



2025

ANNUAL REPORT

CONTENTS

	PAGE
• NOTICE OF ANNUAL GENERAL MEETING	2
• CORPORATE INFORMATION	6
• FINANCIAL HIGHLIGHTS	8
• DIRECTORS' INFORMATION	9
• KEY SENIOR MANAGEMENT	11
• MANAGEMENT DISCUSSION AND ANALYSIS	14
• STATEMENT OF SUSTAINABILITY	17
• CORPORATE GOVERNANCE OVERVIEW STATEMENT	34
• AUDIT AND RISK MANAGEMENT COMMITTEE REPORT	44
• STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL	50
• DIRECTORS' RESPONSIBILITIES STATEMENT	52
• FINANCIAL STATEMENTS	
• DIRECTORS' REPORT	53
• DIRECTORS' STATEMENT	58
• STATUTORY DECLARATION	58
• INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	59
• STATEMENTS OF FINANCIAL POSITION	63
• STATEMENTS OF COMPREHENSIVE INCOME	64
• CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	66
• STATEMENT OF CHANGES IN EQUITY	67
• STATEMENTS OF CASH FLOWS	68
• NOTES TO THE FINANCIAL STATEMENTS	71
• LIST OF PROPERTIES OWNED BY THE GROUP	114
• ANALYSIS OF SHAREHOLDINGS	117
• PROXY FORM	119

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 39th Annual General Meeting (“AGM”) of the Company will be held at Angier & Borden Level 4, Meeting Room, The Prestige Hotel of 8 Gat Lebuh Gereja, 10300 George Town, Penang on Friday, 22 May 2026 at 10.00 am for the following purposes: -

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of Directors and Auditors thereon. Please refer to Note 8
2. To re-elect Mr. Koay Chiew Poh, a Director who retires by rotation in accordance with Article 99 of the Company’s Constitution and who, being eligible, offers himself for re-election. **Resolution 1**
3. To re-elect Mr. Soon Poh Lean, a Director who retires by rotation in accordance with Article 99 of the Company’s Constitution and who, being eligible, offers himself for re-election. **Resolution 2**
4. To re-elect Dr. Sek Weng Yew, a Director who retires by rotation in accordance with Article 99 of the Company’s Constitution and who, being eligible, offers himself for re-election. **Resolution 3**
5. To approve the payment of Directors’ fees amounting to RM150,000 to the Non-Executive Directors of the Company for the financial year ending 31 December 2026. **Resolution 4**
6. To approve the payment of Directors’ fees amounting to RM100,000 to the Executive Directors of the Company for the financial year ending 31 December 2026. **Resolution 5**
7. To approve the payment of Directors’ benefits of not exceeding RM100,000 to the Non-Executive Directors of the Company for the financial year ending 31 December 2026. **Resolution 6**
8. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

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

9. **AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Resolution 8**
“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company.

THAT any one of the Executive Directors and/or Secretary of the Company be empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

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

By Order of the Board,

LEE PENG LOON (MACS 01258)
SSM PC NO. 201908002340

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

Company Secretaries

Penang

Date: 24 April 2026

NOTES ON APPOINTMENT OF PROXY

- (1) A proxy may but need not be a member of the Company.
- (2) A member shall be entitled to appoint up to a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (3) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- (4) Where a member is an Exempt Authorised Nominee as defined under SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
- (5) For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at Wisma Public Packages, Plot 67 Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang not less than 48 hours before the time for holding the meeting or any adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. Any completed proxy form transmitted by facsimile or electronic mail to the registered office of the Company will not be accepted.
- (6) In the case of a corporate member, the proxy form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised in which, it must be supported by a certified true copy of the relevant form or resolution appointing the officer or certified true copy of the power of attorney.
- (7) For the purpose of determining a member who shall be entitled to attend the 39th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 4 May 2026. Only a depositor whose name appears on the Record of Depositors as at 4 May 2026 shall be eligible to attend the 39th AGM or appoint proxies to attend and/or vote on his/her behalf.

NOTES ON ORDINARY BUSINESS

(8) **Agenda 1 - Audited Financial Statements**

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

(9) **Agenda 2 to Agenda 4 – Re-election of Directors**

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

(10) **Agenda 5 and Agenda 6 – Directors' Fees**

The Resolutions 4 and 5, if passed, will enable the Company to pay Directors' fees to the Non-Executive Directors and Executive Directors of the Company for the financial year ending 31 December 2026 in accordance with Section 230(1) of the Companies Act 2016.

(11) **Agenda 7 – Directors' Benefits**

The Resolution 6, if passed, will enable the Company to pay benefits to the Non-Executive Directors of the Company in accordance with Section 230(1) of the Companies Act 2016. The total amount of Directors' benefits payable is estimated based on number of scheduled meetings of the Board and Board Committees as well as the number of Non-Executive Directors involved; and these benefits may comprise of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds.

(12) **Agenda 8 – Re-appointment of Auditors**

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

NOTES ON SPECIAL BUSINESS

(13) **Agenda 9 - Authority to issue shares pursuant to Companies Act 2016**

The Resolution 8, if passed, will enable the Directors to allot and issue shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to its issuance and, for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

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

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

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

- 1) No individuals are standing for election as Directors at the forthcoming 39th Annual General Meeting of the Company.
- 2) The Resolution 8 tabled under Special Business as per the Notice of 39th Annual General Meeting of the Company dated 24 April 2026 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 26 May 2025.

