understanding Your 2024 CDP Scores • SEMICON Southeast Asia 2025 • CDP 2025 Disclosure Workshops: What you need to know about the 2025 cycle • ASM Webinar: Creating Quality CIPs and CAPs • Supply Chain Supplier Support Webinar: Introduction to 2025 Disclosure Cycle • Supplier Engagement Assessment Webinar • Catalyse Programme Overview Webinars • Responsible Recruitment Trainings Course 401: Preventive Measures to Combat Forced Labour
Ng Chee Whye	• CAANZ Webinar – The Future of Platform Lending • CAANZ Webinar – Expansion of SST • AOB Conversation with Audit Committees
Gerald Chiu Yoong Chian	• KHX Anti-Money Laundering 2025 • KHX Data protection 2025
Koh Huey Min	• MIA webinar: Steering Climate Risk and ESG Roadmap for Corporate • AOB Conversation with Audit Committees
Raja Jastina Adlina Binti Raja Arshad	• HRD Corp Senior Management Leadership Programme (HRD Corp Signature Programme) • ASEAN Business and Investment Summit 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION

The Board currently consists of six (6) members, comprising two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors, the composition of which accords with MMLR of Bursa Securities, which stipulate that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent.

The Non-Executive Directors, which comprise majority of Board members, provide the necessary checks and balances in the Board's exercise of its functions by providing an objective and unbiased evaluation of the Board's decisions and decision-making process.

The Executive Directors are complemented by the experience and independent views of the Non-Executive Directors who are professionals in the field of finance, accounting, administration, strategic and business management, and research and development. The Board members possess a fair range of business, finance, administration, research and development, and legal experience. Mixed skills and experience are pivotal in directing and supervising the Group's overall business activities considering the increasingly challenging economic and operating environment in which the Group operates. The profile of each Director is set out on pages 18 to 20 of the Company's 2025 Annual Report.

The NC is entrusted to assess the adequacy and appropriateness of the Board composition, identifying and recommending suitable candidates for Board membership and also to assess annually the performance of the Directors, succession plans and Board diversity, covering gender, age and ethnicity diversity, training courses for Directors and other qualities of the Board, including core-competencies which the Independent Non-Executive Directors should bring to the Board. The Board has the ultimate responsibility to decide on the appointment. This process ensures that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determines the skill matrix to support the strategic direction and needs of the Company.

For the financial year under review, the Board has conducted an annual evaluation of the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director. The evaluation process was facilitated internally by the Company Secretary using a set of questionnaires derived from the Corporate Governance Guide issued by Bursa Securities. The assessment covered Board mix and composition, quality of information and decision making, boardroom activities, and the effectiveness of the Board Committees.

The assessment also included a review of the independence of Independent Directors and the "Fit and Proper" criteria for Directors standing for re-election. The results of the evaluation were compiled and presented to the NC for deliberation.

Based on the evaluation conducted for the financial year ended 31 December 2025, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence, experience, integrity and capability to serve on the Board. The NC also found that the Board and Board Committees had discharged their duties and responsibilities effectively. Consequently, the NC recommended to the Board the re-election of the retiring Directors at the forthcoming 22nd Annual General Meeting ("AGM").

In addition, on the assessment of independence, the NC assessed the independence of the Independent Non-Executive Directors and is satisfied that all of them continue to fulfill the criteria for independence and exercise objective judgment.

The Company has not established a policy for setting targets for gender, ethnic or age composition in the Board. However, the Board believes that more importantly, the suitability of candidates should be evaluated based on the candidates' competency, character, time availability, integrity, and experience in meeting the Company's needs. The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

A summary of key activities undertaken by the NC in discharging its duties during the financial year under review and up to the date of this Statement is set out below:

- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Reviewed and recommended the re-election of retiring Directors, including the "Fit and Proper" test as set out in the policy, the continuance of which requires shareholders' approval to be determined at the forthcoming Annual General Meeting;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director;
- Considered the training undertaken by the Directors; and
- Reviewed and assessed the term of office and performance of the Audit Committee and each of its members.

III. REMUNERATION

The RC currently consists of three (3) members all are Independent Non-Executive Directors. The RC is entrusted by the Board to implement the policies and procedures on matters relating to the remuneration of the Board and Senior Management and making recommendations on the same to the Board for approval.

The Board has adopted the said policies as deliberated by the RC to determine the remuneration of Directors and Senior Management, which is aligned with the business strategy and long-term objectives of the Company. The Executive Directors and Senior Management are paid salaries, allowance, performance-based incentive, including bonus, and other customary benefits, as appropriate. The remuneration is set based on relevant market relativities, performance, qualifications, experience, and geographic location where the personnel is based. The salary level for Executive Directors and Senior Management considers, among others, the nature of the role, performance of the business and the individual and market positioning and their respective Key Performance Indicators which include Environmental, Social and Governance and sustainability considerations.

The remuneration of Independent Non-Executive Directors comprises fees only. The Board ensures that the remuneration for Independent Non-Executive Directors do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board meetings.

The respective Directors are required to abstain from deliberation and voting on their own remuneration at Board Meetings.

Pursuant to the MMLR of Bursa Securities, the Company is required to disclose the remuneration received by its directors, on a named basis, for the financial year under review from the Company and the Group, covering fees, salaries, bonuses, benefits-in-kind and others. Full details of such remuneration received by the Directors on a named basis are disclosed under Practice 8.1 of the Corporate Governance Report of the Company which is uploaded on the corporate website at www.frontken.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Meetings of the Board and Board Committees

During the financial year under review, the Board convened six (6) meetings whilst the Audit Committee, NC and RC held five (5), one (1) and two (2) meetings respectively. The attendance of the members at the said meetings is set out below:

Name of Director	Board	Audit Committee	NC	RC
Ng Wai Pin – Chairman of Board and Chief Executive Officer	6/6	N/A	N/A	N/A
Dr Tay Kiang Meng – Executive Director	6/6	N/A	N/A	N/A
Ng Chee Whye – Independent Non-Executive Director and Chairman of Audit Committee and RC	6/6	5/5	1/1	2/2
Gerald Chiu Yoong Chian – Non-Independent Non-Executive Director	6/6	N/A	1/1	N/A
Koh Huey Min – Independent Non-Executive Director	6/6	5/5	1/1	2/2
Raja Jastina Adlina Binti Raja Arshad – Independent Non-Executive Director and Chairman of NC	6/6	5/5	1/1	2/2

PRINCIPLE B – EFFECTVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

To assist in the discharge of its duties on financial reporting, the Board has established an Audit Committee, comprising three (3) Non-Executive Directors, with Mr Ng Chee Whye, an Independent Non-Executive Director, as the Committee Chairman. The Committee's composition, including its roles and responsibilities as well as a summary of its activities carried out during the financial year under review, are set out in the Audit Committee Report on pages 63 to 65 of this Annual Report. One of the key responsibilities of the Audit Committee is to ensure that the financial statements of the Group and Company comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards and provisions of the Companies Act 2016. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in this aspect, has adopted a policy for the types of non-audit services permitted to be provided by the external auditors and/or their affiliates, including the need for obtaining the Audit Committee's approval for such services.

To enhance transparency and governance, the Audit Committee has also formalised the policies and procedures to assess the suitability, objectivity and independence of external auditors that requires a former audit partner to observe a cooling-off period of at least three (3) years if this person is sought to be appointed as an Audit Committee member. This applies to all partners of the external audit firm and/or its affiliate firm. The cooling off period safeguards the independence of the audit by avoiding the potential threats which may arise when a former partner of the external audit firm is in position to exert significant influence over the audit and preparation of the Company's financial statements.

In alignment with the amendments to the Bursa Malaysia Main Market Listing Requirements regarding conflicts of interest, the Audit Committee reviewed the Policy and Procedure on Conflict of Interest in February 2025. Following the Board's approval, the policy was formally adopted and has been made available on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance on efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines to achieve corporate objectives.

The Audit Committee assists the Board in reviewing the adequacy and operating effectiveness of the system of risk management and internal control in the Group. The Audit Committee does this by deploying an independent outsourced internal audit function as well as an in-house internal audit function that conduct internal audit, with findings presented to the Audit Committee, including the remedial measures and action plans agreed by Management to address the matters so highlighted. For more details of Internal Audit, both for the outsourced and in-house functions, refer to the Statement on Risk Management and Internal Control which is included in the Company's 2025 Annual Report as well as the Corporate Governance Report that is made available on the Company's website at www.frontken.com.

The Audit Committee is responsible for overseeing the risk management framework and policies while Management of the respective business units and subsidiaries is tasked to manage business risks, including developing, implementing and monitoring mitigating measures to manage such risks to acceptable levels. Details of the Group's Risk Management framework, activities carried out for the financial year under review and reporting processes are set out in the Statement on Risk Management and Internal Control included in this Annual Report.

The Board is of the opinion that thus far, the existing risk management framework and policies are effective in monitoring and mitigating the present risks of the Group to acceptable levels in safeguarding the interest of shareholders, customers, employees and other stakeholders and the Group's assets but would continually to review and update the framework and policies to meet new and/or changing risks affecting the Group on an on-going basis.

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

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges that continuous communication between the Company and its stakeholders facilitates mutual understanding of each other's objectives and expectations. As such, the Board ensures the supply of clear, comprehensive, and timely information to stakeholders by way of various disclosures and announcements, including quarterly and annual financial results which provide investors with up-to-date financial information of the Group. All these announcements and other information about the Company, which are disseminated according to the Company's Corporate Disclosure Policy, are available on the Company's website at www.frontken.com where shareholders, investors and the general public may access.

During the year, the Chairman has been actively engaging with institutional investors, analysts and fund managers (both locally and overseas) and carried out investors relations programme to keep the stakeholders abreast of the developments of the Group and answering their questions on the performance of the Group.

In addition, the Directors also ensure that engagement with shareholders occurs at least once a year during the AGM to better understand their needs and obtain their feedback.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. CONDUCT OF GENERAL MEETINGS

The AGM is the principal forum for shareholder dialogue, allowing shareholders to review the Group's performance through the Company's Annual Report and pose questions to the Board for clarification.

The 21st AGM of the Company was held Imazium, Level 1, No. 8, Jalan SS21/37, Damansara Uptown, 47400 Petaling Jaya, Selangor, Malaysia on Thursday, 12 June 2025. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the polling process and Scrutineer Solutions Sdn Bhd as Scrutineers to verify the poll results.

There was active participation by the shareholders and all Directors were present to engage with shareholders. Moreover, Management and external auditors were also in attendance to respond to shareholders' queries. A total of 41 questions covering the Group's financial performance, strategic operational expansions, technological advancements, sustainability initiatives, and corporate governance matters were posed by the shareholders prior to and during the AGM, and they were all comprehensively answered. The completed list of questions together with the answers were posted on Bursa Securities' website on 11 July 2025 together with the minutes of the AGM.

For a heads up and to manage the shareholders' expectation, the Chairman before he opened to the floor to ask question, he told all present that he would use his best endeavour to deal with as many questions as possible that day. In the event if there were too many questions or if there is any question that needs further elaboration or the answer is factual in nature and could not be answered or provided that day, the answers would be posted on the Company's website. The Chairman did manage to answer all the questions and they are found in the Appendix A of the Minutes of the 21st AGM which was posted in Bursa's website as well the Company's own website for all to access.

The Board has set up the corporate website at www.frontken.com to encourage shareholders and investors to pose questions and queries to the Company. Questions and queries, if any, are attended to by the Company's Senior Management. In addition, the Board also encourages shareholders and other stakeholders to communicate with the Company through other channels, via post at 601D, Level 6, Tower D, Uptown 5, No. 5, Jalan SS21/39, Damansara Uptown, 47400 Petaling Jaya, Selangor or e-mail at ir@ frontken.com.

This Statement is dated 24 March 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PURPOSE OF STATEMENT

Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") states that a listed issuer must ensure that its Board of Directors issues a statement ("Statement on Risk Management and Internal Control" or "Statement") about the state of risk management and internal control of the listed issuer as a group. The Statement must include adequate and meaningful information to enable shareholders and other stakeholders to make an informed assessment of the main features and adequacy of the listed issuer's risk management and internal control system as a group.

Accordingly, the Board of Directors ("Board") of Frontken Corporation Berhad ("Company") furnishes this Statement, which outlines the nature and scope of the system of risk management and internal control of the Group (comprising the Company and its subsidiaries) for the financial year ended 31 December 2025 and up to the date of approval of this Statement for inclusion in the Company's Annual Report. For purpose of disclosure, this Statement has considered and, where pertinent, included the mandatory contents outlined in the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" and the "SORMIC Guide 2025" issued by The Institute of Internal Auditors Malaysia (IIAM).

BOARD'S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board affirms its overall responsibility for the Group's system of risk management and internal control to safeguard shareholders' investment and the Group's assets as well as review the adequacy, integrity and operating effectiveness of this system in meeting the Group's corporate objectives. The Board is mindful of the need to establish clear roles and responsibilities in discharging its fiduciary and leadership functions in line with the Principles, Practices and Guidance of the Malaysian Code on Corporate Governance ("MCCG").

In view of the inherent limitations in any system of risk management and internal control ("System"), the System is designed to manage, rather than eliminate, the risk of not adhering to the Group's policies and achieving goals and objectives within the risk appetite and tolerance established by the Board and Management. The System can, therefore, only provide reasonable, but not absolute, assurance against any material misstatement, financial loss or fraud.

The Board has formalised an Enterprise Risk Management framework ("ERM Framework") that encompasses relevant policies and guidelines to streamline the Group's risk management imperatives in a structured and comprehensive manner to safeguard shareholders' investment and the Group's assets. This ERM Framework accords largely with the ISO31000:2018 Risk Management – Guidelines, which set out the key principles, framework and process of risk management. With this ERM Framework, the Board has established an on-going process to identify, evaluate, control, report and monitor significant business risks faced by the Group on an ongoing basis.

The Board, through its Audit Committee, reviews the outcome of this risk management process, including actions taken and mitigating measures implemented by Management to address the key risks as identified. The Board confirms that an ongoing process for identifying, evaluating and managing significant risks has been in place throughout the financial year and up to the date of approval of this Statement.

RISK MANAGEMENT FRAMEWORK – EXTENT OF COVERAGE

Risk management is embodied in the Group's key business processes through the ERM Framework, which sets out, among others, an easy-to-understand step-by-step approach to identify and evaluate risks faced by business units and, by extension, the Group. To harmonise risk management initiatives and activities, the Board has formalised in writing relevant risk management policies and guidelines for adherence by business units across the Group. The ERM Framework comprises a structured assessment process, culminating in the compilation of specific risk profiles of key business units and companies in the Group by Risk Management Units ("RMUs"), including the semi-annual update of risk profiles to consider the vagaries of evolving business environment as well as emerging risks.

The Group is progressively aligning Sustainability Risks with the National Sustainability Reporting Framework (NSRF) and the International Sustainability Standards Board (ISSB) Standards (IFRS S1 and IFRS S2), the Board ensures that Environmental, Social, and Governance risks and other sustainability risks are embedded within the Group's overall risk management framework. This includes the identification and monitoring of climate-related risks, biodiversity impacts, and social compliance risks alongside traditional financial and operational risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT FRAMEWORK – EXTENT OF COVERAGE (CONT'D)

The individual risks are scored for their likelihood of occurrence and the impact thereof based on a '5 by 5' risk matrix, deploying parameters established for each key business unit or company in the Group. The risk parameters comprise relevant financial and non-financial metrics for risks to be evaluated or quantified, as the case may be, in terms of the likelihood of their occurrence and the impact thereof. The use of such metrics essentially articulates the Board's risk appetite, i.e., the extent of risk the Group is prepared to take or seek in achieving its business objectives.

The Group also maintains a forward-looking approach to emerging risks, identifying potential threats such as cybersecurity, digital disruption (including AI), and geopolitical uncertainty that may impact future operations.

Details of specific risks are documented in individual risk registers, covering the risk description, root causes, risk consequences, internal controls implemented by Management to address the root causes, Management's assessment of the effectiveness of internal controls and the residual risk rating. The action plans that Management has taken and/or is taking to mitigate the risks to acceptable levels are reported by the RMUs to the Audit Committee and the outcome is documented in the Audit Committee meeting minutes.

INTERNAL CONTROL SYSTEM – THE KEY FEATURES

The Group's internal control system aligns with the principles of the COSO Internal Control – Integrated Framework, covering the control environment, risk assessment, control activities, information and communication, and monitoring activities. Besides those internal controls implemented by Management to mitigate the risks as mentioned above, the Group's internal control system also covers the following salient elements:

- an organisation structure with clearly defined lines of responsibilities and appropriate levels of delegation and authority, including financial limits of authority;
- a process of hierarchical reporting which provides a documented and auditable trail of accountability;
- an annual budgetary exercise requiring all business units to formulate financial budgets consolidated into a Group budget, with quarterly reviews of performance against budget;
- significant changes in business development reported by Management to the Board at scheduled meetings;
- the Audit Committee, entrusted by the Board to oversee the Company's financial reporting process;
- internal policies and procedures on key business processes formalised in writing;
- structured whistle-blower policies and procedures; and
- special audits commissioned by the Audit Committee or Senior Management where issues arise affecting the reliability of financial information, where applicable.

INTERNAL AUDIT FUNCTION – ITS COMPOSITION AND SCOPE OF COVERAGE

The Group adopts the Three Lines Model to ensure effective risk management and control, with the Internal Audit Function serving as the third line of defence providing independent assurance.

The Group has two (2) groups of internal auditors, i.e. one covering the operations of the Group (save for Taiwan operations), and the other covering solely the Taiwan operations. The internal audit function of the Group (save for Taiwan operations) is outsourced to an independent professional firm, namely Sterling Business Alignment Consulting Sdn Bhd ("Sterling"). The internal audit function for the Taiwan operations is an in-house function, i.e. the internal audit personnel are employees of the subsidiary in Taiwan, namely Ares Green Technology Corporation ("AGTC"). Both the outsourced Internal Auditors and the internal audit function of the Group report to the Audit Committee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION – ITS COMPOSITION AND SCOPE OF COVERAGE (CONT'D)

Outsourced internal audit coverage – Group (save for Taiwan operations)

For the financial year ended 31 December 2025, Sterling has carried out internal audit reviews of two (2) business units, namely, Frontken (Singapore) Pte Ltd ("Frontken Singapore") and Frontken Philippines Inc. ("Frontken Philippines") covering the following areas:

- Human Resource Management;
- Finance and Accounts;
- Tools and Consumable Stock Management; and
- Sales and Marketing.