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Koay Chiew Poh <i>Non-Executive Chairman</i> Koay Chiew Kang <i>Executive Director</i> Koay Teng Liang <i>Executive Director</i> Koay Teng Kheong <i>Executive Director</i> Nurjannah Binti Ali <i>Executive Director</i> Gooi Chye Soon <i>Executive Director</i> Soon Poh Lean <i>Independent Non-Executive Director</i> Dr. Sek Weng Yew <i>Independent Non-Executive Director</i> Tang Boon Lee <i>Independent Non-Executive Director</i> Koay Chue Beng <i>Alternate Director to Koay Chiew Poh</i>
SECRETARIES	:	Lee Peng Loon (MACS 01258) P'ng Chiew Keem (MAICSA 7026443)
AUDIT AND RISK MANAGEMENT COMMITTEE	:	Soon Poh Lean (Independent Non-Executive Director) <i>Chairman</i> Dr. Sek Weng Yew (Independent Non-Executive Director) <i>Committee Member</i> Tang Boon Lee (Independent Non-Executive Director) <i>Committee Member</i>
NOMINATING AND REMUNERATION COMMITTEES	:	Koay Chiew Poh (Non-Executive Chairman) <i>Chairman</i> Soon Poh Lean (Independent Non-Executive Director) <i>Committee Member</i> Dr. Sek Weng Yew (Independent Non-Executive Director) <i>Committee Member</i> Tang Boon Lee (Independent Non-Executive Director) <i>Committee Member</i>
SCHEME COMMITTEE	:	Koay Teng Liang (Executive Director) <i>Chairman</i> Koay Chiew Kang (Executive Director) <i>Committee Member</i> Koay Teng Kheong (Executive Director) <i>Committee Member</i>

REGISTERED OFFICE AND BUSINESS ADDRESS : Wisma Public Packages
Plot 67 Lintang Kampung Jawa
Bayan Lepas Industrial Estate
11900 Bayan Lepas
Penang
Malaysia
Tel No: 04-6444888 Fax No: 04-6436699
E-mail: b_m@pph.com.my

REGISTRAR : 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
Wilayah Persekutuan Malaysia
Tel No: 03-2783 9299 Fax No: 03-2783 9222

AUDITORS : Grant Thornton Malaysia PLT
Chartered Accountants

PRINCIPAL BANKERS : AmBank (M) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING : Main Market of Bursa Malaysia Securities Berhad
Stock Name : PPHB Stock Code : 8273

WEBSITE : <http://www.pph.com.my>

Financial Highlights

	Financial Year Ended 31 December				
	2021	2022	2023	2024	2025
Financial Performance (RM'000)					
- Revenue	196,808	223,727	209,520	206,768	200,041
- Gross profit	61,289	79,682	84,136	89,231	83,263
- Share of results of Joint Venture	2,165	1,639	4,833	1,986	5,523
- Profit before taxation ("PBT")	31,225	47,061	52,413	50,525	51,829
- Profit after taxation ("PAT")	23,672	38,488	48,488	40,973	41,629
- Earnings before interest, taxes, depreciation and amortisation ("EBITDA")	42,815	55,860	58,208	59,380	60,282
- Profit attribute to owners of the Group	23,672	38,488	48,488	40,973	41,629
Financial Position (RM'000)					
<i>Assets</i>					
- Non-current assets	197,373	206,608	218,089	218,284	224,314
- Current assets	165,897	189,068	220,453	256,158	292,353
Total assets	363,270	395,676	438,542	474,442	516,667
<i>Liabilities and Shareholders' fund</i>					
- Paid-up share capital	94,787	133,174 ⁽¹⁾	133,558	133,794	133,794
- Shareholder funds	301,379	341,286	390,204	430,658	472,079
- Non-current liabilities	18,435	16,535	15,865	14,113	13,350
- Current liabilities	43,456	37,855	32,473	29,671	31,238
- Borrowings	20,428	13,696	9,042	3,291	1,223
Per Share					
- Basic (sen) ⁽²⁾	12.55	14.53	18.22	15.37	15.61
- Diluted (sen) ⁽²⁾	12.55	14.52	18.22	15.37	15.61
- Net assets (RM) ⁽³⁾	1.60	1.28	1.47	1.62	1.77
Cash Flow Position (RM'000)					
Net cash from operating activities	35,298	38,616	47,742	45,642	39,188
Dividend per shares (sen)	0.250	0.250	0.375	0.375	0.750
Financial Ratios					
Return on total assets (%)	6.52	9.73	11.06	8.64	8.06
Return on shareholders' funds (%)	7.85	11.28	12.43	9.51	8.82
Current ratio (times)	3.82	4.99	6.79	8.63	9.36
Gearing ratio (times)	0.07	0.04	0.02	0.01	0.01

⁽¹⁾ Bonus issuance of 75,565,703 new ordinary shares ("Bonus Shares") on the basis of two (2) Bonus Shares of every five (5) existing shares held.

⁽²⁾ Based on weighted average number of shares issued ('000)

⁽³⁾ Based on number of shares issued ('000)

DIRECTORS' INFORMATION

Koay Chiew Poh, a Malaysian, age 74, is the founder of Public Packages Holdings Berhad ("PPHB") and was appointed to the Board on 16 March 1991 as Executive Chairman of the Company. He was redesignated as Non-Executive Chairman of the Company on 15 August 2022. He is also a Chairman of the Nominating and Remuneration Committees. He is an entrepreneur with more than 30 years' experience in the packaging and printing industry. He served as a Sales Manager for Pan Asian Paper Product Manufacturing Sdn Bhd before he joined Federal Packages Sdn Bhd. He holds directorships in several of PPHB's subsidiaries.

He is the brother of Mr. Koay Chiew Kang, Mr. Koay Chue Beng, the father of Mr. Koay Teng Liang and Mr. Koay Teng Kheong who are members of the Board. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2025.

Koay Chiew Kang, a Malaysian, age 68, was appointed to the Board on 14 March 2012 as Executive Director. He graduated from Universiti Sains Malaysia with BSC. HBP (Hons). He has also attended the Owner/President Programme at Harvard Business School, Boston. He is a member of the Scheme Committee. He has been working with the Group as Manager in various departments, namely Administration, Production and Operation since the year 1985. Due to his extensive knowledge and experiences, he has been promoted to General Manager in year 1995. He also holds directorships in several of PPHB's subsidiaries.

He is the brother of Mr. Koay Chiew Poh, Mr. Koay Chue Beng, the uncle of Mr. Koay Teng Liang and Mr. Koay Teng Kheong who are members of the Board. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2025.