Sterling also carried out follow-up status reviews for the financial year to update the Audit Committee on the status of management actions for previously reported audit findings.

In-house internal audit coverage (only Taiwan operations)

The in-house internal audit plan for the financial year under review was prepared based largely on AGTC's financial information and the relative risks to the achievement of AGTC's business objectives. The in-house internal auditor adopted a process life cycle approach in identifying the auditable areas in AGTC. For the financial year ended 31 December 2025, as per the audit plan for year 2025 approved by the Audit Committee in February 2025, a review of internal controls on the following key business processes and related controls was carried out:

- Sale and receipt cycle;
- Investment cycle;
- Purchase and payment cycle;
- Finance cycle;
- Labour and wage cycle;
- Management of assets;
- Functionary substitute system;
- Property, plant and equipment cycle;
- Production cycle; and
- Computerised information processing system.

The internal audit plan and a summary of the findings of the in-house internal auditor were shared with the Audit Committee of the Company for information and comments, if any. The Audit Committee also noted the summary of the internal audit report presented during the year.

For the financial year ended 31 December 2025, the Audit Committee of the Company as well as Board of AGTC reviewed the work of the internal audit functions, outsourced and in-house, as the case may be, their observations and recommendations in order to obtain assurance on the adequacy and operating effectiveness of the Group's risk management and internal control system.

The total cost incurred by the Group for the internal audit functions for the financial year under review amounted to approximately RM235,000 (2024: RM233,000).

External Auditors

The external auditors, in the course of their statutory audit of the Group's financial statements, reviewed the Group's system of internal control to the extent of their planned reliance as laid out in their audit planning memorandum.

There were no significant deficiencies in internal controls identified during the audit, together with the improvement to strengthen internal controls, were reported in writing to the Audit Committee by the external auditors vide their presentation deck.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

BOARD'S COMMENTS ON THE ADEQUACY AND OPERATING EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board, assisted by its Audit Committee, has reviewed the adequacy and operating effectiveness of the Group's risk management and internal control system. The Board is of the view that the system of risk management and internal control, in place for the financial year under review and up to the date of approval of this Statement, is sound and sufficient to safeguard the interest of shareholders, customers, employees and the Group's assets.

ASSURANCE BY THE GROUP CHIEF EXECUTIVE OFFICER AND THE GROUP CHIEF FINANCIAL OFFICER

The Board has received assurance in writing from the Group Chief Executive Officer and the Group Chief Financial Officer stating that the Group's risk management and internal control system operated adequately and effectively, in all material aspects, for the financial year under review and up to the date of this Statement. The Board is not aware of any material losses, contingencies or uncertainties arising from weaknesses in internal control that would require disclosure in the Annual Report.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of Bursa Securities' Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Company's Annual Report for the financial year ended 31 December 2025.

The external auditors have reported to the Board that, based on their review procedures performed and evidence obtained, nothing has come to their attention that cause them to believe that this Statement intended to be included in the Annual report is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: 2025 Guidelines for Directors of Listed Issuers to be set out, nor is the Statement factually inaccurate.

This Statement is issued in accordance with the resolution of the Board of Directors dated 24 March 2026.

AUDIT COMMITTEE REPORT

(A) COMPOSITION AND ATTENDANCE

Pursuant to Paragraph 15.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company has established an Audit Committee, comprising the following members:

Name	Director	Position
Ng Chee Whye	Independent Non-Executive	Chairman of Audit Committee
Koh Huey Min	Independent Non-Executive	Member
Raja Jastina Adlina Binti Raja Arshad	Independent Non-Executive	Member

Members of the Audit Committee are appointed by the Board of Directors from among the Directors who fulfil the following requirements:

(a) the Audit Committee must comprise not less than three (3) members who are financially literate;

(b) all the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Non-Executive Directors; and

(c) at least one (1) member of the Audit Committee:

  (i) must be a member of the Malaysian Institute of Accountants;

  (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience; and:

    (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

    (bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

  (iii) fulfils such other requirements as prescribed or approved by Bursa Securities.

The Board assesses the performance of the Audit Committee in terms of its effectiveness and contribution of Audit Committee members on an annual basis to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference. The meeting attendance of the Audit Committee members is provided in the Corporate Governance Overview Statement in this Annual Report.

(B) MEETINGS

There were altogether five (5) meetings held during the financial year under review.

Meetings of the Audit Committee are planned ahead so that the members can make the necessary arrangement to attend the meetings. The notice for the meetings, together with meeting papers, is normally served at least one (1) week before each meeting to enable Audit Committee members to read, including an opportunity for them to inquire into the agenda items as well as to seek more information before the meeting.

At each Board meeting, the Audit Committee Chairman briefs the Board pertaining to matters discussed at the Audit Committee meeting held earlier. A copy of the minutes of the Audit Committee meeting is circulated to the Board for notation.

(C) ROLES AND RESPONSIBILITIES

The roles and responsibilities of the members of the Audit Committee as contained in the Audit Committee's terms of reference which have been uploaded on the Company's website at www.frontken.com.

AUDIT COMMITTEE REPORT (CONT'D)

(D) AUTHORITY

The Audit Committee has the authority to:

- Investigate any matter within its terms of reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to any information pertaining to the Group which it requires in the course of performing its duties;
- Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activities;
- Obtain independent professional or other advice, if deemed necessary; and
- Convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Group, whenever deemed necessary.

(E) SUMMARY OF ACTIVITIES CARRIED OUT DURING THE FINANCIAL YEAR

The principal activities undertaken by the Audit Committee during the financial year under review are summarised as follows:

- Reviewed the unaudited quarterly and year-end financial statements prior to recommending the same for the Board's approval, focusing particularly on significant and unusual events and compliance with applicable approved accounting standards and other legal requirements. To assist the Audit Committee in this process, the Chief Financial Officer of the Company then had provided charts and explanations to elucidate on the fluctuations in the Group's financial performance over the four (4) financial quarters, including the financial position of the Group in terms of its cash flows for the quarters concerned;
- Reviewed the Audit Committee Report, Corporate Governance Overview Statement, Corporate Governance Report and the Statement on Risk Management and Internal Control prior to recommending the same for the Board's approval for inclusion in the Company's Annual Report;
- Reviewed the appointment of the External Auditors and Internal Auditors, their independence and effectiveness, including their fees. The amount of fees paid or payable to the External Auditors of the Company or a firm or company affiliated to the External Auditors for the financial year under review in respect of non-audit services rendered to the Company and the Group amounted to approximately RM24,000 and RM30,000 respectively;
- Reviewed with the External Auditors their audit planning memorandum, comprising the scope of audit, areas of audit emphasis, audit approach and timetable;
- Met with the External Auditors on their audit report, Audit Review Memorandum and key audit matters;
- Reviewed the issues raised by the External Auditors pertaining to the audit carried out on the financial statements, including opportunities for improvement to internal controls based on observations made in the course of the audit;
- Reviewed the adequacy of the scope, functions, competency and resources of the Internal Audit Function, and that it has the necessary authority to carry out its work;
- Reviewed and approved the Internal Audit Plan tabled by the outsourced independent Internal Audit Function, reviewed the scope of work coverage by the outsourced Internal Audit Function for the financial year under review, including the results of evaluation of adequacy of the internal control system, as well as Management's response to recommendations for improvement, on the reports from the outsourced Internal Audit Function;
- Noted the outcome of internal audit work and issues raised by the in-house Internal Auditor covering the Taiwan operations, including Management action plans;
- Briefed the Board the outcome of the meetings of the Audit Committee, covering largely the work and results of the External Auditors and Internal Audit Function, recurrent related party transactions, quarterly announcements and year-end financial statements as well as the risk management update of the Group;

AUDIT COMMITTEE REPORT (CONT'D)

(E) SUMMARY OF ACTIVITIES CARRIED OUT DURING THE FINANCIAL YEAR (CONT'D)

- Reviewed the related party transactions within the Group;
- Reviewed if any conflict of interest situation has arisen, persist or may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;
- Reviewed the summary reports on risk management of the Group as presented by the Risk Management Units on the status of risks faced by the Group, including emerging risks, and action plans deployed to manage the risks concerned to acceptable levels; and
- Guided by the Policies and Procedures to assess the suitability, objectivity and independence of external auditors, evaluated the performance of the External Auditors in meeting the requirements of the Company before recommending to the Board for the tabling of their re-appointment at the Annual General Meeting for approval by shareholders.

The dates of Audit Committee meetings are pre-planned and communicated to the auditors in advance for them to prepare the Audit Review Memorandum, Audit Planning Memorandum, Internal Audit Plan and Internal Audit Reports for presentation to the Audit Committee to meet the respective deadlines, as applicable. The Audit Committee also noted the internal control deficiencies and/or areas of improvement identified by the Internal Audit Function and action plan for corrective actions or improvement by Management.

The Group has an in-house Internal Auditor who is based at the Company's subsidiary in Taiwan, namely Ares Green Technology Corporation, who conducts internal audit covering solely the Taiwanese operations. As for the Company and other subsidiaries, the Internal Audit Function is outsourced to an independent internal audit service provider, namely Sterling Business Alignment Consulting Sdn Bhd. The principal function of internal audit is to undertake systematic reviews of the internal control system within the Group in accordance with approved internal audit plan, to provide assurance that such a system is adequate and operating effectively as intended. The Internal Audit Function's responsibilities are to provide independent and objective reports on the state of internal controls of the various operating units within the Group to the Audit Committee and provide recommendations for the improvement of the control procedures, so that remedial actions are taken to mitigate weaknesses noted in the system and controls of the respective operating units.

Details of internal audit activities, scope of coverage and cost incurred on the combined Internal Audit Function for the financial year under review, are set out in the Statement on Risk Management and Internal Control included in this Annual Report.

This Report is dated 24 March 2026.

ADDITIONAL DISCLOSURE

1. Audit Fees and Non-Audit Fees

During the financial year, the audit fees paid or payable by the Company and the Group to our external auditors in respect of audit of the financial statements for the financial year ended 31 December 2025 amounted to approximately RM156,000 and RM656,000 respectively.

The non-audit fees paid or payable to a member firm of external auditors, Crowe Malaysia PLT by the Company and the Group during the financial year ended 31 December 2025 amounted to approximately RM24,000 and RM30,000 respectively.

2. Material Contract

There were no material contracts entered into by the Company and its subsidiaries involving the interest of the Directors and/or major shareholders of the Company, either still subsisting at the end of the financial year, or which were entered into since the end of the previous financial year.

3. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements ("MMLR") and Paragraph 9.41(b) of the MMLR, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia.

(a) Group Total Income and Total Assets

Total Income

	The Group	
	2025	**2024**
	RM	**RM**
Revenue	607,759,744	569,204,591
Interest income	11,251,068	7,366,656
Dividend income	95,288	51,442
Other income	1,375,501	959,075
Fair value gain on short-term investments	2,941,888	1,614,770
Gain on disposal of short-term investments	-	267,400
Gain on disposal of property, plant and equipment	25,137	-
Gain on lease termination	1,509	1,474
Lease income from property, plant and equipment	1,290,390	1,273,118
Net insurance claim proceeds	2,006,536	2,217,474
Reversal of inventories previously written down	11,875	-
Realised gain on foreign exchange	258,156	593,919
Unrealised gain on foreign exchange	70,159	4,466,041
Total Other Income	19,327,507	18,811,369
Total Income	627,087,251	588,015,960
Total Assets	1,301,664,141	988,543,348

ADDITIONAL DISCLOSURE (CONT'D)

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

b) Business Activities

Shariah Non-Compliant Activities	The Group 2025 RM	2024 RM
Dividend income received from conventional instruments	95,288	51,442
Interest income	3,256,837	3,453,851
Gain on disposal of short-term investments	-	129,802
Total	3,352,125	3,635,095

c) Component of Financial Position

(i) Cash Component

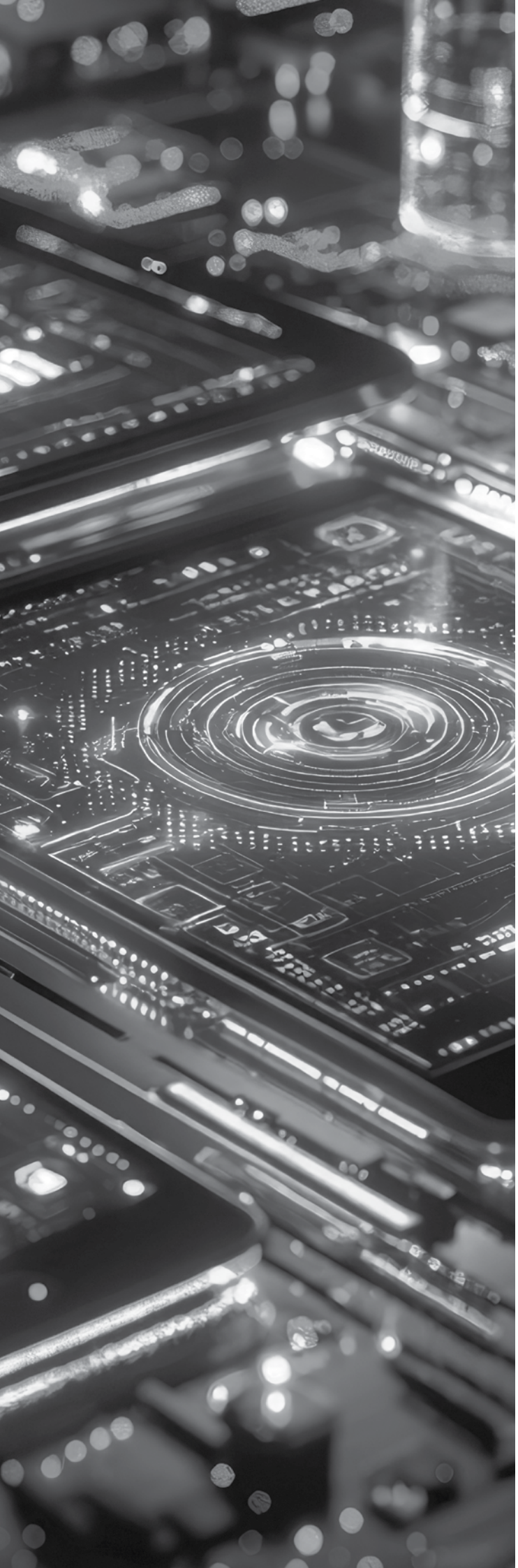
Islamic Account/Instruments	The Group 2025 RM	2024 RM
Cash and bank balances (exclude cash in hand)	166,286,497	201,798,065
Unit trust funds	285,474,633	38,478,649
Other cash equivalents – Cash in hand	42,017	52,850
Total Cash	451,803,147	240,329,564

Conventional Account/Instruments	The Group 2025 RM	2024 RM
Cash and bank balances (exclude cash in hand)	199,826,014	151,344,822
Deposits with licensed bank	181,482,529	123,252,173
Total Cash	381,308,543	274,596,995

(ii) Debt Component

Conventional Borrowing	The Group 2025 RM	2024 RM
Current		
Hire purchase payables	14,763	34,284
Non-Current		
Hire purchase payables	-	14,763
Total Debt	14,763	49,047

The Group has no loan and borrowing outstanding under Islamic financing.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors of **FRONTKEN CORPORATION BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

FINANCIAL RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	168,508,443	32,674,521
Attributable to:		
Owners of the Company	154,227,874	32,674,521
Non-controlling interests	14,280,569	-
	168,508,443	32,674,521

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company are as follows:

	RM
In respect of the financial year ended 31 December 2024	
- Second interim single-tier dividend of 2.0 sen per ordinary share on 1,585,544,575 ordinary shares, paid on 21 April 2025	31,710,892
In respect of the financial year ended 31 December 2025	
- First interim single-tier dividend of 2.0 sen per ordinary share on 1,593,255,925 ordinary shares, paid on 7 October 2025	31,865,118

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONT'D)

ISSUES OF SHARES AND DEBENTURES

During the financial year:

(a) the Company increased its issued and paid-up share capital from RM155,606,845 to RM449,666,245 by way of issuance of 73,514,850 new ordinary shares from the exercise of Warrants 2021/2026 at the exercise price of RM4 per warrant as disclosed in Note 21 to the financial statements which amounted to RM294,059,400.

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

(b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 1,870,300 of its issued ordinary shares from the open market at an average price of RM3.18 per share and sold 20,000 of its treasury shares in the open market at a price of RM3.31 per share. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from total equity.

As at 31 December 2025, the Company held 9,096,550 treasury shares at a carrying amount of RM9,661,278. The details on the treasury shares are disclosed in Note 22 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options have been granted by the Company to any parties to take up any unissued shares of the Company.

WARRANTS

On 4 May 2021, the Company issued 524,137,195 warrants pursuant to bonus issue of warrants to all the entitled shareholders of the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company.

The warrants were constituted under a Deed Poll dated 14 April 2021 and each warrant entitled the registered holder the right at any time during the exercise period from 4 May 2021 to 3 May 2026 to subscribe in cash for one new ordinary share of the Company at an exercise price of RM4.00 each.

The new ordinary shares allotted and issued upon exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

As at 31 December 2025, the total number of warrants that remain unexercised were 441,330,895 units. The details of the warrants are disclosed in Note 23 to the financial statements.