Koay Chue Beng, a Malaysian, age 65, was re-designated as Alternate Director to Mr. Koay Chiew Poh on 25 March 2011. Prior to this, he was the Executive Director of the Company since 9 February 2002. He had served as senior management in several private limited companies and has extensive experience in sales and marketing, new market development, distribution, planning and control. He is also actively involved in community services. He holds directorships in several of PPHB's subsidiaries.

He is the brother of Mr. Koay Chiew Poh, Mr. Koay Chiew Kang, the uncle of Mr. Koay Teng Liang and Mr. Koay Teng Kheong who are members of the Board. He has no conflict of interest with the Company and has not committed any

offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2025.

Koay Teng Liang, a Malaysian, age 49, was appointed to the Board as an Executive Director on 30 January 2009. Prior to the appointment, he was the Alternate Director to Mr. Koay Chiew Lee from 17 November 2003 until 23 January 2009. He is the Chairman of the Scheme Committee. He graduated from University of Melbourne, Australia with a Bachelor in Commerce (Hons) and Bachelor in International Business from Flinders University, Australia. He has also attended the Owner/President Programme at Harvard Business School, Boston. Prior to joining the Company, he was attached with Teckwah Industrial Corporation Limited, Singapore as a Program Executive. He holds directorships in several of PPHB's subsidiaries.

He is the son of Mr. Koay Chiew Poh, nephew of Mr. Koay Chiew Kang, Mr. Koay Chue Beng and brother of Mr. Koay Teng Kheong who are members of the Board. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2025.

Koay Teng Kheong, a Malaysian, age 45, was appointed to the Board as an Executive Director on 25 March 2011. He is a member of the Scheme Committee. He graduated from Monash University, Australia with a Masters in Management and Bachelor in Information Systems from University of Melbourne, Australia. He holds directorships in Public Packages Asia (S) Pte Ltd., a 100% owned indirect subsidiary of PPHB prior to this appointment and has actively participated and contributed towards the Group's revenue and management.

He is the son of Mr. Koay Chiew Poh, nephew of Mr. Koay Chiew Kang, Mr. Koay Chue Beng and brother of Mr. Koay Teng Liang who are members of the Board. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2025.

Nurjannah Binti Ali, a Malaysian, age 67, was appointed to the Board as Executive Director on 29 November 2021. Prior to this, she was the Independent Non-Executive Director ("INED") of the Company since 5 February 1999. With an accounting background, Nurjannah has more than 15 years' experience in finance and business.

She has no family relationship with any directors and/or major shareholders of the Company. She has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

She had attended all the 5 Board meetings held in the financial year ended 31 December 2025.

Mr. Gooi Chye Soon, a Malaysian, age 63, was appointed to the Board on 24 February 2025 as an Executive Director. Prior to this, he was the General Manager of one of the Group's subsidiaries. He graduated from University of Malaya, Malaysia with a Bachelor in Science (Hons). He also holds directorship in one of PPHB's subsidiaries, Public Packages (NT) Sdn. Bhd.

He has no family relationship with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended 4 Board meetings held in the financial year ended 31 December 2025.

Mr. Soon Poh Lean, a Malaysian, age 50, was appointed to the Board on 3 April 2023 as an Independent Non-Executive Director ("INED"). He is the Chairman of the Audit and Risk Management Committee and also a member of the Nominating and Remuneration Committees. He holds a Bachelor of Commerce (Accounting & Finance) from the University of Sydney, Australia, is a Chartered Finance Analyst ("CFA") charterholder and a fellow member of CPA Australia.

He is currently the CEO and founder of Quin River Capital and Advisers and has extensive experience in private equity, Merger & Acquisition and investment banking. Previously, he held senior roles at AHAM Asset Management, RHB Investment Bank and Sadella Advisory, gaining experience in Southeast Asia and Hong Kong. His early career was with PricewaterhouseCoopers in Kuala Lumpur and London.

He has no family relationship with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2025.

Dr. Sek Weng Yew, a Malaysian, age 49, was appointed to the Board on 3 April 2023 as an INED. He is a member of the Audit and Risk Management, Nominating and Remuneration Committees. He graduated with MD (Canada) from University of Western Ontario, Canada, Master of Surgery from University Malaya and FRCS (Neuro. Surg) from The Royal College of Surgeons Edinburgh. He also attained fellowship in Spine (Sheffield) and Stereotactic Radiosurgery (UK). He works at Pantai Hospital Kuala Lumpur as a practising doctor, specializing in neuro and spine surgery.

He has no family relationship with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended 4 Board meetings held in the financial year ended 31 December 2025.

Mr. Tang Boon Lee, a Malaysian, age 50, was appointed to the Board on 29 November 2021 as an INED. He is a member of the Audit and Risk Management, Nominating and Remuneration Committees. He graduated with a Bachelor in Civil Engineering from University Technology Malaysia, Johor and Bachelor in Traditional Chinese Medicine from Yunnan Chinese Medical College, China. He has at least 15 years' experience as a project coordinator in construction and development in Buddhist Tzu Chi Merit Society Malaysia. He is currently acting as a Health and Naturopathy Consultant.

He has no family relationship with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not committed any offences within the past 10 years other than traffic offences, if any.

He had attended all the 5 Board meetings held in the financial year ended 31 December 2025.

KEY SENIOR MANAGEMENT

Koay Chiew Kang

Executive Director/Group Managing Director

Age : 68

Gender : Male

Nationality : Malaysian

(Please refer to his profile as listed on Page 9 of the Annual Report.)

Responsibilities: -

He is responsible for the corporate planning and business development activities of the Group.

Koay Chiew Lee

Managing Director

Age : 63

Gender : Male

Nationality : Malaysian

Qualifications: -

- Diploma in Financial Accounting, Kolej Tunku Abdul Rahman
- Master of Business Administration, National University of Singapore

Working experience: -

- More than 35 years' experience in the packaging industry.
- Joined the Group as Manager and has worked with the Group in various departments, including Administration, Production and Operation.
- Holds directorship in several subsidiaries of the Group.
- He is the brother of Mr. Koay Chiew Poh, Mr. Koay Chiew Kang, Mr. Koay Chue Beng, and the uncle of Mr. Koay Teng Liang, Mr. Koay Teng Kheong who are members of the Board.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of Public Packages (Shah Alam) Sdn. Bhd.

Appointment to current position: December 1997

Koay Teng Liang

Executive Director/Managing Director

Age : 49

Gender : Male

Nationality : Malaysian

(Please refer to his profile as listed on Page 9 of the Annual Report.)

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of Public Packages Asia Sdn. Bhd., PPH Displays Design Sdn. Bhd. and Public Packages (Prai) Sdn. Bhd.

Koay Teng Kheong

Executive Director/Managing Director

Age : 45

Gender: Male

Nationality : Malaysian

(Please refer to his profile as listed on Page 9 of the Annual Report.)

Responsibilities: -

He is responsible in overseeing overall development of the Group's hotel business. In addition, he assumes the position of Director in Human Resource and is responsible in leading, implementing and maintaining the Group's Human Resources procedures and policies. He is also involved in handling payrolls and trainings of the Group.

Gooi Chye Soon

Executive Director

Age : 63

Gender : Male

Nationality : Malaysian

(Please refer to his profile as listed on Page 10 of the Annual Report.)

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of Group's manufacturing division.

Appointment to current position: February 2025

Dave Ha Kiah Hau

General Manager

Age : 42

Gender : Male

Nationality: Malaysian

Qualifications: -

Professional qualification from Association of Chartered Certified Accountants (ACCA)

Working experience:

- Over 18 years' experience in the packaging industry.
- Joined the Business Development division before being promoted to the current position.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of Public Packages (NT) Sdn. Bhd.

Appointment to current position: 1st Jan 2024

Loo Weng Keen

General Manager/Director

Age : 56

Gender : Male

Nationality : Malaysian

Qualifications: -

- Master of Business Administration (UK), Anglia Ruskin University

Working experience: -

- More than 29 years' experience in the packaging industry.
- Joined the business development division of the Group and advanced to General Manager, prior to his promotion to current position.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of Public Packages Sdn. Bhd.

Appointment to current position: January 2017

Lau Chee Pong

General Manager

Age : 59

Gender : Male

Nationality : Malaysian

Qualifications: -

- Sijil Pelajaran Malaysia ("SPM")

Working experience: -

- More than 33 years' experience in the packaging industry.
- Was working in a publishing company prior to joining the Group.
- Joined the offset printing division of the Group in 1987 and advanced in the division prior to his promotion to current position.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of PPH Printing & Packaging (Kulim) Sdn. Bhd.

Appointment to current position: June 2011

Tan Peck Sian

General Manager

Age : 51

Gender : Male

Nationality : Malaysian

Qualifications: -

- Advanced Diploma BTEC National Printing Management, West Herts College (UK)

Working experience: -

- More than 23 years' experience in the packaging industry.
- Was working in a printing company prior to joining the Group.

- Joined the Group as Sales Executive and was promoted to General Manager of PPH Display Design Sdn Bhd, a subsidiary of the Group, prior to his promotion to current position.

Responsibilities: -

He is responsible in overseeing day-to-day administrative and operational functions of PPH Printing & Packages (PG) Sdn. Bhd.

Appointment to current position: May 2008

Ooi Hun Keong

General Manager

Age : 49

Gender : Male

Nationality : Malaysian

Qualifications: -

- Certified Hotel Administrator, American Hotel & Lodging Educational Institute

Working experience: -

- More than 25 years' experience in the hospitality industry.
- Joined the hotel division of the Group in 2018 and led the pre-opening of Prestige Hotel.

Responsibilities: -

He is responsible in overseeing PPH Plaza Sdn. Bhd. (Prestige Hotel) day-to-day administrative and operational functions.

Appointment to current position: August 2018

Sonny Cheah Soo Chuan

Marketing Director

Age : 47

Gender : Male

Nationality : Malaysian

Qualifications: -

- Bachelor of Information System, University of Melbourne

Working experience: -

- More than 17 years' experience in the packaging industry.
- Was working in the IT industry in Singapore prior joining the Group.
- Joined the Group as a Management Trainee and advanced in the business development division.
- Was promoted to Marketing Manager, prior to his promotion to current position.
- He is the nephew of Mr. Koay Chiew Poh, Mr. Koay Chiew Kang, Mr. Koay Chue Beng, and the cousin of Mr. Koay Teng Liang, Mr. Koay Teng Kheong who are members of the Board.

Sonny Cheah Soo Chuan (con't)

Responsibilities: -

He is responsible for sales and marketing for offset division. He participates in the setting up of marketing strategies and is actively involved in monitoring the performance of the division.

Appointment to current position: June 2010

Kenny Cheah Soo Chye

General Manager, Business Development

Age : 45

Gender : Male

Nationality : Malaysian

Qualifications: -

- Bachelor of Economics and Commerce, University of Melbourne

Working experience: -

- More than 15 years' experience in the packaging industry.
- Joined the customer service division of the Group and moved to business development division.
- Was promoted to Senior Business Development Manager, prior to his promotion to current position.
- He is the nephew of Mr. Koay Chiew Poh, Mr. Koay Chiew Kang, Mr. Koay Chue Beng, and the cousin of Mr. Koay Teng Liang, Mr. Koay Teng Kheong who are members of the Board.

Responsibilities: -

He is responsible for sales and marketing for carton division. He participates in the setting up of marketing strategies and is actively involved in monitoring the performance of the division.

Appointment to current position: January 2017

Chiang Pei Se

General Manager, Corporate

Age : 49

Gender : Female

Nationality : Malaysian

Qualifications: -

- Bachelor of Accounting, University Utara Malaysia (UUM)
- Chartered Accountant, Malaysian Institute of Accountants

Working experience: -

- More than 15 years' experience in the packaging industry.
- Was working in accounting firms prior to joining the Group.
- Joined the Group as Group Accountant, prior to her promotion to current position.