OTHER FINANCIAL INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

DIRECTORS' REPORT (CONT'D)

OTHER FINANCIAL INFORMATION (CONT'D)

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

(a) which would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The following names of directors who served on the Board of the Company during the financial year and up to the date of this report:

Ng Wai Pin
Ng Chee Whye
Chiu Yoong Chian Gerald
Dr. Tay Kiang Meng
Koh Huey Min
Raja Jastina Adlina Binti Raja Arshad

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:

Hee Kok Hiong
Sia Chiok Meng
Lee Boon Tian
Mohd. Shukri Bin Hitam
Fauziah Binti Hamlawi
Andres Seno, Jr.
Glenn A.Lagos
Jolene Chay
Wong Chee Wai

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

	Number of Ordinary Shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
Shares in the Company				
Direct Interests				
Ng Wai Pin	12,009,350	-	-	12,009,350
Dr. Tay Kiang Meng	14,127,212	-	-	14,127,212
Ng Chee Whye	110,000	-	-	110,000
Indirect Interests				
Ng Wai Pin[1]	254,037,209	1,000,000	(74,700,000)	180,337,209
Ng Chee Whye[2]	168,580	-	-	168,580
Koh Huey Min[2]	3,000	-	-	3,000

	Number of Warrants			
	At 1.1.2025	Granted	Sold	At 31.12.2025
Warrants in the Company				
Direct Interests				
Ng Wai Pin	3,356,450	-	-	3,356,450
Dr. Tay Kiang Meng	4,702,404	-	(1,000,000)	3,702,404
Ng Chee Whye	10,000	-	-	10,000
Indirect Interests				
Ng Wai Pin[1]	105,690,736	-	(5,900,900)	99,789,836
Ng Chee Whye[2]	62,860	-	-	62,860

[1] Deem interested by virtue of his direct substantial shareholding in Dazzle Clean Ltd.
[2] Deem interested through spouse's shareholding in the Company.

By virtue of his shareholdings in the Company, Ng Wai Pin is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

Save as disclosed above, the other directors holding office at the end of the financial year had no interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 14 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is 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.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

	The Group RM	The Company RM
Fees	419,844	359,844
Salaries and other emoluments	15,217,020	8,107,875
Defined contribution plan	1,624,719	1,540,302
	17,261,583	10,008,021

INDEMNITY AND INSURANCE COST

No indemnities were given to, nor insurance effected for, the directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 13 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:

	The Group RM	The Company RM
Audit fees	655,580	156,000
Non-audit fees	61,272	24,500
	716,852	180,500

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

_____

NG WAI PIN

_____

NG CHEE WHYE

24 March 2026

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FRONTKEN CORPORATION BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401012517 (651020 - T)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Frontken Corporation Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 79 to 147.

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 year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of Goodwill on Consolidation Refer to Note 15 to the financial statements.	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The Group has goodwill of approximately RM33.8 million comprised within the 3 cash-generating units ("CGU"). For the CGUs which comprised goodwill, the determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use, requires judgement on the part of management in identifying and then valuing the relevant CGUs. The value-in-use models used to assess the risk of impairment are based on assumptions including revenue forecasts, gross and operating margins and discount rates, all of which are country-specific. We focused on this area because of the inherent judgement involved in determining key assumptions such as future sales growth, profit margins, discount rates and terminal value.	Our procedures included, among others: a) Making enquiries of and challenging the management on the key assumptions made, including: i. the achievement of the business plan; and ii. sales growth, operating margin, discount rates and long-term growth rates; b) Performing sensitivity analysis on key assumptions and agreeing with management's conclusion to ascertain the extent of change that individually, or in combination, would be required for the goodwill to be impaired; and c) Assessing the adequacy of disclosure of goodwill in the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FRONTKEN CORPORATION BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401012517 (651020 - T)

Key Audit Matters (Cont'd)

Recoverability of Trade Receivables Refer to Note 14 to the financial statements.	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The trade receivables of the Group amounted to approximately RM120.2 million and it constituted 12% of the total current assets of the Group. We focused on this area due to the outstanding receivable balances which exceeded the credit term granted by the Group. The total outstanding balances which exceeded the credit term amounted to approximately RM16.3 million is considered to be of a higher credit risk. The assessment of recoverability of these outstanding receivables involved judgement and estimation of uncertainty by Management.	Our procedures included, among others: a) Testing the adequacy of the Group's allowance for impairment losses on trade receivables by assessing the Group's policy and historical data from the Group's previous collection experience; b) Reviewing the Group's subsequent collection after the financial year for major receivables; c) Reviewing the expected credit loss assessment by challenging whether the historic experience is representative of the current circumstances and of recent losses incurred in the receivables and assessing the reasonableness of forward-looking adjustments; and d) Assessing the adequacy of disclosure in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRONTKEN CORPORATION BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401012517 (651020 - T)

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 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.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FRONTKEN CORPORATION BERHAD (CONT'D)
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401012517 (651020 - T)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 13 to the financial statements.

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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Elvina Tay Choon Choon
03329/10/2027 J
Chartered Accountant

Kuala Lumpur

24 March 2026

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group 2025 RM	The Group 2024 RM	The Company 2025 RM	The Company 2024 RM
Revenue	5	607,759,744	569,204,591	46,508,306	51,260,084
Cost of sales		(306,484,527)	(308,141,540)	-	-
Gross profit		301,275,217	261,063,051	46,508,306	51,260,084
Other income		19,327,507	18,811,369	3,147,335	1,938,525
Administrative expenses		(81,384,153)	(66,991,943)	(12,801,990)	(10,942,418)
Other operating expenses		(14,776,933)	(13,658,147)	(230,565)	(170,450)
Finance costs	6	(752,199)	(794,591)	-	-
Net impairment losses on financial assets	7	47,063	-	-	-
Profit before tax	8	223,736,502	198,429,739	36,623,086	42,085,741
Income tax expense	9	(55,228,059)	(47,348,271)	(3,948,565)	(3,400,210)
Profit after tax		168,508,443	151,081,468	32,674,521	38,685,531
Other comprehensive income, net of tax					
Items that Will Not be Reclassified Subsequently to Profit or Loss					
Actuarial (loss)/gain		(44,077)	195,301	-	-
Items that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation differences		(41,625,195)	(52,485,724)	-	-
Total comprehensive income for the financial year		126,839,171	98,791,045	32,674,521	38,685,531
Profit after tax attributable to:					
Owners of the Company		154,227,874	136,806,319	32,674,521	38,685,531
Non-controlling interests		14,280,569	14,275,149	-	-
		168,508,443	151,081,468	32,674,521	38,685,531
Total comprehensive income attributable to:					
Owners of the Company		114,807,936	88,061,570	32,674,521	38,685,531
Non-controlling interests		12,031,235	10,729,475	-	-
		126,839,171	98,791,045	32,674,521	38,685,531
Earnings per ordinary share attributable to owners of the Company					
Basic (sen)	10	9.65	8.67		
Diluted (sen)	10	9.55	8.60		

The accompanying Notes form an integral part of these Financial Statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	The Group 2025 RM	The Group 2024 RM	The Company 2025 RM	The Company 2024 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	238,378,072	226,645,695	5,258,078	5,367,613
Right-of-use assets	12	30,785,230	30,751,354	-	-
Investments in subsidiaries	13	-	-	166,921,973	153,591,487
Other receivables	14	826,445	871,100	-	-
Goodwill on consolidation	15	33,760,856	33,760,856	-	-
Deferred tax assets	16	3,033,497	1,553,170	-	-
Total Non-Current Assets		306,784,100	293,582,175	172,180,051	158,959,100
Current Assets					
Inventories	17	21,726,046	21,236,721	-	-
Trade receivables	14	120,203,196	140,566,606	-	-
Other receivables, deposits and prepaid expenses	14	11,761,337	14,546,672	46,060	77,562
Amount owing by subsidiaries	18	-	-	5,059,099	2,305,654
Short-term investments	19	293,489,373	42,143,647	273,625,795	30,059,862
Current tax assets		63,032	19,617	-	-
Fixed deposits with licensed banks	20	181,482,529	123,252,173	-	-
Cash and bank balances		366,154,528	353,195,737	2,454,483	19,638,780
Total Current Assets		994,880,041	694,961,173	281,185,437	52,081,858
Total Assets		1,301,664,141	988,543,348	453,365,488	211,040,958

The accompanying Notes form an integral part of these Financial Statements.

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

	Note	The Group 2025 RM	The Group 2024 RM	The Company 2025 RM	The Company 2024 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	21	449,666,245	155,606,845	449,666,245	155,606,845
Treasury shares	22	(9,661,278)	(3,739,069)	(9,661,278)	(3,739,069)
Share application money		-	16,108,000	-	16,108,000
Reserves	23	596,075,434	552,588,444	2,798,343	33,651,943
Equity attributable to owners of the company		1,036,080,401	720,564,220	442,803,310	201,627,719
Non-controlling interests	13	53,906,745	52,343,383	-	-
Total Equity		1,089,987,146	772,907,603	442,803,310	201,627,719
Non-Current Liabilities					
Bank borrowing	24	-	14,763	-	-
Lease liabilities	25	26,061,324	26,099,985	-	-
Other payables	26	204,189	172,698	-	-
Deferred tax liabilities	16	1,504,297	1,541,088	-	-
Total Non-Current Liabilities		27,769,810	27,828,534	-	-
Current Liabilities					
Trade payables	26	19,291,273	27,295,368	-	-
Other payables and accrued expenses	26	130,144,817	132,541,145	10,540,478	9,411,859
Bank borrowing	24	14,763	34,284	-	-
Lease liabilities	25	2,829,397	2,633,304	-	-
Current tax liabilities		31,626,935	25,303,110	21,700	1,380
Total Current Liabilities		183,907,185	187,807,211	10,562,178	9,413,239
Total Liabilities		211,676,995	215,635,745	10,562,178	9,413,239
Total Equity and Liabilities		1,301,664,141	988,543,348	453,365,488	211,040,958

The accompanying Notes form an integral part of these Financial Statements.

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

The Group	Share capital RM	Treasury shares RM	Non-distributable: Foreign currency translation reserve RM	Non-distributable: Statutory reserve RM	Non-distributable: Share application money RM	Distributable: Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Balance at 1 January 2024	118,441,045	(3,739,069)	61,250,289	45,542,573	-	419,671,852	641,166,690	46,735,468	687,902,158
Other comprehensive income recognised for the financial year:									
- defined benefit plan actuarial gain	-	-	-	-	-	177,985	177,985	17,316	195,301
- foreign currency translation differences	-	-	(48,922,734)	-	-	-	(48,922,734)	(3,562,990)	(52,485,724)
Profit after tax for the financial year	-	-	-	-	-	136,806,319	136,806,319	14,275,149	151,081,468
Total comprehensive income for the financial year	-	-	(48,922,734)	-	-	136,984,304	88,061,570	10,729,475	98,791,045
Contributions by and distributions to owners of the Company:									
- Exercise of warrants	37,165,800	-	-	-	-	-	37,165,800	-	37,165,800
- Shares pending allotment	-	-	-	-	16,108,000	-	16,108,000	-	16,108,000
- Dividends:									
- by the Company	-	-	-	-	-	(61,500,453)	(61,500,453)	-	(61,500,453)
- by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(5,511,293)	(5,511,293)
- Transfer to statutory reserve	-	-	-	10,598,209	-	(10,598,209)	-	-	-
- Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(437,387)	(437,387)	389,733	(47,654)
Balance at 31 December 2024	155,606,845	(3,739,069)	12,327,555	56,140,782	16,108,000	484,120,107	720,564,220	52,343,383	772,907,603

The accompanying Notes form an integral part of these Financial Statements.

The Group	Share capital RM	Treasury shares RM	Non-distributable: Foreign currency translation reserve RM	Non-distributable: Statutory reserve RM	Non-distributable: Share application money RM	Distributable: Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM	Total equity RM
Balance at 1 January 2025	155,606,845	(3,739,069)	12,327,555	56,140,782	16,108,000	484,120,107	720,564,220	52,343,383	772,907,603
Other comprehensive income recognised for the financial year:									
- defined benefit plan actuarial loss	-	-	-	-	-	(43,182)	(43,182)	(895)	(44,077)
- foreign currency translation differences	-	-	(39,376,756)	-	-	-	(39,376,756)	(2,248,439)	(41,625,195)
Profit after tax for the financial year	-	-	-	-	-	154,227,874	154,227,874	14,280,569	168,508,443
Total comprehensive income for the financial year	-	-	(39,376,756)	-	-	154,184,692	114,807,936	12,031,235	126,839,171
Contributions by and distributions to owners of the Company:									
- Purchase of treasury shares	-	(5,940,367)	-	-	-	-	(5,940,367)	-	(5,940,367)
- Treasury shares sold	-	18,158	-	-	-	47,889	66,047	-	66,047
- Exercise of warrants	294,059,400	-	-	-	(16,108,000)	-	277,951,400	-	277,951,400
- Dividends:									
- by the Company	-	-	-	-	-	(63,576,010)	(63,576,010)	-	(63,576,010)
- by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(4,930,212)	(4,930,212)
- Transfer to statutory reserve	-	-	-	12,467,258	-	(12,467,258)	-	-	-
- Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(7,792,825)	(7,792,825)	(5,537,661)	(13,330,486)
Balance at 31 December 2025	449,666,245	(9,661,278)	(27,049,201)	68,608,040	-	554,516,595	1,036,080,401	53,906,745	1,089,987,146

The accompanying Notes form an integral part of these Financial Statements.

The Company	Share capital RM	Treasury shares RM	Share application money RM	Distributable Retained earnings RM	Total equity RM
Balance at 1 January 2024	118,441,045	(3,739,069)	-	56,466,865	171,168,841
Profit after taxation/Total comprehensive income for the financial year	-	-	-	38,685,531	38,685,531
Contribution by and distributions to owners of the Company:					
- Exercise of warrants	37,165,800	-	-	-	37,165,800
- Shares pending allotment	-	-	16,108,000	-	16,108,000
- Dividends	-	-	-	(61,500,453)	(61,500,453)
Balance at 31 December 2024	155,606,845	(3,739,069)	16,108,000	33,651,943	201,627,719
Balance at 1 January 2025	155,606,845	(3,739,069)	16,108,000	33,651,943	201,627,719
Profit after taxation/Total comprehensive income for the financial year	-	-	-	32,674,521	32,674,521
Contribution by and distributions to owners of the Company:					
- Purchase of treasury shares	-	(5,940,367)	-	-	(5,940,367)
- Treasury shares sold	-	18,158	-	47,889	66,047
- Exercise of warrants	294,059,400	-	(16,108,000)	-	277,951,400
- Dividends	-	-	-	(63,576,010)	(63,576,010)
Balance at 31 December 2025	449,666,245	(9,661,278)	-	2,798,343	442,803,310

The accompanying Notes form an integral part of these Financial Statements.

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

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before tax	223,736,502	198,429,739	36,623,086	42,085,741
Adjustments for:				
Depreciation of property, plant and equipment	18,179,327	17,284,642	193,860	106,859
Depreciation of right-of-use assets	3,275,619	3,397,988	-	-
Interest expense	752,199	794,591	-	-
Unrealised loss/(gain) on foreign exchange	9,773,756	(4,208,237)	2,514	82,047
Inventories written down	84,623	290,040	-	-
Property, plant and equipment written off	27,780	143,635	-	-
Interest income	(11,251,068)	(7,366,656)	(2,883,079)	(1,092,352)
Fair value gain on short-term investments	(2,941,888)	(1,614,770)	-	-
Gain on disposal of property, plant and equipment	(25,137)	-	-	-
Gain on disposal of short-term investments	-	(129,802)	-	-
Gain on lease termination	(1,509)	(1,474)	-	-
Reversal of allowance for impairment losses on trade receivables	(47,063)	-	-	-
Reversal of inventories previously written down	(11,875)	-	-	-
Dividend income from subsidiaries	-	-	(46,478,306)	(51,230,084)
Operating Profit/(Loss) Before Working Capital Changes	241,551,266	207,019,696	(12,541,925)	(10,047,789)
(Increase)/Decrease in:				
Inventories	(1,583,689)	(676,706)	-	-
Trade receivables	13,528,065	(29,220,198)	-	-
Other receivables and prepaid expenses	2,970,580	1,759,536	31,502	414,912
Increase/(Decrease) in:				
Trade payables	(7,224,198)	5,420,723	-	-
Other payables and accrued expenses	2,521,791	22,931,683	1,128,937	2,133,385
Amount owing by subsidiaries	-	-	103,110	(115,164)
Cash Generated From/(For) Operations	251,763,815	207,234,734	(11,278,376)	(7,614,656)
Taxes paid	(48,854,364)	(40,608,744)	(59,850)	(55,279)
Net Cash From/(For) Operating Activities	202,909,451	166,625,990	(11,338,226)	(7,669,935)

The accompanying Notes form an integral part of these Financial Statements.

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

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note 30(a))	(42,734,553)	(24,805,913)	(84,325)	(5,460,490)
Purchase of short-term investments	(248,887,296)	(9,701,724)	(243,565,933)	(12,690,255)
Dividend received from subsidiaries	-	-	39,750,813	47,469,449
Acquisition of non-controlling interests (Note 13)	(13,330,486)	-	(13,330,486)	-
Proceeds from disposal of property, plant and equipment	25,138	-	-	-
Proceeds from disposal of short-term investments	-	1,660,975	-	-
Net placement of fixed deposits with licensed banks	(6,470,936)	4,219,845	-	-
Interest received	11,251,068	7,366,656	2,883,079	1,092,352
Net Cash (For)/From Investing Activities	(300,147,065)	(21,260,161)	(214,346,852)	30,411,056
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES				
Interest paid (Note 30(b))	(752,199)	(794,591)	-	-
Dividend paid by the Company (Note 27)	(63,576,010)	(61,500,453)	(63,576,010)	(61,500,453)
Dividend paid by a subsidiary to non-controlling interests	(3,794,903)	(7,711,293)	-	-
Proceeds from issuance of shares	277,951,400	37,165,800	277,951,400	37,165,800
Purchase of treasury shares	(5,940,367)	-	(5,940,367)	-
Proceeds from disposal of treasury shares	66,047	-	66,047	-
Proceeds from warrant holders	-	16,108,000	-	16,108,000
Payment of lease liabilities (Note 30(b))	(3,170,673)	(3,208,562)	-	-
Drawdown of bank borrowings (Note 30(b))	3,500,000	-	-	-
Repayment of bank borrowings (Note 30(b))	(3,534,284)	(32,656)	-	-
Net Cash From/(For) Financing Activities	200,749,011	(19,973,755)	208,501,070	(8,226,653)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	103,511,397	125,392,074	(17,184,008)	14,514,468
Effect of exchange rate changes	(38,417,806)	(30,659,916)	(289)	(72,537)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	469,111,937	374,379,779	19,638,780	5,196,849
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 30(c))	534,205,528	469,111,937	2,454,483	19,638,780

The accompanying Notes form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

The registered office of the Company is located at B-11-10, Level 11, Megan Avenue II, Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at 601D, Level 6, Tower D, Uptown 5, No. 5, Jalan SS21/39, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

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

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 24 March 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

2.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year (Cont'd):

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

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

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 of the Company has yet to be assessed.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Critical Accounting Estimates And Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(i) Impairment of Goodwill on Consolidation

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill on consolidation as at the reporting date and the key assumptions are disclosed in Note 15 to the financial statements.