Responsibilities: -

She is responsible for the overall finance and accounts functions of the Group.

Appointment to current position: April 2015

Notes: -**1. Family Relationship with Director and Shareholder**

None of the Key Senior Management has any family relationship with any director and/or major shareholder of PPHB, other than as indicated above.

2. Conflict of Interest

None of the Key Senior Management has any conflict of interest with PPHB.

3. Conviction of Offences

None of the Key Senior Management has been convicted of any offences (other than traffic offences, if any), in the past 5 years and there are no public sanctions or penalties imposed by any regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the Board of Directors, I am pleased to present you the Annual Report and Audited Financial Statements of PPHB for the financial year ended (“FYE”) 31 December 2025.

OVERVIEW OF GROUP’S BUSINESS AND OPERATIONS

PPHB is an investment holding company. Through its subsidiaries, the Group is principally involved in the production and sale of paper packaging products.

Established in 1976, PPHB is listed on the Main Market of Bursa Malaysia Securities Berhad in 1991. Over the years, the Group has transformed into a total packaging solutions provider with a focus on branding, designing and packaging. Customised packaging solutions and a full range of supply chain management service are provided to better cater for customers’ needs. Today, the Group has seven (7) manufacturing plants at Nibong Tebal, Kulim, Prai, Bayan Lepas and Shah Alam, supported by two (2) sales offices in Kuala Lumpur and Singapore. All locations are strategically selected to serve our customers of different locations.

Apart from being a packaging solutions provider, the Group is also involved in the operation and management of the Prestige Hotel, which is located at 8 Gat Lebuu Gereja, 10300 Penang, in the heart of the Georgetown UNESCO world heritage site.

Overall, the Group’s operations are divided into four (4) key divisions: -

- Manufacturing
- Trading
- Hospitality
- Investments

FINANCIAL AND OPERATIONAL REVIEW

REVENUE

For FYE2025, the Group recorded revenue of RM200.04 million, representing a decline of RM6.73 million or 3.25% compared to a revenue of RM206.77 million in FYE 2024. The marginal decline was primarily attributable to weaker performance in the trading and hospitality segments, partially offset by steady growth in the manufacturing division.

The manufacturing division remained the Group’s principal revenue contributor, generating RM167.75 million and accounting for majority of consolidated revenue. This represented a decrease of 1.75% from RM170.74 million in the previous financial year. The decrease was driven by lower customer demand and unfavourable product mix.

Revenue from trading division declined from RM9.31 million to RM7.77 million, a decrease of 16.54% year-on-year. The decrease was mainly due to softer customer demand during the financial year.

Prestige Hotel recorded revenue of RM22.50 million in FYE 2025, compared to RM25.15 million in FYE 2024, representing a decrease of 10.50%. The decline was largely attributable to lower domestic traveller arrivals in Penang during the year under review.

PROFITABILITY

Despite the decline in revenue, the Group’s maintained healthy profitability. Gross margin moderated slightly from 43.16% in the previous year to 41.62%, primarily due to higher operating costs and unfavourable foreign currency movements.

Nevertheless, overall profitability improved marginally, supported by fair value gains on other investment as well as the Group’s and joint ventures’ investment properties. Consequently, profit before taxation increased by RM1.30 million, from RM50.53 million in FYE 2024 to RM51.83 million in FYE 2025.

Earnings per share stood at 15.61 cents (2024: 15.37 cents), reflecting stable earnings performance despite the softer revenue environment.

CASH FLOWS AND LIQUIDITY

The Group continued to demonstrate strong cash-generating capabilities, recording net cash from operating activities of RM39.19 million (2024: RM45.64 million). Cash generated during the year was deployed towards capital expenditure, investments, dividend payments and to repayment of borrowings.

As at the end of FYE 2025, the Group’s cash and cash equivalents increased to RM105.38 million (2024: RM96.06 million), while net cash per share improved to RM0.40 (2024: RM0.36). The Group’s strong net cash position provides flexibility to support operational needs and future strategic initiative.

GEARING RATIO

Total borrowings decreased significantly from RM3.29 million to RM1.22 million as of the end of FYE 2025. The reduction was mainly attributable to lower utilisation of trade facilities and the repayment of certain term loans using internal cash generated fund.

The Group’s gearing ratio remained low at 0.01 (2024: 0.01) reflecting its conservative capital structure and prudent financial management. The consistently low gearing level underscores the Group’s disciplined approach to debt management and capital allocation.

SHAREHOLDERS’ EQUITY

The Group’s shareholders’ equity continued to strengthen during the financial year. Net assets per share increased to RM1.77 (2024: RM1.62), reflecting the Group’s sustained profitability and solid financial foundation.

GROUP DEVELOPMENT

Capital Expenditure Investment

The Group continued its effort to upgrade its facilities to enhance production efficiency and operation resilience. These investments are essential for keeping pace with technologies enhancements and meeting evolving customer needs. The Group remains focused on automating its production processes and systems to improve consistency, reduce reliance on manual labour and enhance overall productivity.

During the year under review, various equipment was acquired to replace and modernise existing facilities. Enhanced packaging capabilities, together with a customer-centric approach, have enabled the Group to deliver innovative and sustainable solutions that address changing market demands.

In addition, the Group places strong emphasis on regular maintenance and factory upkeep. When necessary, equipment is upgraded, repaired or replaced with energy-saving alternatives to ensure sustainability and competitiveness. The Group also leverages technology to align with the best manufacturing practices.

The Group remains committed to reducing its environmental footprint through decarbonisation initiatives and responsible resource management. In alignment with Malaysia's decarbonation goals, the Group increased its total installed solar panel capacity from 1,535.55 kWp to 1,736.43 kWp during the financial year under review, reinforcing its transition towards renewable energy and lowering carbon emission. Furthermore, the Group also upgraded and maintained its water treatment plants to optimise water usage and support its ongoing shift toward low-carbon and sustainable operating models.