(ii) Impairment of Property, Plant and Equipment and Right-Of-Use Assets

The Group and the Company determine whether an item of its property, plant and equipment and right-of-use assets is 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. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 11 and 12 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Critical Accounting Estimates And Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(iii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 11 to the financial statements.

(iv) Income Taxes

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

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax assets	63,032	19,617	-	-
Current tax liabilities	(31,626,935)	(25,303,110)	(21,700)	(1,380)

(v) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 16 to the financial statements.

(vi) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Critical Accounting Estimates And Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(vii) Write-down of Inventories

Management periodically reviews damaged, obsolete, and slow-moving inventory. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 17 to the financial statements.

(viii) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 14 and 18 to the financial statements respectively.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:

Lease Terms

Some leases contain extension options exercisable by the Group 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).

Government Grants

The Group presents government grants related to an asset by setting up the grants as deferred income and are amortised to profit or loss on a systematic basis over the expected useful life of the relevant asset.

Goodwill

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

Financial Instruments

(i) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(ii) Financial Liability

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(iii) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:

Freehold buildings	25 - 50 years
Long-term leasehold buildings	60 years
Land improvement	14%
Factory and office renovation	5% - 10%
Plant and machinery	10% - 20%
Workshop tools	10% - 20%
Office equipment	10% - 33.3%
Furniture and fittings	10% - 33.3%
Motor vehicles	10% - 20%
Computers	33.3%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Investments in Subsidiaries

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

Right-of-use Assets and Lease Liabilities

(i) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(ii) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(iii) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

4. OPERATING SEGMENTS

The Group has one reportable segment as the Group is principally engaged in one business segment which is the provision of engineering services.

The Group Chief Executive Officer (the chief operating decision maker) review internal management report at least on a quarterly basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The Group is organised into the following geographical segments:

- Malaysia
- Singapore
- Philippines
- Taiwan
- Indonesia

4. OPERATING SEGMENTS (CONT'D)

The Group 2025	Geographical segment						Reportable segment Total
	Malaysia RM	Singapore RM	Philippines RM	Taiwan RM	Indonesia RM	Elimination RM	RM
Revenue							
External revenue	87,831,911	53,875,092	16,988,616	449,064,125	-	-	607,759,744
Inter-companies revenue	2,583,437	380,343	-	243,173	-	(3,206,953)	-
Total revenue	90,415,348	54,255,435	16,988,616	449,307,298	-	(3,206,953)	607,759,744
Results							
Segment profit/(loss) before interest and tax	55,905,624	8,165,737	3,523,334	192,800,008	(672,718)	(46,484,352)	213,237,633
Interest income							11,251,068
Finance costs							(752,199)
Profit before tax							223,736,502
Income tax expense							(55,228,059)
Profit after tax							168,508,443

4. OPERATING SEGMENTS (CONT'D)

The Group 2025	Geographical segment						Reportable segment Total
	Malaysia RM	Singapore RM	Philippines RM	Taiwan RM	Indonesia RM	Elimination RM	RM
Assets							
Non-current assets							
- Property, plant and equipment	24,077,639	13,999,918	1,119,092	198,716,446	464,977	-	238,378,072
- Right-of-use assets	3,918,431	5,107,990	3,459,695	17,653,445	645,669	-	30,785,230
- Deferred tax assets	-	-	21,479	3,012,018	-	-	3,033,497
- Goodwill	33,760,856	-	-	-	-	-	33,760,856
- Other receivables	-	-	-	826,445	-	-	826,445
Current assets	295,382,800	44,270,884	22,595,523	605,403,319	337,835	26,889,680	994,880,041
Consolidated total assets							1,301,664,141
Liabilities							
Tax liabilities	1,687,887	1,865,554	108,151	29,469,640	-	-	33,131,232
Segment liabilities	23,237,496	12,727,384	4,207,062	144,634,326	8,558,153	(14,818,658)	178,545,763
Consolidated total liabilities							211,676,995
Other Information							
Capital expenditure	1,031,113	1,077,460	302,043	40,332,802	-	-	42,743,418
Depreciation	2,906,947	3,935,206	1,441,820	13,121,414	49,559	-	21,454,946
Other non-cash items							
- income	76,326	30,513	-	2,941,888	47,063	-	3,095,790
- expenses	8,143	1,145,446	33,170	8,199,032	570,195	-	9,955,986

4. OPERATING SEGMENTS (CONT'D)

The Group 2024	Geographical segment						Reportable segment Total
	Malaysia RM	Singapore RM	Philippines RM	Taiwan RM	Indonesia RM	Elimination RM	RM
Revenue							
External revenue	102,456,245	65,934,549	17,442,328	383,371,469	-	-	569,204,591
Inter-companies revenue	5,522,694	1,975,656	88,102	228,277	-	(7,814,729)	-
Total revenue	107,978,939	67,910,205	17,530,430	383,599,746	-	(7,814,729)	569,204,591
Results							
Segment profit before interest and tax	64,506,778	16,320,688	3,611,185	159,472,926	(317,880)	(51,736,023)	191,857,674
Interest income							7,366,656
Finance costs							(794,591)
Profit before tax							198,429,739
Income tax expense							(47,348,271)
Profit after tax							151,081,468

4. OPERATING SEGMENTS (CONT'D)

The Group 2024	Geographical segment						Reportable segment Total
	Malaysia RM	Singapore RM	Philippines RM	Taiwan RM	Indonesia RM	Elimination RM	RM
Assets							
Non-current assets							
- Property, plant and equipment	25,345,506	17,688,938	1,225,177	181,812,450	573,624	-	226,645,695
- Right-of-use assets	3,599,957	5,928,781	986,043	19,503,581	732,992	-	30,751,354
- Deferred tax assets	-	-	18,859	1,534,311	-	-	1,553,170
- Goodwill	33,760,856	-	-	-	-	-	33,760,856
- Other receivables	-	-	-	871,100	-	-	871,100
Current assets	73,267,868	43,604,877	22,687,961	527,191,987	522,963	27,685,517	694,961,173
Consolidated total assets							988,543,348
Liabilities							
Tax liabilities	1,563,830	3,071,580	128,191	22,080,597	-	-	26,844,198
Segment liabilities	33,205,909	15,984,660	2,107,149	143,061,713	9,283,148	(14,851,032)	188,791,547
Consolidated total liabilities							215,635,745
Other Information							
Capital expenditure	10,119,244	1,494,526	44,018	14,511,013	-	-	26,168,801
Depreciation	2,398,297	4,180,440	1,507,775	12,545,722	50,396	-	20,682,630
Other non-cash items							
- income	4,754	562,334	26,963	5,615,557	-	-	6,209,608
- expenses	390,357	5,652	-	157,190	137,275	-	690,474

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. OPERATING SEGMENTS (CONT'D)

Other significant non-cash expenses/(income) consists of the following:

	The Group	
	2025 RM	2024 RM
Inventories written down	84,623	290,040
Unrealised loss on foreign exchange	9,843,583	256,799
Property, plant and equipment written off	27,780	143,635
	9,955,986	690,474
Reversal of allowance for impairment losses on trade receivables	(47,063)	-
Reversal of inventories previously written down	(11,875)	-
Gain on disposal of property, plant and equipment	(25,137)	-
Gain on disposal of short-term investments	-	(129,802)
Unrealised gain on foreign exchange	(69,827)	(4,465,036)
Fair value gain on short-term investments	(2,941,888)	(1,614,770)
	(3,095,790)	(6,209,608)

Major customers

The major customers with revenue equal to or more than 10% of the Group's total revenue are as follows:

	Revenue		Segment
	2025 RM	2024 RM	
Customer 1	220,435,647	200,081,905	Taiwan
Customer 2	97,926,077	70,086,541	Taiwan

5. REVENUE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from Contracts with Customers				
Recognised at a point in time				
Provision of services	569,787,963	535,171,205	-	-
Sale of goods	37,971,781	34,033,386	-	-
	607,759,744	569,204,591	-	-
Revenue from Other Sources				
Dividend income from subsidiaries	-	-	46,478,306	51,230,084
Management fee from subsidiaries	-	-	30,000	30,000
	-	-	46,508,306	51,260,084

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. REVENUE (CONT'D)

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 4 to the financial statements.

(b) The information about the performance obligations in contracts with customers is summarised below:

Provision of services

Revenue from services is recognised at a point in time upon completion of the service and acceptance by the customer.

The credit period range from 30 to 180 days from the invoice date. There is no significant financing component in the selling price as the sales are made on the normal credit terms not exceeding 12 months.

Sale of goods

Revenue from sale of goods is recognised at a point in time when goods have been transferred and accepted by customers, net of discount.

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

There is no significant financing component in the selling price as the sales are made on the normal credit terms not exceeding 12 months.

(c) The information of the revenue from other sources is summarised below:

Dividend income

Dividend income is recognised when the right to receive dividend payment is established.

Management fees

Management fees are recognised in the period in which the services are rendered.

6. FINANCE COSTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense on:				
Bank borrowing	50,267	4,898	-	-
Lease liabilities	701,932	789,693	-	-
	752,199	794,591	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Reversal of impairment losses:				
- trade receivables	47,063	-	-	-
	47,063	-	-	-

8. PROFIT BEFORE TAX

Profit before tax is arrived at after crediting/(charging) the following:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income	11,251,068	7,366,656	2,883,079	1,092,352
Fair value gain on short-term investments	2,941,888	1,614,770	-	-
Gain on disposal of short-term investments	-	267,400	-	-
Gain on disposal of property, plant and equipment	25,137	-	-	-
Lease income from property, plant and equipment	1,290,390	1,273,118	-	-
Net insurance claim proceeds	2,006,536	2,217,474	-	-
Auditors' remuneration:				
- audit fee				
- current financial year				
- auditors of the Company	(228,000)	(220,500)	(156,000)	(148,500)
- other auditors	(421,424)	(417,804)	-	-
- underprovision in the previous financial year				
- auditors of the Company	-	(3,396)	-	-
- other auditors	(6,156)	-	-	-
- non-audit fee				
- auditors of the Company	(24,500)	(12,500)	(24,500)	(12,500)
- member firms of the auditors of the Company	(5,500)	(5,500)	-	-
- other auditors	(31,272)	(25,293)	-	-
Depreciation of property, plant and equipment	(18,179,327)	(17,284,642)	(193,860)	(106,859)
Depreciation of right-of-use assets	(3,275,619)	(3,397,988)	-	-
Directors' remuneration:				
- directors of the Company:				
- fees	(419,844)	(340,352)	(359,844)	(340,352)
- salaries and other emoluments	(15,217,020)	(14,194,985)	(8,107,875)	(7,426,142)
- defined contribution plan	(1,624,719)	(1,491,526)	(1,540,302)	(1,410,805)
- directors of the Subsidiaries:				
- salaries and other emoluments	(2,217,782)	(2,418,605)	-	-
Net (loss)/gain on foreign exchange:				
- unrealised	(9,773,756)	4,208,237	(2,514)	(82,047)
- realised	(123,254)	258,236	253,528	841,290
Lease expenses:				
- short-term leases	(1,066,390)	(1,657,054)	-	(48,717)
- low value assets	(52,804)	(58,587)	-	-
Property, plant and equipment written off	(27,780)	(143,635)	-	-
Staff costs	(160,233,215)	(153,061,488)	(815,428)	(792,984)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. PROFIT BEFORE TAX (CONT'D)

(a) Staff costs

Staff costs include salaries, bonuses, contributions to statutory defined contribution plan, defined benefits plan and all other staff related expenses. Contributions to statutory defined contribution plan and defined benefits plan, included in staff costs, made by the Group and by the Company during the financial year are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Defined contribution plan	5,092,462	5,054,093	100,859	97,838
Defined benefits plan	83,127	330,947	-	-

(b) Key management personnel compensation

The remuneration of the members of key management are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company	17,261,583	16,026,863	10,008,021	9,177,299
Directors of the Subsidiaries	2,217,782	2,418,605	-	-
Other Key Management Personnel	5,018,951	5,180,282	359,575	342,639
	24,498,316	23,625,750	10,367,596	9,519,938

In addition to the above disclosure, there is an unallocated provision of director fees in a subsidiary amounting to RM6,261,704 (2024: RM5,142,200).

c) Directors' remuneration

Contributions to provident fund, included in directors' remuneration, made by the Group and by the Company during the current financial year are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Contributions to provident funds:				
Directors of the Company	1,624,719	1,491,526	1,540,302	1,410,805
Directors of the Subsidiaries	202,984	215,491	-	-
	1,827,703	1,707,017	1,540,302	1,410,805

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Estimated current tax payable:				
Malaysian:				
- Current year	5,358,172	5,362,714	80,000	46,000
- (Over)/Underprovision in prior years	(49,654)	(83,634)	170	(6,425)
	5,308,518	5,279,080	80,170	39,575
Foreign:				
- Current year	44,172,481	35,915,258	-	-
- Underprovision in prior years	3,512,252	2,477,762	-	-
	47,684,733	38,393,020	-	-
Withholding tax	3,868,395	3,360,635	3,868,395	3,360,635
	56,861,646	47,032,735	3,948,565	3,400,210
Deferred tax (Note 16):				
- Current year	(1,633,587)	315,536	-	-
	55,228,059	47,348,271	3,948,565	3,400,210

A reconciliation of income tax expense applicable to the profit 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:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	223,736,502	198,429,739	36,623,086	42,085,741
Tax at the applicable tax rate of 24%	53,696,760	47,623,137	8,789,541	10,100,578
Effect of different tax rates of other tax jurisdictions	(9,236,632)	(8,407,600)	-	-
Tax effects of:				
Non-deductible expenses	3,713,859	3,001,526	3,042,225	2,452,923
Income not subject to tax	(588,720)	(299,346)	(11,751,766)	(12,507,501)
Utilisation of deferred tax assets previously not recognised	(6,373)	(304,796)	-	-
Income tax exemption	(57,086)	(418,598)	-	-
Taxable income subjected at regular income tax rate	375,258	399,185	-	-
Under/(Over)provision of current tax in prior years	3,462,598	2,394,128	170	(6,425)
Withholding tax	3,868,395	3,360,635	3,868,395	3,360,635
	55,228,059	47,348,271	3,948,565	3,400,210

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares.

	The Group	
	2025	2024
Profit after taxation attributable to owners of the Company (RM)	154,227,874	136,806,319
Weighted average number of ordinary shares in issue (Basic)	1,597,715,605	1,577,101,634
Basic earnings per ordinary share attributable to equity holders of the Company (sen)	9.65	8.67

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares and adjusted for the effects of dilutive potential ordinary shares.

	The Group	
	2025	2024
Profit after taxation attributable to owners of the Company (RM)	154,227,874	136,806,319
Weighted average number of ordinary shares in issue (Basic)	1,597,715,605	1,577,101,634
Effect of dilution - warrants	16,954,255	14,200,837
Weighted average number of ordinary shares in issue (Diluted)	1,614,669,860	1,591,302,471
Diluted earnings per ordinary share attributable to equity holders of the Company (sen)	9.55	8.60

11. PROPERTY, PLANT AND EQUIPMENT

The Group	COST					
	As at 1 January 2024 RM	Foreign currency translation differences RM	Reclassifications RM	Additions RM	Write-offs RM	As at 31 December 2024 RM
Freehold land	32,554,820	(2,576,333)	-	-	-	29,978,487
Land improvement	298,604	(25,860)	-	-	-	272,744
Freehold buildings	132,878,116	(11,544,964)	1,669,600	5,359,521	-	128,362,273
Long-term leasehold buildings	46,310,939	(2,243,895)	-	-	-	44,067,044
Factory and office renovation	32,418,129	(1,188,682)	-	765,957	(576,300)	31,419,104
Plant and machinery	266,510,633	(16,919,707)	7,574,415	5,930,561	(3,959,521)	259,136,381
Workshop tools	2,548,300	-	-	55,994	(12,451)	2,591,843
Office equipment	12,387,529	(746,552)	-	400,068	(134,554)	11,906,491
Furniture and fittings	942,025	(12,018)	-	209,645	(26,690)	1,112,962
Motor vehicles	12,875,491	(727,872)	-	315,559	-	12,463,178
Computers	1,894,885	(97,722)	-	29,135	(12,365)	1,813,933
Capital work-in-progress	7,713,141	(600,536)	(9,244,015)	13,102,361	-	10,970,951
Total	549,332,612	(36,684,141)	-	26,168,801	(4,721,881)	534,095,391

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

The Group	COST						
	As at 1 January 2025 RM	Foreign currency translation differences RM	Reclassifications RM	Additions RM	Write-offs RM	Disposals RM	As at 31 December 2025 RM
Freehold land	29,978,487	(2,809,926)	23,034,681	6,057	-	-	50,209,299
Land improvement	272,744	(14,204)	-	-	-	-	258,540
Freehold buildings	128,362,273	(6,547,442)	2,448,663	6,019	(35,738)	-	124,233,775
Long-term leasehold buildings	44,067,044	(1,544,657)	2,634,976	-	-	-	45,157,363
Factory and office renovation	31,419,104	(955,474)	45,000	410,956	(281,509)	-	30,638,077
Plant and machinery	259,136,381	(11,291,464)	10,529,714	2,895,513	(794,166)	(2,325,703)	258,150,275
Workshop tools	2,591,843	-	-	37,743	(131,704)	(5,859)	2,492,023
Office equipment	11,906,491	(476,413)	-	598,594	(161,931)	-	11,866,741
Furniture and fittings	1,112,962	(18,122)	-	67,077	-	-	1,161,917
Motor vehicles	12,463,178	(485,414)	470,592	394,666	-	-	12,843,022
Computers	1,813,933	(65,270)	-	87,632	(82,822)	-	1,753,473
Capital work-in-progress	10,970,951	(494,355)	(40,024,933)	38,239,161	-	-	8,690,824
Total	534,095,391	(24,702,741)	(861,307)	42,743,418	(1,487,870)	(2,331,562)	547,455,329

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

The Group	ACCUMULATED DEPRECIATION				
	As at 1 January 2024 RM	Foreign currency translation differences RM	Changes for the year RM	Write-offs RM	As at 31 December 2024 RM
Freehold land	-	-	-	-	-
Land improvement	81,760	(8,946)	40,829	-	113,643
Freehold buildings	40,016,087	(3,626,037)	4,284,374	-	40,674,424
Long-term leasehold buildings	28,303,380	(1,539,994)	1,622,479	-	28,385,865
Factory and office renovation	28,625,891	(1,089,105)	1,345,801	(432,694)	28,449,893
Plant and machinery	192,770,029	(10,978,445)	8,476,263	(3,909,762)	186,358,085
Workshop tools	2,457,027	-	28,303	(12,449)	2,472,881
Office equipment	9,515,264	(542,444)	590,605	(134,537)	9,428,888
Furniture and fittings	927,164	(12,018)	17,471	(26,690)	905,927
Motor vehicles	8,670,952	(482,234)	797,203	-	8,985,921
Computers	1,691,122	(87,465)	81,314	(12,365)	1,672,606
Capital work-in-progress	-	-	-	-	-
Total	313,058,676	(18,366,688)	17,284,642	(4,528,497)	307,448,133

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

	ACCUMULATED DEPRECIATION					
The Group	As at 1 January 2025 RM	Foreign currency translation differences RM	Changes for the year RM	Write-offs RM	Disposals RM	As at 31 December 2025 RM
Freehold land	-	-	-	-	-	-
Land improvement	113,643	(8,298)	39,314	-	-	144,659
Freehold buildings	40,674,424	(2,352,157)	4,377,249	(16,681)	-	42,682,835
Long-term leasehold buildings	28,385,865	(1,113,840)	1,434,607	-	-	28,706,632
Factory and office renovation	28,449,893	(912,485)	1,342,055	(281,507)	-	28,597,956
Plant and machinery	186,358,085	(7,577,696)	9,329,289	(785,497)	(2,325,703)	184,998,478
Workshop tools	2,472,881	-	38,069	(131,668)	(5,858)	2,373,424
Office equipment	9,428,888	(380,391)	683,464	(161,923)	-	9,570,038
Furniture and fittings	905,927	(18,122)	64,062	-	-	951,867
Motor vehicles	8,985,921	(336,331)	788,522	-	-	9,438,112
Computers	1,672,606	(60,795)	82,696	(82,814)	-	1,611,693
Capital work-in-progress	-	-	-	-	-	-
Total	307,448,133	(12,760,115)	18,179,327	(1,460,090)	(2,331,561)	309,075,694

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

	IMPAIRMENT LOSS						CARRYING AMOUNT	
The Group	As at 1 January 2024 RM	Foreign currency translation differences RM	As at 31 December 2024/ 1 January 2025 RM	Foreign currency translation differences RM	Write-offs RM	As at 31 December 2025 RM	As at 31 December 2025 RM	As at 31 December 2024 RM
Freehold land	-	-	-	-	-	-	50,209,299	29,978,487
Land improvement	-	-	-	-	-	-	113,881	159,101
Freehold buildings	-	-	-	-	-	-	81,550,940	87,687,849
Long-term leasehold buildings	-	-	-	-	-	-	16,450,731	15,681,179
Factory and office renovation	-	-	-	-	-	-	2,040,121	2,969,211
Plant and machinery	51,312	-	(49,749)	1,563	-	1,563	73,150,234	72,776,733
Workshop tools	-	-	-	-	-	-	118,599	118,962
Office equipment	-	-	-	-	-	-	2,296,703	2,477,603
Furniture and fittings	-	-	-	-	-	-	210,050	207,035
Motor vehicles	-	-	-	-	-	-	3,404,910	3,477,257
Computers	-	-	-	-	-	-	141,780	141,327
Capital work-in-progress	-	-	-	-	-	-	8,690,824	10,970,951
Total	51,312	-	(49,749)	1,563	-	1,563	238,378,072	226,645,695

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

The Company	Cost							
	As at 1 January 2024 RM	Additions RM	Write-offs RM	As at 31 December 2024/ 1 January 2025 RM	Reclassfication RM	Additions RM	Write-off RM	As at 31 December 2025 RM
Freehold building	-	4,600,722	-	4,600,722	-	-	-	4,600,722
Office renovation	151,775	595,078	(151,775)	595,078	45,000	-	-	640,078
Office equipment	37,056	29,270	(31,397)	34,929	-	-	-	34,929
Furniture and fittings	71,765	206,995	(61,640)	217,120	-	58,500	-	275,620
Computers	30,744	1,425	(12,365)	19,804	-	7,825	(6,988)	20,641
Capital work-in-progress	-	27,000	-	27,000	(45,000)	18,000	-	-
Total	291,340	5,460,490	(257,177)	5,494,653	-	84,325	(6,988)	5,571,990

The Company	ACCUMULATED DEPRECIATION							CARRYING AMOUNT	
	As at 1 January 2024 RM	Charges for the year RM	Write-off RM	As at 31 December 2024/ 1 January 2025 RM	Charges for the year RM	Write-offs RM	As at 31 December 2025 RM	As at 31 December 2025 RM	As at 31 December 2024 RM
Freehold building	-	76,679	-	76,679	92,014	-	168,693	4,432,029	4,524,043
Office renovation	151,775	9,825	(151,775)	9,825	30,504	-	40,329	599,749	585,253
Office equipment	34,567	2,885	(31,397)	6,055	6,921	-	12,976	21,953	28,874
Furniture and fittings	66,679	13,677	(61,640)	18,716	60,037	-	78,753	196,867	198,404
Computers	24,337	3,793	(12,365)	15,765	4,384	(6,988)	13,161	7,480	4,039
Capital work-in-progress	-	-	-	-	-	-	-	-	27,000
Total	277,358	106,859	(257,177)	127,040	193,860	(6,988)	313,912	5,258,078	5,367,613

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(a) Certain plant and equipment and office space of the Group are leased to customers under operating leases with rentals payable monthly. Each of the leases contains an initial non-cancellable average period of 2 years and the subsequent renewals are negotiated separately on a contract-by-contract basis.

The Group does not require a financial guarantee on its lease arrangements.

The undiscounted operating lease receivable under the non-cancellable operating leases are as follows:

	The Group	
	2025 RM	2024 RM
Within 1 year	1,324,855	1,221,686
Between 1 and 2 years	1,006,745	-
	2,331,600	1,221,686

(b) The long-term leasehold buildings of the Group with carrying amount of RM9,457,908 (2024: RM11,103,414) have been pledged as security for bank facilities granted to the Group.

(c) The details of the Group's property, plant and equipment held under hire purchase arrangement are analysed as follows:

	2024 RM	2023 RM
Motor vehicles	74,392	150,196

These motor vehicles have been pledged as security for the hire purchase payables of the Group as disclosed in Note 24 to the financial statements.

12. RIGHT-OF-USE ASSETS

The Group	As at 1 January 2024 RM	Additions RM	Depreciation charges RM	Modification of lease liabilities RM	Derecognition due to lease termination RM	Foreign currency translation differences RM	As at 31 December 2024 RM
	CARRYING AMOUNT						
Leasehold land	30,974,584	1,202,359	(1,457,771)	-	-	(2,172,747)	28,546,425
Factories and buildings	4,130,590	101,629	(1,824,188)	(8,856)	(72,110)	(183,495)	2,143,570
Plant and machinery	23,129	-	(22,137)	-	-	(992)	-
Motor vehicles	89,874	72,168	(93,892)	-	-	(6,791)	61,359
	35,218,177	1,376,156	(3,397,988)	(8,856)	(72,110)	(2,364,025)	30,751,354

The Group	As at 1 January 2025 RM	Additions RM	Depreciation charges RM	Modification of lease liabilities RM	Foreign currency translation differences RM	As at 31 December 2025 RM
Leasehold land	28,546,425	-	(1,437,684)	-	(1,237,696)	25,871,045
Factories and buildings	2,143,570	4,924,278	(1,791,861)	(42,444)	(334,237)	4,899,306
Motor vehicles	61,359	-	(46,074)	-	(406)	14,879
	30,751,354	4,924,278	(3,275,619)	(42,444)	(1,572,339)	30,785,230

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. RIGHT-OF-USE ASSETS (CONT'D)

(a) The leasing activities of the remaining lease assets are summarised below:

(i)	Leasehold land	The Group has entered into 7 (2024: 9) non-cancellable operating lease agreements for the use of land. The leases are for a period ranging from 7 to 60 (2024: 7 to 60) years. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.
(ii)	Factories and buildings and motor vehicles	The Group has leased a number of factories and buildings, and motor vehicles that run between 1 and 5 (2024: 1 and 5) years, with an option to renew the lease after that date.

(b) The leasehold land at carrying amount of RM5,107,991 (2024: RM5,928,781) is pledged as securities for the bank facilities granted to the Group.

13. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Unquoted shares, at cost:		
At 1 January	154,578,728	154,578,728
Addition during the year	13,330,486	-
	167,909,214	154,578,728
Accumulated impairment losses	(987,241)	(987,241)
At 31 December	166,921,973	153,591,487

The details of the subsidiaries are as follows:

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Subsidiaries of the Company				
Frontken Malaysia Sdn. Bhd. ("FMSB")	Malaysia	100%	100%	Provision of surface treatment technology using thermal spray coating processes and a series of complementary processes including mechanical and chemical engineering works.
Frontken (Singapore) Pte. Ltd. ("FSPL") [1]	Singapore	100%	100%	Provision of surface treatment technology using thermal spray coating processes and a series of complementary processes including mechanical and chemical engineering works.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
Subsidiaries of the Company (Cont'd)				
PT Frontken Indonesia ("PTFI") [2, 4]	Indonesia	100%	100%	Provision of surface treatment technology using thermal spray coating processes and a series of complementary processes including mechanical and chemical engineering works.
TTES Frontken Integrated Services Sdn. Bhd. ("TTES") [1, 3]	Malaysia	45%	45%	Engaged in the business of turbo machinery technical engineering services.
Ares Green Technology Corporation ("AGTC") [1]	Taiwan	93.39%	92.53%	Provision of surface treatment and advanced precision cleaning for the TFT - LCD (Thin Film Transistor - Liquid Crystal Display) and semi-conductor industries.
Subsidiaries of FMSB				
Frontken (East Malaysia) Sdn. Bhd. ("FEM") [1]	Malaysia	100%	100%	Provision of surface treatment technology using thermal spray coating processes and a series of complementary processes including mechanical and chemical engineering works.
Frontken (Johor) Sdn. Bhd. [1]	Malaysia	100%	100%	Provision of surface treatment technology using thermal spray coating processes and a series of complementary processes including mechanical and chemical engineering services.
Subsidiaries of FSPL				
Frontken Philippines Inc. [1]	Philippines	99.99%	99.99%	Provision of surface treatment technology using thermal spray coating processes and a series of complementary processes including mechanical and chemical engineering works.

[1] These subsidiaries were audited by other firms.

[2] Not required to be audited under the laws of the country of incorporation.

[3] TTES is considered a subsidiary of the Group as the Group has control over the operating and management policies of this subsidiary via the board of directors appointed by the Group.

[4] 95% directly owned by the Company and 5% directly owned by FSPL.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The non-controlling interests at the end of the reporting period comprise the following:

	Effective Equity Interest		The Group	
	2025 %	2024 %	2025 RM	2024 RM
AGTC	6.61	7.47	43,064,660	42,263,102
TTES	55	55	10,842,085	10,080,281
			53,906,745	52,343,383

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:

	AGTC	
	2025 RM	2024 RM
At 31 December		
Non-current assets	220,208,353	203,721,442
Current assets	605,403,319	527,191,987
Non-current liabilities	(18,534,976)	(20,261,807)
Current liabilities	(155,568,990)	(144,880,503)
Net assets	651,507,706	565,771,119
Financial Year Ended 31 December		
Revenue	449,307,298	383,599,746
Profit for the financial year	156,604,588	129,242,839
Total comprehensive income	119,145,001	81,632,061
Total comprehensive income attributable to non-controlling interests	8,794,431	6,097,914
Dividends paid to non-controlling interests	(2,455,212)	(2,211,293)
Net cash from operating activities	174,759,447	148,401,340
Net cash for investing activities	(42,815,450)	(9,654,900)
Net cash for financing activities	(30,008,848)	(29,454,344)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows: (Cont'd)

	TTES	
	2025 RM	2024 RM
At 31 December		
Non-current assets	6,068,217	6,274,101
Current assets	21,983,794	29,497,700
Non-current liabilities	(542,493)	(808,643)
Current liabilities	(7,796,841)	(16,635,579)
Net assets	19,712,677	18,327,579
Financial Year Ended 31 December		
Revenue	54,977,395	73,224,208
Profit for the financial year	5,885,098	8,428,804
Total comprehensive income	5,885,098	8,428,804
Total comprehensive income attributable to non-controlling interests	3,236,804	4,635,842
Dividends paid to non-controlling interests	(2,475,000)	(3,300,000)
Net cash from operating activities	8,830,501	11,442,679
Net cash for investing activities	(4,219,856)	(98,764)
Net cash for financing activities	(3,730,958)	(10,571,911)

During the financial year, in the month of August 2025, the Company acquired 293,704 ordinary shares of NT$10 each representing 0.86% of the issued and paid-up share capital of AGTC for a total cash consideration of NTD93,985,280 (equivalent to RM13,330,486). Following the acquisition, the Group's interest in AGTC increased from 92.53% to 93.39%. The carrying amount of AGTC's net assets shared by the Group on the date of the acquisition was RM595,813,760. The Group recognised an increase in non-controlling interests of RM5,537,661 and a decrease in retained earnings of RM7,792,825.

The following summarises the effect of changes in equity interest in AGTC that is attributable to owners of the Company:

	AGTC 2025 RM
Equity interest at 1 January 2025	523,508,016
Effect of increase in Company's ownership interest	5,537,661
Share of comprehensive income	79,397,369
Equity interest at 31 December 2025	608,443,046

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

In the previous financial year, in the month of June 2024, FSPL acquired 15,000 ordinary shares of IDR10,962 each representing 5% of the issued and paid-up share capital of PTFI for a total cash consideration of approximately IDR164,430,400 (equivalent to RM47,654). Following the acquisition, the Group's interest in PTFI increased from 95% to 100%. The carrying amount of PTFI's net liabilities shared by the Group on the date of the acquisition was RM7,404,929. The Group recognised an increase in non-controlling interests of RM389,733 and a decrease in retained earnings of RM437,387.

The following summarises the effect of changes in equity interest in PTFI that is attributable to owners of the Company:

	PTFI 2024 RM
Equity interest at 1 January 2024	(7,323,574)
Effect of increase in Company's ownership interest	(389,733)
Share of comprehensive income	259,739
Equity interest at 31 December 2024	(7,453,568)

14. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

Trade receivables of the Group comprise amounts outstanding for the provision of services and sale of goods. The credit periods granted to the customers range from 30 to 180 days (2024: 30 to 180 days).

	The Group	
	2025 RM	2024 RM
Trade receivables	120,641,940	141,125,690
Allowance for impairment losses	(438,744)	(559,084)
	120,203,196	140,566,606

Movement in allowance for impairment losses on trade receivables is as follows:

	The Group	
	2025 RM	2024 RM
At 1 January	559,084	621,147
Reversal of allowance for impairment losses	(47,063)	-
Written offs	(39,962)	(16,663)
Exchange difference	(33,315)	(45,400)
At 31 December	438,744	559,084

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (CONT'D)

Included in trade receivables of the Group are the following amount owing by the related parties:

	The Group	
	2025 RM	2024 RM
AMT Engineering Sdn. Bhd.	1,295	675
A & I Engine Rebuilders Sdn. Bhd.	-	920
Tenaga-Tech (M) Sdn. Bhd.	-	2,573
	1,295	4,168

The said amount, which arises mainly from trade transactions, is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

The related parties and their relationships with the Group are as follows:

Name of related parties	Relationship
A & I Engine Rebuilders Sdn. Bhd.	A company in which Sia Chiok Meng, a director of a subsidiary, is also a director and has a financial interest.
AMT Engineering Sdn. Bhd.	A company in which Sia Chiok Meng, a director of a subsidiary, is also a director and has a financial interest.
Tenaga-Tech (M) Sdn. Bhd.	A company in which Mohd Shukri Bin Hitam and Fauziah Binti Hamlawi, directors of a subsidiary, are also directors and have financial interest.

Transactions undertaken with related parties during the financial year are as follows:

	The Group	
	2025 RM	2024 RM
A & I Engine Rebuilders Sdn. Bhd.		
Sales	20,880	22,872
AMT Engineering Sdn. Bhd.		
Sales	56,709	30,717
Purchases	130	-
Rental expense	144,000	144,000
Tenaga-Tech (M) Sdn. Bhd.		
Sales	11,982	20,601
Purchases	650,004	132,468
Director of a subsidiary		
Rental expense	120,000	120,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (CONT'D)

Other receivables, deposits and prepaid expenses consist of:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	2,539,146	5,791,825	14,161	44,769
Deposits	3,328,229	3,070,103	7,570	7,560
Prepayments	6,720,407	6,555,844	24,329	25,233
	12,587,782	15,417,772	46,060	77,562
Less: Other receivables (included under non-current assets)	(826,445)	(871,100)	-	-
Current assets	11,761,337	14,546,672	46,060	77,562

Included in other receivables of the Group is defined benefit plan of RM691,906 (2024: RM798,973). The detailed information is disclosed in Note 26(a) to the financial statements.

Included in prepayments of the Group is advance payments to suppliers of RM2,519,247 (2024: RM3,123,978) which will be netted-off against subsequent purchase.