Technology Enhancement

The Group remains committed to strengthening its technology infrastructure through continuous investment in IT systems and capabilities. During the year under review, the Group enhanced its IT software and hardware capacity, identifying outdated systems for phased upgrades to ensure operational reliability and efficiency.

Digitalisation and automation have been progressively implemented across operations following a successful trial run programme that delivered positive outcomes. The adoption of digital tools has significantly enhanced the Group's data collection and analytics capabilities, enabled more effective marketing strategies and addressed manpower challenges. These initiatives streamlined workflows, minimise the risk of human error, and provided management with real-time information. As a result, the integration of business systems has been strengthened, improving efficiency and effectiveness of the Group's core operations. The Group has also achieved meaningful cost savings and improved overall operational efficiency.

Effective 1 January 2025, the Group implemented and streamlined its e-invoicing system, aligning with the Government's objective of promoting real-time reporting and greater transparency in invoicing processes.

Fostering governance and sustainability

Sustainability risks and opportunities, encompassing economic, environmental, social and governance factors, have been integrated into every aspect of the Group's operations, from day-to-day activities to relationships with supply chain partners. Our efforts to reduce waste, conserve energy and minimise our carbon footprint are key pillars of this commitment.

Strong governance within the Group supports our commitment to creating long-term value to shareholders. In this regard, the Group adheres to the Malaysian Code of Corporate Governance ("MCCG") and Bursa Securities' Corporate Governance Guide, which provide robust frameworks for sustainable businesses. Various policies and procedures have been established or updated to strengthen governance practices and enhance sustainability initiatives.

The Group has initiated its climate management journey towards **Net Zero emissions by 2050**. This aligns with national aspirations and reinforces our commitment to delivering long-term value for all stakeholders. The Group has identified climate-related risks and opportunities arising from both transition and physical risks. To support effective planning and prioritisation, actions have been categorised into defined timeframes. In addition, the Group has disclosed its Scope 1 and 2 emissions and reported its responses to these challenges.

Strengthening Group's human capital management

Our people are the cornerstone of the Group's success, making our human capital one of our top priorities. Employees who possess the right skills, drive innovation and align with our corporate culture are the key drivers of our organisation's progress. As a result, the Group continues to make significant investment in its workforce, with a strong focus on training, development and upskilling. During the financial year, the Group dedicated 5,521 hours to training and development programs, ensuring that our employees are equipped with the skills needed to thrive in an ever-changing industry.

Furthermore, as a responsible corporate entity dedicated to contributing to the national growth, we prioritise local hiring and actively support vulnerable members of our communities to create a meaningful impact.

BUSINESS RISKS AND MITIGATION STRATEGIES

The anticipated risks that are significant to the Group are as highlighted below.

Business risk

The Group's prospects and profitability in its business operations could be indirectly affected by the changes in economic, political and regulatory environment in Malaysia. In addition, the Group may also be affected by a general downturn in the global economy, entry of new competitors, interest rate fluctuations, as well as changes in laws and tax legislation.

To mitigate the risk, the Group will maintain strong business relationships with its customers and suppliers. Furthermore, the Group will continually review its business operations to adapt to the prevailing economic, political, regulatory environment. The Group will practice prudent financial risk management and implement efficient operating procedures to control its business operating cost. However, there is no assurance that such mitigation measures will prevent the Group from being affected by adverse economic and political developments which are beyond the Group's control.

Credit risk

It is part of the Group's practice to extend credit terms to its customers. To manage credit risks, customer evaluations are carried out before credit limits are determined. The evaluation will take into consideration factors such as the Group's relationship with its customers as well as their respective payment history and creditworthiness. Periodic reviews on collection performance are also carried out on a weekly basis to minimise the possibility of bad debts. Specific bad debts provision will be made once the debts are deemed uncollectable.

Commodity price risk

The price of paper, being our major raw material, has tremendous impact on the Group's production. It represents about 60% of our total production cost. Thus, fluctuations in paper commodity price, foreign currency exchange rates, and availability of supply of paper materials will definitely affect the Group's profitability. To mitigate such risk, the Group maintains close communication with its suppliers and constantly monitors paper materials cost to ensure fast response to volatility. At the same time, the Group also adopts a monthly pricing review strategy to monitor the changes in price of paper.

The Group will also keep sufficient level of paper inventories to enable the Group to react to unforeseen challenges.

Labour risk

The Group's production depends heavily on labour. The ongoing shortage of the local workforce has affected the Group and this has resulted in the employment of a high number of foreign workers. In order to mitigate the risk of labour shortage, the Group has been continuously recruiting local employees as well as foreign workers from different countries. In addition, in order to reduce dependency on manual labour, the Group is prioritising its efforts to automate existing production processes and systems to improve productivity.

Foreign currency risk

The Group has exposure to foreign currency risk mainly due to sales and purchases via its subsidiary operating companies that are denominated in US Dollar ("USD") and Singapore Dollar ("SGD"). The Group manages its foreign currency risk through natural hedging mechanism, whereby payment of purchases with sales proceeds in the same currency are encouraged.

RETURN TO SHAREHOLDERS

The Group does not have any formal dividend policy. However, this does not prevent the Board from recommending dividends to its shareholders to allow them to participate in the Group's profits. Any declaration of dividends and other distributions to the shareholders will be at the discretion of the Board, after taking into consideration the Group's performance, investment plans and working capital requirements.

On 27 February 2026, the Board declared an interim single-tier dividend of RM0.0075 per share for FYE 31 December 2025 which was paid on 6 April 2026.

MARKET REVIEW AND 2026 OUTLOOK

The Group expects 2026 to remain challenging, primarily driven by rising input costs, economic uncertainty, increasing wages, supply chain disruptions and evolving regulatory environments. Despite these challenges, the Group will continue to exercise prudent capital and cost management while strengthening its competitive position through operational improvements such as maximising machine efficiency, reducing waste and enhancing workforce productivity.

The Group will focus on its core business and is committed to improving competitiveness through initiatives including production efficiency enhancements, automation and procurement optimisation. At the same time, the Group will continuously explore new market opportunities and expand its product range to meet evolving customer demands.

Barring any unforeseen circumstances, the Group's outlook remains cautiously positive, and will continue to strive for satisfactory performance in the year ahead.

STATEMENT OF SUSTAINABILITY

PPHB recognises the importance of sustainability as a key driver for long-term sustainable business growth. As such, the Board consistently integrates various sustainability approaches into the Group's business strategies and operations to maximise long-term value creation for our stakeholders. This statement focuses on the Group's economic, social and governance ("ESG") performance, ensuring that our business is carried out in a sustainable and responsible manner.

Aligned with ESG principles, the Group continues to engage all stakeholders in its daily operations, minimise environmental impact of its activities, and improve the social and economic conditions in which it operates. We believe that positive impact can be driven across our value chain by embedding sustainable practices into our operations, as well as offering products and solutions that enhance our customers' sustainability performance.

This statement is prepared in accordance to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and Sustainability Reporting Guide 3rd Edition.

Scope and Reporting Period

This Sustainability Report covers the Group's key operations in Malaysia, of which the Group has direct control and holds a majority stake. Thus, joint ventures companies are excluded, unless otherwise stated in the report.

The reporting period of this report is from 1 January 2025 to 31 December 2025.

Limitation

The Group acknowledges the importance of data gathering and is in the process of collecting information for future reporting. The sustainability targets will be established later, following an evaluation of our existing sustainability controls and requirements. Where possible, historical data has been included to provide a meaningful comparison which enables our stakeholders to have a better understanding of the Group's sustainability performance over the years.

This report is prepared in good faith and is based on the information available during the reporting period. PPHB endeavours to ensure the accuracy and completeness of the information, with certain disclosures being subject to ongoing review and refinement as sustainability reporting standards and methodologies evolve.

Assurance

No external assurance has been conducted for this Sustainability Report. All the data has been sourced internally and validated by the sustainability team. The Group remains committed to enhancing our data accuracy and quality to further strengthen disclosures in future.

Sustainability Governance Structure

The Board is supported by the Group Managing Director and assisted by Senior Management in managing sustainability-related matters. The team is responsible for advising on and recommending good business strategies, in terms of sustainability, for adoption by the Board. Subsequently, the team will implement and monitor the sustainability strategies approved by the Board and ensure regulatory compliance. The details of the programs will be drawn up and presented to the Board on a yearly basis.

Our Achievement in Year 2025

Governance and Economic

Economic Value

Revenue = **RM200.04mil**
Profit before taxation = **RM51.83mil**
Taxation = **RM10.20mil**
Dividen per share = **0.75 cents per share**

Zero case of Anti Bribery and Corruption

78% local procurement

Environmental

1,736.43 kWp Installed solar capacity

5,146 MT waste collected for recycling

64 MT hazardous waste were collected

4.9% saving in electricity

Scope 1 and 2 established

Social

5,521 hours training hours
816 Participants

Zero fatality case recorded






10 interns and **9** scholarhips


RM240,000 donation to charitable organisation

Stakeholder engagement

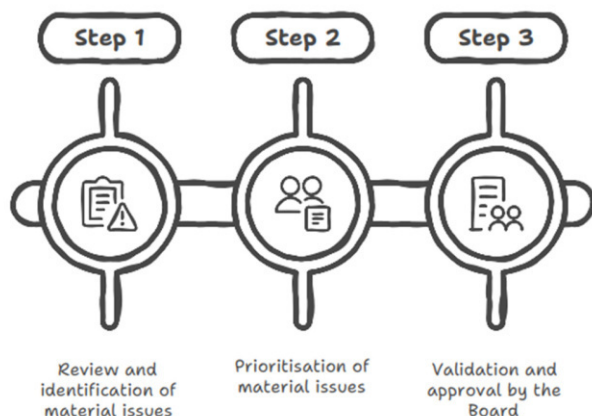
Our stakeholders play a significant role, as their decisions and actions can affect the development of our sustainability strategies and priorities. We are fully engaged with our stakeholders and are committed to find solutions to ensure that the interests and concerns of all relevant parties are considered.

Details of our stakeholder engagement are as follows:

Stakeholder	Area of concern	Type of engagement	Our goal
Employees 	<ul style="list-style-type: none"> - Fair compensation and employee benefits - Equal employment opportunity - Career development and training programs - Safe and healthy working environment - Balanced lifestyle 	<ul style="list-style-type: none"> - Circulation of updated employee handbook - Competitive and fair remuneration packages - Annual performance appraisal - Internal on-the-job trainings, awareness programs and external employee development trainings - Meetings and gatherings - Covid-19 prevention measures 	<ul style="list-style-type: none"> - Provide a safe and healthy workplace with good welfare programs and equal employment opportunities. - Foster harmonious, non-discriminatory and conducive working environment. - Offer opportunities for personal development. - Retain top performers and attract new talent.
Investors/ Shareholders 	<ul style="list-style-type: none"> - Strong and sustainable financial performance - Continuous business growth 	<ul style="list-style-type: none"> - Financial results - Company announcements - Annual reports - Circulars - AGM - Corporate website 	<ul style="list-style-type: none"> - Establish clear communication channels to provide reliable and up-to-date disclosures on material information related to the Group, fostering positive shareholder relations.
Customers 	<ul style="list-style-type: none"> - Customer satisfaction and pricing - Product design and quality - On time delivery - Business ethics 	<ul style="list-style-type: none"> - Customers' feedback forms - Regular communication with customers - To offer innovative product design and development - In house product quality inspection - Monitoring production schedule via daily meetings 	<ul style="list-style-type: none"> - Enhance customer loyalty and build long-term, sustainable relationships. - Provide better quality and reliable products at affordable prices.
Suppliers/ Business Partners 	<ul style="list-style-type: none"> - Cost efficiencies - Quality products - Maintaining long-term partnerships - Business ethics 	<ul style="list-style-type: none"> - Fair and transparent procurement process - Inventory/supply commitment - Delivery - Timing response and payments. 	<ul style="list-style-type: none"> - Build lasting relationships with suppliers.
Government 	<ul style="list-style-type: none"> - Regulatory compliance - Transparency 	<ul style="list-style-type: none"> - Participation in programs organised by government bodies - Compliance with applicable laws and regulations - Meetings with regulators 	<ul style="list-style-type: none"> - Comply with all applicable rules and regulations. - Avoid fines and penalties. - Contribute to nation-building.