15. GOODWILL ON CONSOLIDATION

	The Group	
	2025 RM	2024 RM
At 1 January/31 December	33,760,856	33,760,856

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

The carrying amounts of the goodwill allocated to each CGU are as follows:

	The Group	
	2025 RM	2024 RM
FEM	805,812	805,812
AGTC	24,588,453	24,588,453
TTES	8,366,591	8,366,591
	33,760,856	33,760,856

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. GOODWILL ON CONSOLIDATION (CONT'D)

The recoverable amounts of the CGUs are determined using the value in use approach, and this is derived from the present value of the future cash flows from each CGU computed based on the projections of financial forecast covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:

	2025 %	2024 %
Budgeted gross margin	13 to 58	18 to 62
Growth rates		
- Year 1	3 to 5	3 to 5
- Year 2 to 5	3 to 5	3 to 5
Pre-tax discount rates	14 to 21	14 to 19

(i) Budgeted gross margin

Management determines budgeted gross margin based on past performance and its expectations of market development.

(ii) Growth rates

The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. These calculations use pre-tax cash flow projections based on financial budgets approved by management and extrapolated cash flows for a five-year period based on growth rates consistent with the long-term average growth rate for the industry.

(iii) Discount rates

Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risk specific to the CGU. The rate used to discount the forecasted cash flows reflects specific risks and expected returns relating to the industry.

(iv) Terminal value

Terminal value is based on zero growth of projected present value of particular subsidiaries from year 2030 until infinity.

The values assigned to the key assumptions represent management's assessment of future trends in the CGUs and are based on both external sources and internal historical data.

The management believes that there is no reasonable change in the above key assumptions which would cause the carrying amount of the goodwill to exceed its recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. DEFERRED TAX ASSETS/LIABILITIES

	The Group	
	2025 RM	2024 RM
Deferred tax assets		
At 1 January	1,553,170	1,344,363
Transfer to profit or loss (Note 9)	1,663,021	340,439
Foreign currency translation differences	(182,694)	(131,632)
At 31 December	3,033,497	1,553,170
Deferred tax liabilities		
At 1 January	1,541,088	911,647
Transfer to profit or loss (Note 9)	29,434	655,975
Transfer (from)/to other comprehensive expenses	(3,388)	57,953
Foreign currency translation differences	(62,837)	(84,487)
At 31 December	1,504,297	1,541,088

The net deferred tax assets is in respect of the tax effects of the following:

	The Group Deferred Tax (Assets)/ Liabilities	
	2025 RM	2024 RM
Temporary differences arising from property, plant and equipment	641,161	524,230
Others	(2,170,361)	(536,312)
	(1,529,200)	(12,082)

As of 31 December 2025, the estimated amount of net deferred tax asset, calculated at the current tax rate which has not been recognised in the financial statements of the Group due to uncertainty of its realisation, is as follows:

	The Group Deferred Tax Asset	
	2025 RM	2024* RM
Temporary differences arising from property, plant and equipment	-	6,373

* The comparative figure has been restated to reflect the revised temporary differences available to the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. INVENTORIES

	The Group	
	2025 RM	2024 RM
Raw materials	5,325,868	4,938,812
Work-in-progress	10,431,332	10,440,827
Finished goods	5,968,846	5,857,082
	21,726,046	21,236,721
Recognised in profit or loss:		
Inventories recognised as cost of sales	33,823,511	34,125,671
Inventories written down	84,623	290,040
Reversal of inventories previously written down	(11,875)	-

The reversal of inventories previously written down is in respect of inventories sold above their carrying amounts during the financial year.

18. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Amount owing by:		
Advances	2,989,079	3,094,733
Dividend receivable	5,059,099	2,200,000
	8,048,178	5,294,733
Allowance for impairment losses	(2,989,079)	(2,989,079)
	5,059,099	2,305,654

The amount owing represents unsecured payments made on behalf and dividend receivable. The amount owing is repayable on demand and is to be settled in cash.

19. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unit trust	285,474,633	38,478,649	273,625,795	30,059,862
Quoted shares	8,014,740	3,664,998	-	-
	293,489,373	42,143,647	273,625,795	30,059,862
Fair value	293,489,373	42,143,647	273,625,795	30,059,862

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 0.96% to 1.50% (2024: 0.96% to 1.71%) and per annum. The fixed deposits have maturity periods ranging from 15 to 365 days (2024: 30 to 365 days) for the Group.

The fixed deposits of the Group amounting to RM504,529 (2024: RM517,373) are pledged to licensed banks as security for bank guarantee facility granted to the Group.

21. SHARE CAPITAL

	The Group/The Company			
	2025	2024	2025	2024
	Number of Shares		RM	RM
Issued and fully paid-up				
At 1 January	1,589,444,125	1,580,152,675	155,606,845	118,441,045
Issuance of new shares, pursuant to:				
- exercise of warrants	73,514,850	9,291,450	294,059,400	37,165,800
At 31 December	1,662,958,975	1,589,444,125	449,666,245	155,606,845

The holders of ordinary shares (except treasury 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. The ordinary shares have no par value.

During the financial year, the Company increased its issued and paid-up share capital from RM155,606,845 to RM449,666,245 by way of issuance of 73,514,850 new ordinary shares from the exercise of Warrants 2021/2026 at the exercise price of RM4 per warrant which amounted to RM294,059,400.

In the previous financial year, the Company increased its issued and paid-up share capital from RM118,441,045 to RM155,606,845 by way of issuance of 9,291,450 new ordinary shares from the exercise of Warrants 2021/2026 at the exercise price of RM4 per warrant which amounted to RM37,165,800.

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

22. TREASURY SHARES

	The Group/The Company			
	2025	2024	2025	2024
	Number of Shares		RM	RM
At 1 January	7,246,250	7,246,250	3,739,069	3,739,069
Purchased	1,870,300	-	5,940,367	-
Sold	(20,000)	-	(18,158)	-
At 31 December	9,096,550	7,246,250	9,661,278	3,739,069

During the financial year, the Company purchased 1,870,300 of its issued ordinary shares from the open market at an average price of RM3.18 per share and sold 20,000 of its treasury shares in the open market at a price of RM3.31 per share. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from total equity.

As at 31 December 2025, the number of outstanding ordinary shares in issue after the set-off of 9,096,550 (2024: 7,246,250) treasury shares held by the Company is 1,653,862,425 (2024: 1,582,197,875) ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. RESERVES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:				
Foreign currency translation reserve	(27,049,201)	12,327,555	-	-
Statutory reserve	68,608,040	56,140,782	-	-
Distributable:				
Retained earnings	554,516,595	484,120,107	2,798,343	33,651,943
	596,075,434	552,588,444	2,798,343	33,651,943

Foreign currency translation reserve

The foreign currency translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

Statutory reserve

The statutory reserve is maintained by the Group's subsidiary in Taiwan in accordance with the regulations in that country.

Warrants

On 4 May 2021, the Company issued 524,137,195 warrants pursuant to bonus issue of warrants to all the entitled shareholders of the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company.

The warrants are constituted under a Deed Poll dated 14 April 2021 and each warrant entitles the registered holder the right at any time during the exercise period from 4 May 2021 to 3 May 2026 to subscribe in cash for one new ordinary share of the Company at an exercise price of RM4 each. These warrants were listed on the Bursa Malaysia Securities Berhad on 7 May 2021.

The details in the movement of the Warrant 2021/2026 are as follows:

	The Group/The Company	
	2025 Unit	2024 Unit
At 1 January	514,845,745	524,137,195
Exercised	(73,514,850)	(9,291,450)
At 31 December	441,330,895	514,845,745

Salient features of the Warrants 2021/2026 are as follows:

(i) Each warrant will entitle the registered holder to subscribe for 1 new ordinary share in the Company at an exercise price of RM4 each subject to adjustment in accordance with the conditions stipulated in the Deed Poll;

(ii) The warrants may be exercised at any time on or before the maturity date falling five years (2021/2026) from the date of issue of the warrants on 4 May 2021. Warrants not exercised after the exercise period will thereafter lapse and cease to be valid;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. RESERVES (CONT'D)

(iii) The new shares pursuant to the exercise of the warrants shall, upon allotment issue, rank equally in all respects with the existing ordinary shares of the Company in issue except that they will not be entitled to any dividend, rights, allotments and/or any other forms of distributions that may be declared, made or paid to shareholders, the entitlement date of which is before the allotment and issuance of the new ordinary shares; and

(iv) The persons to whom the warrants have been granted have no rights to participate in any distribution and/or offer of further securities in the Company until/and unless warrants holders exercise their warrants for new ordinary shares.

24. BANK BORROWING

	The Group	
	2025 RM	2024 RM
Non-current		
Hire purchase payable	-	14,763
Current		
Hire purchase payable	14,763	34,284

The interest rate profile of the borrowing of the Group is summarised below:

	Effective Interest Rate The Group	
	2025	2024
Hire purchase payable	2.51%	2.51%

25. LEASE LIABILITIES

	The Group	
	2025 RM	2024 RM
At 1 January	28,733,289	33,045,972
Interest expense recognised in profit and loss	701,932	789,693
Changes due to lease modification	-	(8,856)
Derecognition due to lease termination	(43,953)	(73,584)
Repayment of principal	(3,170,673)	(3,208,562)
Repayment of interest expense	(701,932)	(789,693)
Additions	4,924,278	1,376,156
Exchange difference	(1,552,220)	(2,397,837)
At 31 December	28,890,721	28,733,289
Analysed by:		
Current liabilities	2,829,397	2,633,304
Non-current liabilities	26,061,324	26,099,985
At 31 December	28,890,721	28,733,289

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables of the Group comprise amounts outstanding for trade purchases. The credit periods granted to the Group for trade purchases range from 30 to 90 days (2024: 30 to 90 days).

Other payables and accrued expenses consist of:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	89,001,658	93,088,038	561,329	237,215
Accrued expenses	41,347,348	39,625,805	9,979,149	9,174,644
	130,349,006	132,713,843	10,540,478	9,411,859
Less: Other payables (included under non-current liabilities)	(204,189)	(172,698)	-	-
Current liabilities	130,144,817	132,541,145	10,540,478	9,411,859

Included in (other receivables)/other payables are defined benefit plan as detailed below:

	The Group	
	2025 RM	2024 RM
Defined benefit plan (Overseas subsidiaries)		
- Taiwan	(691,906)	(798,973)
- Philippines	204,189	172,698
	(487,717)	(626,275)

(a) Defined benefit plan – Taiwan

	The Group	
	2025 RM	2024 RM
Fair value of plan assets	(1,128,574)	(1,094,120)
Present value of plan obligations	436,668	295,147
	(691,906)	(798,973)

The Group contributes to a defined benefit plan that provides retirement benefits for employees upon retirement based on the following:

i) 2 months average salary for each year for the first 15 years of working; and

ii) 1 month average salary for each year subsequent to 15 years of working.

A maximum entitlement for a retired employee is 45 months average salary. The average salary of a retired employee is calculated based on the average 6 months' salary prior to his retirement date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

(a) Defined benefit plan – Taiwan (Cont'd)

Plan assets comprise:

	The Group	
	2025 RM	2024 RM
Cash at bank	139,492	157,882
Short-term investments	40,290	60,067
Debentures	95,703	80,855
Fixed income investments	151,906	153,177
Equity securities	577,717	521,020
Others	123,466	121,119
	1,128,574	1,094,120

Movement in the present value of defined benefit obligations:

	The Group	
	2025 RM	2024 RM
At 1 January	295,147	14,565
Current service costs and interest	77,401	302,194
Actuarial loss/(gain) in other comprehensive income	89,599	(6,860)
Exchange difference	(25,479)	(14,752)
At 31 December	436,668	295,147

Movement in the fair value of plan assets:

	The Group	
	2025 RM	2024 RM
At 1 January	1,094,120	883,759
Return on plan assets	17,993	12,703
Actuarial gain in other comprehensive income	72,660	282,905
Contribution paid into the plan	6,673	5,023
Exchange difference	(62,872)	(90,270)
At 31 December	1,128,574	1,094,120

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

(a) Defined benefit plan – Taiwan (Cont'd)

Expenses recognised in profit or loss:

	The Group	
	2025 RM	2024 RM
Current service costs and interests	77,401	302,194
Return on plan assets	(17,993)	(12,703)
Net benefit expense	59,408	289,491

Actuarial (loss)/gain recognised directly in other comprehensive income:

	The Group	
	2025 RM	2024 RM
Actuarial (loss)/gain recognised during the year	(13,551)	231,812

The Group's defined benefit plan based on the actuarial valuation performed by an independent actuary adopting the Projected Unit Credit With Service Increment method, with the following principal actuarial assumptions:

		The Group	
		2025 RM	2024 RM
i)	Retirement age	65	65
ii)	Disability rate (per annum)	10% of mortality rate	10% of mortality rate
iii)	Discount rate (per annum)	1.500%	1.625%
iv)	Expected rate of salary increases (per annum)	2.75%	2.75%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

(a) Defined benefit plan – Taiwan (Cont'd)

	The Group	
	2025 (Decrease)/ Increase RM	2024 (Decrease)/ Increase RM
Effect on defined benefit obligations		
Discount rate (per annum)		
- strengthened by 0.25%	(26,319)	(18,201)
- weakened by 0.25%	28,190	19,524
Expected rate of salary increases (per annum)		
- strengthened by 0.25%	27,554	19,101
- weakened by 0.25%	(25,878)	(17,912)

(b) Defined benefit plan – Philippines

The Group conforms to the minimum regulatory benefit under prevailing law and regulations which is of the defined benefit type.

The normal retirement age is 60. The plan provides a benefit equal to 22.5 days' salary for every year of credited service. The regulatory benefits are paid in lump sum upon retirement.

Movement in the present value of defined benefit obligations:

	The Group	
	2025 RM	2024 RM
At 1 January	172,698	350,732
Current service costs and interest	23,719	41,456
Actuarial loss in other comprehensive income	30,526	36,511
Defined plan payable	-	(237,764)
Exchange difference	(22,754)	(18,237)
At 31 December	204,189	172,698

Expenses recognised in profit or loss:

	The Group	
	2024 RM	2023 RM
Current service costs and interests	23,719	41,456

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

(b) Defined benefit plan – Philippines (Cont'd)

Actuarial losses recognised directly in other comprehensive income:

	The Group	
	2025 RM	2024 RM
Actuarial loss recognised during the year	(30,526)	(36,511)

The Group defined benefit plan based on the actuarial valuation performed by an independent actuary adopting the Projected Unit Credit method, with the following principal actuarial assumptions:

		The Group	
		2025 RM	2024 RM
i)	Retirement age	60	60
ii)	Discount rate (per annum)	6.15%	6.15%
iii)	Expected rate of salary increases (per annum)	3.00%	3.00%

	The Group	
	2024 (Decrease)/ Increase RM	2023 (Decrease)/ Increase RM
Effect on defined benefit obligations		
Discount rate (per annum)		
- strengthened by 1%	(12,205)	(11,030)
- weakened by 1%	13,581	12,369
Expected rate of salary increases (per annum)		
- strengthened by 1%	13,877	12,640
- weakened by 1%	(12,675)	(11,452)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. DIVIDENDS

	The Group/The Company	
	2025 RM	2024 RM
First interim single-tier dividend of 2.2 sen per ordinary share in respect of the financial year ended 31 December 2023, paid on 13 May 2024	-	34,603,940
First interim single-tier dividend of 1.7 sen per ordinary share in respect of the financial year ended 31 December 2024, paid on 30 September 2024	-	26,896,513
Second interim single-tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2024, paid on 21 April 2025	31,710,892	-
First interim single-tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2025, paid on 7 October 2025	31,865,118	-
	63,576,010	61,500,453

28. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

(a) Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:

Market Risk

(i) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar, Singapore Dollar, and others. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Market Risk (Cont'd)

(i) Foreign currency risk (Cont'd)

The exposure to foreign currency risk is as follows:

	Singapore Dollar RM	Ringgit Malaysia RM	United States Dollar RM	Philippine Peso RM	New Taiwan Dollar RM	Others* RM	Total RM
The Group 2025							
Financial assets							
Trade receivables	5,149,830	14,110,993	13,056,485	12,861,921	75,023,967	-	120,203,196
Other receivables	39,175	27,648	-	159,946	1,765,233	73	1,992,075
Fixed deposits with licensed banks	504,529	-	-	-	180,978,000	-	181,482,529
Cash and bank balances	25,340,522	16,014,225	126,462,489	3,543,601	194,482,745	310,946	366,154,528
	31,034,056	30,152,866	139,518,974	16,565,468	452,249,945	311,019	669,832,328
Financial liabilities							
Trade payables	1,687,207	4,745,833	429,351	81,529	12,336,482	10,871	19,291,273
Other payables and accrued expenses	3,894,453	14,179,310	129,352	431,227	87,609,689	8,263	106,252,294
	5,581,660	18,925,143	558,703	512,756	99,946,171	19,134	125,543,567
Net financial assets	25,452,396	11,227,723	138,960,271	16,052,712	352,303,774	291,885	544,288,761
Less: Net financial assets denominated in the respective entities' functional currencies	(18,217,019)	(11,227,723)	-	(16,052,712)	(352,303,774)	(290,198)	(398,091,426)
Currency exposure	7,235,377	-	138,960,271	-	-	1,687	146,197,335

* Denominated in Euro, Great Britain Pound and Indonesian Rupiah.

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Market Risk (Cont'd)

(i) Foreign currency risk (Cont'd)

The exposure to foreign currency risk is as follows: (Cont'd)

	Singapore Dollar RM	Ringgit Malaysia RM	United States Dollar RM	Philippine Peso RM	New Taiwan Dollar RM	Others* RM	Total RM
The Group 2024							
Financial assets							
Trade receivables	7,133,803	20,467,017	20,806,125	13,138,570	79,021,091	-	140,566,606
Other receivables	33,044	3,283,977	-	256,757	1,669,988	1,519	5,245,285
Fixed deposits with licensed banks	517,373	-	-	-	122,734,800	-	123,252,173
Cash and bank balances	56,805,176	18,926,080	127,845,615	2,309,536	146,819,280	490,050	353,195,737
	64,489,396	42,677,074	148,651,740	15,704,863	350,245,159	491,569	622,259,801
Financial liabilities							
Trade payables	2,292,167	11,634,009	1,019,564	88,306	12,255,705	5,617	27,295,368
Other payables and accrued expenses	5,267,246	14,521,263	42,838	296,276	84,017,177	4,821	104,149,621
	7,559,413	26,155,272	1,062,402	384,582	96,272,882	10,438	131,444,989
Net financial assets	56,929,983	16,521,802	147,589,338	15,320,281	253,972,277	481,131	490,814,812
Less: Net financial assets denominated in the respective entities' functional currencies	(18,043,818)	(16,521,802)	-	(15,320,281)	(253,972,277)	(479,432)	(304,337,610)
Currency exposure	38,886,165	-	147,589,338	-	-	1,699	186,477,202

* Denominated in Euro, Great Britain Pound and Indonesian Rupiah.

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Market Risk (Cont'd)

(i) Foreign currency risk (Cont'd)

The exposure to foreign currency risk is as follows: (Cont'd)

	Singapore Dollar	Ringgit Malaysia RM	United States Dollar RM	New Taiwan Dollar RM	Total RM
The Company					
2025					
Financial assets					
Cash and bank balances	133	2,446,759	7,591	-	2,454,483
Amount owing by subsidiaries	-	675,000	-	4,384,099	5,059,099
	133	3,121,759	7,591	4,384,099	7,513,582
Less: Net financial assets denominated in the entity's functional currency	-	(3,121,759)	-	-	(3,121,759)
Currency exposure	133	-	7,591	4,384,099	4,391,823

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Market Risk (Cont'd)

(i) Foreign currency risk (Cont'd)

The exposure to foreign currency risk is as follows: (Cont'd)

	Singapore Dollar RM	Ringgit Malaysia RM	Other* RM	Total RM
The Company 2024				
Financial assets				
Cash and bank balances	8,219,196	11,419,584	-	19,638,780
Amount owing by subsidiaries	-	2,200,000	105,654	2,305,654
	8,219,196	13,619,584	105,654	21,944,434
Less: Net financial assets denominated in the entity's functional currency	-	(13,619,584)	-	(13,619,584)
Currency exposure	8,219,196	-	105,654	8,324,850

* Denominated in Indonesian Rupiah.

Foreign Currency Risk Sensitivity Analysis

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

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Effects on profit after taxation/equity				
Singapore Dollar:				
- strengthened by 5%	361,769	1,944,308	7	410,960
- weakened by 5%	(361,769)	(1,944,308)	(7)	(410,960)
United States Dollar:				
- strengthened by 5%	6,948,014	7,379,467	380	-
- weakened by 5%	(6,948,014)	(7,379,467)	(380)	-
New Taiwan Dollar				
- strengthened by 5%	-	-	219,205	-
- weakened by 5%	-	-	(219,205)	-
Others*:				
- strengthened by 5%	84	85	-	5,283
- weakened by 5%	(84)	(85)	-	(5,283)

* Denominated in Euro, Great Britain Pound and Indonesian Rupiah.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Market Risk (Cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from investments in fixed rate debt securities and long-term borrowing with variable rate. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

Interest Rate Risk Sensitivity Analysis

The Group does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

(iii) Equity price risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

If prices for quoted investments at the end of the reporting period strengthened by 10% (2024: 10%) with all other variables being held constant, the Group's and the Company's profit after taxation would have increased by RM29,348,937 and RM27,362,580 (2024: RM4,214,365 and RM3,005,986) respectively. A 10% (2024: 10%) weakening in the quoted prices would have had an equal but opposite effect on the Group's and the Company's profit after taxation.

Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit risk concentration profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2024: 2) customers which constituted approximately 39% (2024: 39%) of its total trade receivables (including related parties), net of loss allowance.

(ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Credit Risk (Cont'd)

(iii) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluate whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amount of financial asset is written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

• Trade receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 60 months (2024: 60 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the Gross Domestic Product as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Credit Risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

- Trade receivables (Cont'd)

Allowance for Impairment Losses

The Group	Gross Amount RM	Lifetime Individual Impairment RM	Lifetime Collective Impairment RM	Carrying Amount RM
2025				
Not past due	103,928,613	-	-	103,928,613
Past due:				
- less than 1 month	10,472,457	-	-	10,472,457
- 1 to 9 months	5,621,513	-	(260,727)	5,360,786
- over 9 months	619,357	(82,167)	(95,850)	441,340
Trade receivables	120,641,940	(82,167)	(356,577)	120,203,196
2024				
Not past due	121,543,285	-	-	121,543,285
Past due:				
- less than 1 month	11,193,504	-	-	11,193,504
- 1 to 9 months	7,406,179	-	-	7,406,179
- over 9 months	982,722	(182,918)	(376,166)	423,638
Trade receivables	141,125,690	(182,918)	(376,166)	140,566,606

The movements in the loss allowances in respect of trade receivables is disclosed in Note 14 to the financial statements.

- Other receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Credit Risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

- Other receivables (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Group and the Company use 3 categories to reflect their credit risk and how the loss allowance is determined for each category:

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group and the Company measure the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on an individual basis. The remaining receivables are grouped based on shared credit risk characteristics and assessed on a collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group and the Company have identified the Gross Domestic Product as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

- Fixed deposits with licensed banks, cash and bank balances

  The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

- Amount owing by subsidiaries

  The Company applies the 3-stage general approach to measuring expected credit losses for amount owing by subsidiaries.

  Inputs, Assumptions and Techniques used for Estimating Impairment Losses

  The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

  The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

  For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

  For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

  There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

  Allowance for Impairment Losses

The Company	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2025			
Low credit risk	8,048,178	(2,989,079)	5,059,099
2024			
Low credit risk	5,294,733	(2,989,079)	2,305,654

The movements in the loss allowances are disclosed in Note 18 to the financial statements.

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

(i) Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
2025						
Non-derivative financial liabilities						
Lease liabilities	1.25 - 6.70	28,890,721	35,715,140	3,524,192	8,321,076	23,869,872
Trade payables	-	19,291,273	19,291,273	19,291,273	-	-
Other payables and accrued expenses	-	106,252,294	106,252,294	106,252,294	-	-
Bank borrowing	2.51	14,763	14,933	14,933	-	-
		154,449,051	161,273,640	129,082,692	8,321,076	23,869,872
2024						
Non-derivative financial liabilities						
Lease liabilities	1.25 - 6.70	28,733,289	36,299,416	3,305,681	6,607,372	26,386,363
Trade payables	-	27,295,368	27,295,368	27,295,368	-	-
Other payables and accrued expenses	-	104,149,621	104,149,621	104,149,621	-	-
Bank borrowing	2.51	49,047	50,777	35,844	14,933	-
		160,227,325	167,795,182	134,786,514	6,622,305	26,386,363

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Liquidity risk (Cont'd)

(i) Maturity analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period): (Cont'd)

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 year RM
2025			
Non-derivative financial liabilities			
Other payables and accrued expenses	9,992,465	9,992,465	9,992,465
2024			
Non-derivative financial liabilities			
Other payables and accrued expenses	9,411,859	9,411,859	9,411,859

(b) Capital Risk Management

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as external borrowings less cash and bank balances and fixed deposits with licensed banks.

There were no changes in the approach to capital management during the financial year.

The debt-to-equity ratio is not disclosed in the financial statements as the external borrowing is insignificant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

	The Group 2025 RM	The Company 2025 RM
Financial Assets		
Fair Value Through Profit or Loss		
Short-term investments	293,489,373	273,625,795
Amortised Cost		
Trade receivables	120,203,196	-
Other receivables	1,992,075	14,161
Amount owing by subsidiaries	-	5,059,099
Fixed deposits with licensed banks	181,482,529	-
Cash and bank balances	366,154,528	2,454,483
	669,832,328	7,527,743
Financial Liability		
Amortised Cost		
Trade payables	19,291,273	-
Other payables and accrued expenses	106,252,294	9,992,465
Bank borrowing	14,763	-
	125,558,330	9,992,465

	The Group 2024 RM	The Company 2024 RM
Financial Assets		
Fair Value through Profit or Loss		
Short-term investments	42,143,647	30,059,862
Amortised Cost		
Trade receivables	140,566,606	-
Other receivables	5,245,285	44,769
Amount owing by subsidiaries	-	2,305,654
Fixed deposits with licensed banks	123,252,173	-
Cash and bank balances	353,195,737	19,638,780
	622,259,801	21,989,203
Financial Liability		
Amortised Cost		
Trade payables	27,295,368	-
Other payables and accrued expenses	104,149,621	9,411,859
Bank borrowing	49,047	-
	131,494,036	9,411,859

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(d) Gains or Losses Arising from Financial Instruments

	The Group 2025 RM	The Company 2025 RM
Financial Assets		
Fair Value through Profit or Loss		
Net gains recognised in profit or loss	5,651,795	2,487,386
Amortised Cost		
Net (losses)/gains recognised in profit or loss	(586,845)	392,861
Financial Liability		
Amortised Cost		
Net losses/gains recognised in profit or loss	(647,395)	318

	The Group 2024 RM	The Company 2024 RM
Financial Assets		
Fair Value through Profit or Loss		
Net gains recognised in profit or loss	3,079,891	884,502
Amortised Cost		
Net gains recognised in profit or loss	10,461,234	125,804
Financial Liability		
Amortised Cost		
Net losses recognised in profit or loss	(88,960)	-

28. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
The Group	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
2025								
Financial Asset								
Short-term investments:								
- quoted share	8,014,740	-	-	-	-	-	8,014,740	8,014,740
- unit trusts	-	285,474,633	-	-	-	-	285,474,633	285,474,633
Financial liability								
Bank borrowing	-	-	-	-	14,722	-	14,722	14,763
2024								
Financial Asset								
Short-term investments:								
- quoted share	3,664,998	-	-	-	-	-	3,664,998	3,664,998
- unit trusts	-	38,478,649	-	-	-	-	38,478,649	38,478,649
Financial liability								
Bank borrowing	-	-	-	-	48,991	-	48,991	49,047

28. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair Value Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period: (Cont'd)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
The Company	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
2025								
Financial Asset								
Short-term investments	-	273,625,795	-	-	-	-	273,625,795	273,625,795
2024								
Financial Asset								
Short-term investments	-	30,059,862	-	-	-	-	30,059,862	30,059,862

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair Value Information (Cont'd)

(i) Fair Value of Financial Instruments Carried at Fair Value

- The fair value of unit trusts is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- The fair value of quoted share is determined at their quoted closing bid prices at the end of the reporting period.
- There were no transfers between level 1 and level 2 during the financial year.

(ii) Fair Value of Financial Instruments Not Carried at Fair Value

- The fair value of bank borrowing that carries fixed interest rate is determined by discounting the relevant future contractual cash flows using current market interest rate for similar instrument at the end of the reporting period. The interest rate used to discount the estimated cash flows is as follows:

	The Group		The Company	
	2025 %	2024 %	2025 %	2024 %
Hire purchase payable	2.39	2.42	-	-

29. CAPITAL COMMITMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of property, plant and equipment	7,746,470	6,161,103	-	-

30. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cost of property, plant and equipment purchased	42,743,418	26,168,801	84,325	5,460,490
Less: Other payables - balances remained unpaid at financial year end	(8,865)	(1,349,260)	-	-
Less: Transfer from inventories	-	(13,628)	-	-
	42,734,553	24,805,913	84,325	5,460,490

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:

The Group	Bank Borrowings RM	Lease Liabilities RM	Total RM
2025			
At 1 January	49,047	28,733,289	28,782,336
Changes in Financing Cash Flows			
Proceeds from drawdown	3,500,000	-	3,500,000
Repayment of borrowing principal	(3,534,284)	(3,170,673)	(6,704,957)
Repayment of borrowing interests	(50,267)	(701,932)	(752,199)
Other changes			
Interest expense recognised in profit or loss	50,267	701,932	752,199
Additions	-	4,924,278	4,924,278
Derecognition due to lease termination	-	(43,953)	(43,953)
Foreign exchange adjustment	-	(1,552,220)	(1,552,220)
	50,267	4,030,037	4,080,304
At 31 December	14,763	28,890,721	28,905,484
2024			
At 1 January	81,703	33,045,972	33,127,675
Changes in Financing Cash Flows			
Repayment of borrowing principal	(32,656)	(3,208,562)	(3,241,218)
Repayment of borrowing interests	(4,898)	(789,693)	(794,591)
Other changes			
Interest expense recognised in profit or loss	4,898	789,693	794,591
Additions	-	1,376,156	1,376,156
Changes due to lease modification	-	(8,856)	(8,856)
Derecognition due to lease termination	-	(73,584)	(73,584)
Foreign exchange adjustment	-	(2,397,837)	(2,397,837)
	4,898	(314,428)	(309,530)
At 31 December	49,047	28,733,289	28,782,336

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2023 RM
Cash and bank balances	366,154,528	353,195,737	2,454,483	19,638,780
Fixed deposits with licensed banks	181,482,529	123,252,173	-	-
	547,637,057	476,447,910	2,454,483	19,638,780
Less: Fixed deposits pledged with licensed banks	(504,529)	(517,373)	-	-
Less: Fixed deposits with maturity period more than 3 months	(12,927,000)	(6,818,600)	-	-
Cash and cash equivalents	534,205,528	469,111,937	2,454,483	19,638,780

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Payment of short-term leases	1,003,090	1,633,104	-	48,717
Payment of low value assets	51,154	58,587	-	-
Interest paid on lease liabilities	701,932	789,693	-	-
Payment of lease liabilities	3,170,673	3,208,562	-	-
	4,926,849	5,689,946	-	48,717

31. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:

	The Group		The Company	
	As Previosuly Repoted RM	As Restated RM	As Previosuly Reported RM	As Restated RM
Statements of Cash Flows (Extract):				
Net cash (for)/from investing activities	(12,773,087)	(21,260,161)	43,101,311	30,411,056
Net increase in cash and cash equivalents	133,879,148	125,392,074	27,204,723	14,514,468
Cash and cash equivalents at beginning of the financial year	404,371,355	374,379,779	22,566,456	5,196,849
Cash and cash equivalents at end of the financial year	507,590,587	469,111,937	49,698,642	19,638,780

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **NG WAI PIN** and **NG CHEE WHYE**, being two of the directors of **FRONTKEN CORPORATION BERHAD**, state that, in the opinion of the directors, the financial statements set out on pages 79 to 147 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

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

NG WAI PIN

NG CHEE WHYE

24 March 2026

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE
FOR THE FINANCIAL MANAGEMENT OF THE COMPANY PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **WONG CHEE WAI**, MIA Membership Number: 25505, being the officer primarily responsible for the financial management of **FRONTKEN CORPORATION BERHAD**, do solemnly and sincerely declare that the financial statements of the Group and of the Company set out on pages 79 to 147 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

WONG CHEE WAI

Subscribed and solemnly declared by the abovementioned **WONG CHEE WAI** at **KUALA LUMPUR** this 24th day of March 2026.

Before me,
Shaiful Hilmi Bin Halim (No. W-804)
COMMISSIONER FOR OATHS

LIST OF PROPERTIES

Address	Description/ Existing use	Land area/ Built-up area sq m	Approximate age of building	Tenure	Audited net book value as at 31.12.2025 RM'000	Date of acquisition
Frontken (Singapore) Pte Ltd						
Pte Lot A12843 (to be known as Pte Lot A21020) Bearing postal address: 156A Gul Circle Singapore 629614	2 factory buildings with mezzanine office and a 4-storey factory to house production facilities	11,154/ 11,213	29 years, 39 years & 15 years	Leasehold expiring on 19.07.2039	9,458	01.08.2001
Frontken Malaysia Sdn Bhd (FM)						
177296 Lot 38206 Pekan Baru Hicom Daerah Petaling Selangor Darul Ehsan Bearing postal address: Lot 2-46, Jalan Subang Utama 7 Taman Perindustrian Subang Utama Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	1½-storey detached factory building to house production facilities	2,023/ 1,006	29 years	Freehold	1,765	17.03.2003
FM						
177293 Lot 38196 Pekan Baru Hicom Daerah Petaling Selangor Darul Ehsan Bearing postal address: Lot 2-47 Jalan Subang Utama 8 Taman Perindustrian Subang Utama Seksyen 22 40300 Shah Alam Selangor Darul Ehsan	Vacant industrial land	2,177/ -	N/A	Freehold	1,500	04.07.2007

LIST OF PROPERTIES (CONT'D)

Address	Description/ Existing use	Land area/ Built-up area sq m	Approximate age of building	Tenure	Audited net book value as at 31.12.2025 RM'000	Date of acquisition
FM						
GRN 210078 Lot 4494 Seksyen 39 Bandar Kulim Daerah Kulim Kedah Darul Aman Bearing postal address: PT1923 Jalan Hi Tech 2/3 Industrial Zone Phase 1 Kulim Hi-Tech Industrial Park, 09090 Kulim Kedah Darul Aman	Single-storey detached factory building to house production facilities and R&D activities	12,141/ 3,299	20 years	Leasehold expiring on 08.05.2066	5,147	23.12.2005
FM						
GRN 210078 Lot 4494 Seksyen 39 Bandar Kulim Daerah Kulim Kedah Darul Aman Bearing postal address: PT 1923 Jalan Hi Tech 2/3 Industrial Zone Phase 1 Kulim Hi-Tech Industrial Park, 09090 Kulim Kedah Darul Aman	Vacant industrial land	15,419/ -	N/A	Leasehold expiring on 08.05.2066	1,444	09.11.2007
Ares Green Technology Corporation (AGTC)						
0273-0000, 0276-0000 & 0277-0000 Bearing postal address: No. 17, Bade Road Xinying Dist. Tainan City 730014 Taiwan, R.O.C.	A single-storey factory building and a 2-storey factory building to house production facilities and R&D activities and a 2-storey office building	16,966/ 17,371	25 years	Freehold	42,013	14.06.2004
AGTC						
0007-0000, 0022-0000, 0027-0000 & 0027-0004 ~ 0027-0025 Bearing postal address: Taizi Road, Xinying Dist. Tainan City, Taiwan R.O.C.	Storage area	2,308/ -	N/A	Freehold	9,286	29.12.2021

LIST OF PROPERTIES (CONT'D)

Address	Description/ Existing use	Land area/ Built-up area sq m	Approximate age of building	Tenure	Audited net book value as at 31.12.2025 RM'000	Date of acquisition
AGTC						
0132-0000 Bearing postal address: No. 6-2, Luke 3rd Road Luzhu Dist. Kaohsiung City 821011, Taiwan, R.O.C.	A single-storey factory building to house production facilities and R&D activities	18,767/ 10,972	11 years	Leasehold expiring on 07.07.2041	50,896	13.07.2021
AGTC						
0013-0000 No. 142, Ren'ai Rd. Yanshui Dist., Tainan City 737007, Taiwan, R.O.C.	A single-storey factory	3,785/365	33 years	Freehold	21,982	23.04.2025
PT Frontken Indonesia						
NIB No. 28.04.02.19.00499 28.04.02.19.00497 28.04.02.19.00495 28.04.02.19.00493 28.04.02.19.00492 28.04.02.19.00490 Bearing postal address: Jl. Raya Serang KM. 13 RT.003/RW.002 Kp. Cirewed Sukadamai, Cikupa Tangerang Banten 15710 Indonesia	A single-storey factory building to house production facilities and office	5,385/ 3,222	41 years	Leasehold expiring on 17.10.2039 & 19.05.2041	964	12.12.2011
Frontken Corporation Berhad						
Geran 62139/M1/6/21 Lot 71, Seksyen 39 Bandar Petaling Jaya Daerah Petaling Selangor Bearing postal address: 601D, Level 6 Tower D, Uptown 5 No. 5, Jalan SS21/39 Damansara Uptown 47400 Petaling Jaya Selangor	Strata office	- / 548	28 years	Freehold	4,432	20.12.2023

SHAREHOLDINGS STATISTICS
AS AT 31 MARCH 2026

Issued and Paid-up Share Capital	:	RM449,673,645 comprising 1,662,960,825 ordinary shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MARCH 2026

Size of holdings	No. of shareholders	% of shareholders	*No. of shares	*% of issued capital
Less than 100	710	9.0	31,159	~
100 – 1,000	2,255	28.7	1,294,966	0.1
1,001 – 10,000	3,283	41.8	12,363,737	0.7
10,001 – 100,000	1,007	12.8	31,839,260	1.9
100,001 to less than 5% of issued shares	607	7.7	1,385,182,647	83.8
5% and above of issued shares	2	~	223,031,006	13.5
Total	**7,864**	**100.0**	**1,653,742,775**	**100.0**

Notes:
~ Negligible
* Excluding 9,218,050 shares held as treasury shares as at 31 March 2026
Distribution of shareholdings based on Record of Depositors

DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2026

The shareholdings of the directors of the Company and the number of shares held by them as recorded in the Register of Director Shareholdings at the date of this statement are as follows:

No.	Name	Direct		Indirect	
		No. of shares	*%	No. of shares	*%
1.	Ng Wai Pin	12,009,350	0.7	180,337,209	10.9
2.	Dr Tay Kiang Meng	14,127,212	0.9	-	-
3.	Ng Chee Whye	110,000	~	168,580	~
4.	Gerald Chiu Yoong Chian	-	-	-	-
5.	Koh Huey Min	-	-	3,000	~
6.	Raja Jastina Adlina Binti Raja Arshad	-	-	-	-

Notes:
~ Negligible
* Excluding 9,218,050 shares held as treasury shares as at 31 March 2026

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2026

No.	Name	Direct		Indirect	
		No. of shares	*%	No. of shares	%
1.	Employees Provident Fund Board	260,762,014	15.8	-	-
2.	Dazzle Clean Ltd	180,337,209	10.9	-	-

Notes:
*Excluding 9,218,050 shares held as treasury shares as at 31 March 2026
Substantial shareholders based on Register of Substantial Shareholders

SHAREHOLDINGS STATISTICS
AS AT 31 MARCH 2026 (CONT'D)

THIRTY LARGEST SHAREHOLDERS
(As extracted from the Record of Depositors as at 31 March 2026)

No.	Shareholders	No. of shares	*% of issued capital
1	Dazzle Clean Ltd	114,334,883	6.91
2	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	108,696,123	6.57
3	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd.	71,089,500	4.30
4	RHB Capital Nominees (Asing) Sdn Bhd Dazzle Clean Ltd	66,002,326	3.99
5	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AHAM AM)	34,843,100	2.11
6	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	25,957,391	1.57
7	AmanahRaya Trustees Berhad Public Islamic Dividend Fund	25,183,750	1.52
8	AmanahRaya Trustees Berhad Public Islamic Opportunities Fund	24,746,700	1.50
9	AmanahRaya Trustees Berhad Public Islamic Select Treasures Fund	21,958,500	1.33
10	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	20,839,700	1.26
11	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (RHB Inv)	20,715,100	1.25
12	Kumpulan Wang Persaraan (Diperbadankan)	20,346,038	1.23
13	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	20,010,550	1.21
14	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	19,464,050	1.18
15	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	18,593,800	1.12
16	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	18,506,700	1.12
17	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad - Kenanga Growth Fund	16,753,400	1.01
18	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)	16,388,200	0.99
19	Citigroup Nominees (Asing) Sdn Bhd CBNY for iShares Core MSCI Emerging Markets ETF	16,141,400	0.98
20	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	15,186,000	0.92
21	Tay Kiang Meng	14,127,212	0.85
22	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	12,959,800	0.78
23	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (F Templeton)	12,294,100	0.74
24	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	11,664,700	0.71
25	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (BNP Najmah EQ)	11,500,000	0.70
26	AmanahRaya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	11,459,000	0.69
27	Lembaga Tabung Haji	10,978,800	0.66
28	AmanahRaya Trustees Berhad Amanah Saham Malaysia 3	10,602,200	0.64
29	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)	10,465,250	0.63
30	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	10,445,500	0.63

Note:
*Excluding 9,218,050 shares held as treasury shares as at 31 March 2026

WARRANT HOLDINGS STATISTICS
AS AT 31 MARCH 2026

Type of Securities	:	Warrants B
Total Warrants B issued but not exercised	:	441,329,045
Voting rights	:	The holder of warrant is not entitled to any voting rights

DISTRIBUTION OF WARRANT HOLDINGS AS AT 31 MARCH 2026

Size of holdings	No. of warrant holders	% of warrant holders	No. of warrants	% of warrants
Less than 100	975	19.6	42,087	~
100 – 1,000	1,448	29.1	707,465	0.2
1,001 – 10,000	1,202	24.2	5,460,078	1.2
10,001 – 100,000	970	19.5	36,316,810	8.2
100,001 to less than 5% of issued warrants	373	7.5	266,989,613	60.5
5% and above of issued warrants	3	0.1	131,812,992	29.9
Total	4,971	100.0	441,329,045	100.0

Note:
~ Negligible

DIRECTORS' WARRANT HOLDINGS AS AT 31 MARCH 2026

The number of warrants held by the directors of the Company as at the date of this statement is as follows:

No.	Name	Direct		Indirect	
		No. of warrants	%	No. of warrants	%
1.	Ng Wai Pin	3,356,450	0.8	99,789,836	22.6
2.	Dr Tay Kiang Meng	3,316,404	0.8	-	-
3.	Ng Chee Whye	10,000	~	62,860	~
4.	Gerald Chiu Yoong Chian	-	-	-	-
5.	Koh Huey Min	-	-	-	-
6.	Raja Jastina Adlina Binti Raja Arshad	-	-	-	-

Note:
~ Negligible

WARRANT HOLDINGS STATISTICS
AS AT 31 MARCH 2026 (CONT'D)

THIRTY LARGEST WARRANT HOLDERS
(As extracted from the Record of Depositors as at 31 March 2026)

No.	Warrant holders	No. of warrants	% of warrants
1	RHB Capital Nominees (Asing) Sdn Bhd		
	Dazzle Clean Ltd	57,513,542	13.03
2	Dazzle Clean Ltd	42,276,294	9.58
3	HSBC Nominees (Asing) Sdn Bhd		
	Morgan Stanley & Co. International PLC (Firm A/C)	32,023,156	7.26
4	Mohd Rodzi Bin Ibrahim	20,000,000	4.53
5	HSBC Nominees (Tempatan) Sdn Bhd		
	HSBC (M) Trustee Bhd for AHAM Select Asia (Ex Japan) QuantumFund	14,000,000	3.17
6	HSBC Nominees (Asing) Sdn Bhd		
	J.P. Morgan Securities PLC	12,037,400	2.73
7	Citigroup Nominees (Asing) Sdn Bhd		
	Citigroup Global Markets Limited	10,600,000	2.40
8	CIMB Group Nominees (Tempatan) Sdn Bhd		
	CIMB Commerce Trustee Berhad - Kenanga Malaysian Inc Fund	6,045,050	1.37
9	Universal Trustee (Malaysia) Berhad		
	TA Dana Fokus	6,000,000	1.36
10	Anas Bin Ahmad Faris	4,422,500	1.00
11	Nabilah Binti Zainul	4,409,700	1.00
12	Lim Choon Wee	3,808,500	0.86
13	HSBC Nominees (Asing) Sdn Bhd		
	TNTC for Barings ASEAN Frontiers Fund	3,772,550	0.85
14	Moomoo Nominees (Tempatan) Sdn. Bhd.		
	Pledged Securities Account for Loke Yik Pin	3,700,000	0.84
15	Leong Khai Shaun	3,500,000	0.79
16	Citigroup Nominees (Tempatan) Sdn Bhd		
	UBS AG Singapore for Ng Wai Pin	3,321,450	0.75
17	Tay Kiang Meng	3,316,404	0.75
18	Maybank Nominees (Tempatan) Sdn Bhd		
	Guok Tiong Ping	2,963,000	0.67
19	Chuah Pei Fong	2,936,000	0.67
20	Apex Nominees (Tempatan) Sdn. Bhd.		
	Pledged Securities Account for Hon Kim Long (STA 2)	2,900,000	0.66
21	RHB Nominees (Tempatan) Sdn Bhd		
	Pledged Securities Account for Chan Kok San	2,800,000	0.63
22	Alliancegroup Nominees (Tempatan) Sdn Bhd		
	Pledged Securities Account for Lee Chin Yuen (7003308)	2,720,000	0.62
23	Citigroup Nominees (Asing) Sdn Bhd		
	UBS AG	2,395,249	0.54
24	Kalwant Singh A/L Labh Singh	2,370,000	0.54
25	Tan Su Ming	2,300,000	0.52
26	Moomoo Nominees (Tempatan) Sdn. Bhd.		
	Pledged Securities Account for Dyi Ka Kwun	2,000,000	0.45
27	Tan Geok Sang	1,721,200	0.39
28	Leong Khai Ric	1,618,300	0.37
29	Ong Hui Foon	1,600,000	0.36
30	RHB Nominees (Tempatan) Sdn Bhd		
	Pledged Securities Account for Tay Moy Koh	1,600,000	0.36

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of the Company ("22nd AGM") will be held at Imazium, Level 1, No. 8, Jalan SS21/37, Damansara Uptown, 47400 Petaling Jaya, Selangor, Malaysia on **Thursday, 11 June 2026** at 10.00 a.m. for the transaction of the following businesses:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the year ended 31 December 2025 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect the following Directors:

   (a) Dr Tay Kiang Meng who will be retiring pursuant to Clause 75(2) of the Company's Constitution; and **(Ordinary Resolution 1)**

   (b) YM Raja Jastina Adlina Binti Raja Arshad who will be retiring pursuant to Clause 75(2) of the Company's Constitution. **(Ordinary Resolution 2)**

3. To approve the payment of Directors' fees and Benefits of up to RM600,000.00 until the conclusion of the next Annual General Meeting. **(Ordinary Resolution 3)**

4. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

As Special Business:

To consider and if thought fit, to pass the following Resolutions:

5. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** **(Ordinary Resolution 5)**

   THAT subject always to the Act, the Constitution of the Company and the approvals of Bursa Malaysia Securities Berhad ("Bursa Securities") and the relevant regulatory authorities where such approval is necessary, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares of the Company at any time until the conclusion of the next Annual General Meeting ("AGM") or any adjournment thereof and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) at the time of issue until the conclusion of the next AGM of the Company ("General Mandate");

   AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities and that such authority shall continue to be in force until the conclusion of the next AGM of the Company.

6. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE")** **(Ordinary Resolution 6)**

   THAT subject to the provisions under the Act, the Constitution of the Company, the Listing Requirements and any other applicable laws, rules, regulations and guidelines for the time being in force, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("Shares") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of Shares purchased pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING (CONT'D)

THAT the maximum amount of funds to be allocated for the purpose of purchasing the Shares shall not exceed the retained profits of the Company or RM50 million, whichever is the lower.

THAT authority be and is hereby given to the Directors to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any of the Shares so purchased by the Company in the following manner:

(i) the Shares so purchased could be cancelled or transferred; or
(ii) the Shares so purchased could be retained as treasury shares for distribution as dividends or bonus shares to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or transferred to employees under an employees' share scheme and/or as purchase consideration for any acquisition; or
(iii) combination of (i) and (ii) above.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution and shall continue to be in force until:

(i) the conclusion of the next AGM or any adjournment thereof of the Company, at which time the said authority would lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM is required by law to be held; or
(iii) the authority is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors be and are hereby authorised to take such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.

7. To transact any other business of which due notice shall be given.

BY ORDER OF THE BOARD
Mah Li Chen
Company Secretary
MAICSA 7022751
PC No. 202008002006
Kuala Lumpur
29 April 2026

Notes:

1. A Member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. Where the appointer is a corporation, this form must be executed under its common seal, if any or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy/proxies must be deposited at the office of the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, drop box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic submission via Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com not less than forty-eight (48) hours before the time fixed for convening the 22nd AGM or any adjournment thereof.
5. For the purpose of determining a member who shall be entitled to attend the 22nd AGM or any adjournment thereof, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 3 June 2026. Only a depositor whose name appears on the Record of Depositors as at 3 June 2026 shall be entitled to attend and vote at this 22nd AGM or any adjournment thereof or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on Ordinary Business:

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward to shareholders for voting.

2. Item 2 of the Agenda

The Nomination Committee has evaluated Dr Tay Kiang Meng and YM Raja Jastina Adlina Binti Raja Arshad based on the Board Effectiveness Evaluation including the "Fit and Proper Test" to assess them and they were found to have met the Board's expectation in discharging their duties and responsibilities and recommended to the Board for their re-election. In turn, the Board recommends to the shareholders to re-elect Dr Tay Kiang Meng and YM Raja Jastina Adlina Binti Raja Arshad at the 22nd AGM or any adjournment thereof.

3. Item 3 of the Agenda

Section 230(1) of the Act requires that the fees of the directors and any benefits payable to the directors be approved at a general meeting.

Explanatory Notes on Special Business:

4. Item 5 of the Agenda

The proposed Ordinary Resolution 5, if passed, will empower the Directors from the conclusion of this AGM, to allot and issue up to a maximum of 10% of the total number of issued shares of the Company (excluding treasury shares) at the time of issue (other than bonus or rights issue) until the conclusion of the next AGM of the Company without the need to convene a general meeting and for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of next the AGM of the Company. The Board is of the view that the 10% general mandate is in the best interest of the Company and its shareholders as it would provide the flexibility to the Company for any possible fundraising activities that the Company may undertake for working capital and/or any investment or acquisition purposes in an expeditious and efficient manner. At this juncture, there is no decision to issue any additional shares. If there should be a decision to issue any new share after the general mandate is sought, the Company will make an announcement in respect thereof.

The proposed Ordinary Resolution 5 is a renewal of the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act obtained at the 21st AGM held on 12 June 2025 which will lapse at the conclusion of this 22nd AGM. As at the date of this notice, the Company did not issue any share pursuant to the said general mandate.

5. Item 6 of the Agenda

The proposed Ordinary Resolution 6, if passed, will give the Directors of the Company the authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or effect the purchase(s) of Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. This authority will, unless renewed or revoked or varied by the Company at a general meeting, continue to be in force until the conclusion of the next AGM or any adjournment thereof of the Company or the expiry of the period within which the next AGM of the Company following the 22nd AGM is required by the law to be held. Please refer to the Share Buy-Back Statement dated 29 April 2026 which is circulated together with this Notice for more information.

FRONTKEN

FRONTKEN CORPORATION BERHAD
200401012517 (651020-T)
(Incorporated in Malaysia under the Companies Act 2016)

PROXY FORM

CDS Account No.
No. of shares held

I/We ..... Tel. No.: .....
[Full name in block, NRIC No./Company No.]

of .....
[Address]

being a member/members of **Frontken Corporation Berhad**, hereby appoint:

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and to vote for me/us and on my/our behalf at the Twenty-Second Annual General Meeting ("22nd AGM") of the Company to be held at Imazium, Level 1, No. 8, Jalan SS21/37, Damansara Uptown, 47400 Petaling Jaya, Selangor, Malaysia on Thursday, 11 June 2026 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

Item	Agenda	Resolution	For	Against
1.	Re-election of Dr Tay Kiang Meng	Ordinary Resolution 1		
2.	Re-election of YM Raja Jastina Adlina Binti Raja Arshad	Ordinary Resolution 2		
3.	Payment of Directors' fees and Benefits	Ordinary Resolution 3		
4.	Re-appointment of auditors	Ordinary Resolution 4		
5.	Authority to issue shares	Ordinary Resolution 5		
6.	Proposed Renewal of Share Buy-Back Mandate	Ordinary Resolution 6		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy may vote or abstain as he/she thinks fit.

Signed this ..... day of ....., 2026.

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

Notes:
1. A Member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. Where the appointer is a corporation, this form must be executed under its common seal, if any or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy/proxies must be deposited at the office of the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, drop box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic submission via Vistra Share Registry and IPO (MY) portal at https://srmy.vistra.com not less than forty-eight (48) hours before the time fixed for convening the 22nd AGM or any adjournment thereof.
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FRONTKEN CORPORATION BERHAD
200401012517 (651020-T)
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
MALAYSIA

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Frontken Corporation Berhad
200401012517 (651020-T)

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