Stakeholder	Area of concern	Type of engagement	Our goal
Communities 	<ul style="list-style-type: none"> - Environmental impacts - Job opportunities - Corporate Social Responsibility (“CSR”) activities 	<ul style="list-style-type: none"> - Donations to charitable organisations - Provision of industrial training to graduates - Provision of scholarships - Provision of local employment and equal employment opportunities - Organisation of CSR activities 	<ul style="list-style-type: none"> - Give back to the community and provide positive social value.

Materiality assessment process



Step 1: Review and identification of material issues

1. Identified PPHB’s key internal and external stakeholders.
2. Identified material matters based on the following: -
 - a. Key risks and opportunities on material matters were identified based on various internal and external sources, including but not limited to: -
 - Internally generated data, management reports and risk management reports;
 - Input from management and employees;
 - Stakeholders’ issues and concerns;

- Review of issues and trends reported by industry sources including peers, customers and suppliers; and
 - Government policies.
- b. Matters raised during AGM.
 - c. Sustainability reporting standards and guides (e.g. recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad).

Step 2: Prioritisation of material issues

3. Deployed an online Materiality Assessment Survey to gather inputs from the Group’s internal and external stakeholders on the importance of each material matter.
4. Inputs from the online survey were consolidated and ranked using a scoring methodology to weigh and prioritise feedback from various stakeholders.
5. Developed the preliminary Materiality Matrix.

Step 3: Validation and approval by the Board

6. Presented the final Materiality Matrix to the Board for validation.
7. Obtained approval from the Board for the Materiality Matrix.

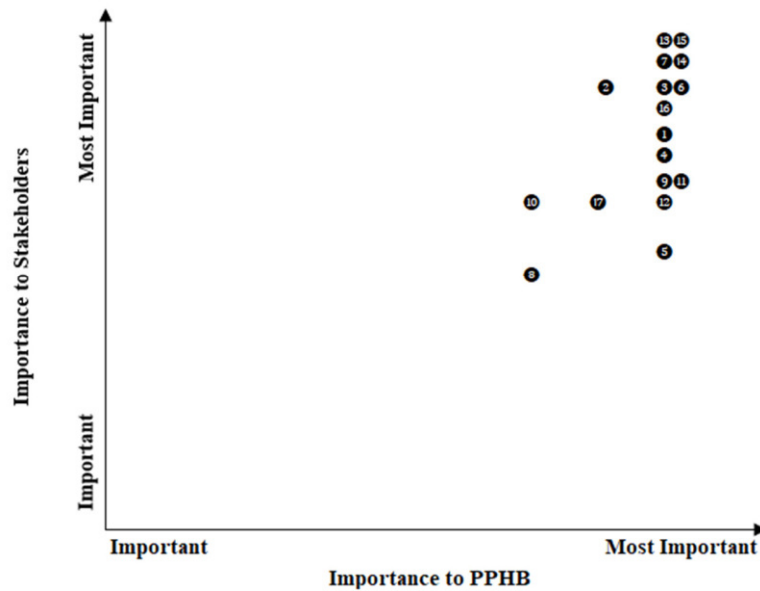
This materiality assessment process is guided by the Bursa Malaysia Sustainability Guide and Toolkit (3rd Edition).

Materiality Assessment

This materiality matrix serves as the cornerstone of our sustainability reporting. The team ensures the accuracy and completeness of our assessment through internal cross-functions reviews and on-going stakeholder feedback. The assessment will be conducted every three (3) years to ensure that our sustainability approaches remain robust and relevant, in alignment with our business strategies and sustainability landscape.

Based on the assessment, the team identified, prioritised and validated the sustainability-related matters that have the greatest impact on the Group’s economic, environmental and social performance. Data and information regarding these material matters are illustrated as follows: -

Significance of Group's Environment, Social and Economic Impact



Material Sustainability Matters	Description
Governance and Economics	
① Corporate Governance & Risk Management	Ensuring compliance with regulatory requirements and corporate values through internal controls, processes and guidelines to uphold ethical and responsible manners business conducts and managed risk effectively.
② Ethical Business Conducts	Conducting business with integrity, transparency and accountability to prevent unethical behaviour such as corruption, bribery and anti-competitive practices.
③ Data Protection & Privacy	Protecting confidential information belonging to suppliers, employees and customers through robust internal cybersecurity controls and responsible data handling practices.
④ Procurement Practices	Managing supplier relationships through fair and transparent procurement processes and ensuring compliance with economic, environmental, social and governance requirements within the supply chain.
⑤ Customer Engagement	Creating positive customer experience by delivering quality products and services, maintaining strong business relationships and enhancing satisfaction and trust.
⑥ Financial Performance	Ensuring long-term business profitability, cost efficiency and sustainable value creation to support growth and stakeholder returns.
⑦ Product Quality	Delivering quality, safe and innovative products and solutions that meet customer and regulatory requirements while enabling continuous improvement.
Environmental	
⑧ Biodiversity & Conservation	Minimising ecological impact of operations and supporting the preservation of natural ecosystems and resources.
⑨ Waste Management	Reducing waste generation and preventing disposal to landfills through recycling, recovery and efficient material use.
⑩ Carbon Footprint & Emission Management	Managing greenhouse gas emissions through monitoring, reduction initiatives and responsible energy usage.
⑪ Water Management	Improving water efficiency and quality while mitigating risks related to scarcity and climate change.
⑫ Energy Management	Enhancing energy efficiency and using low-carbon and renewable sources to reduce environmental impacts.
Social	
⑬ Human Rights & Labor Standards	Respecting and protecting labour rights, ensuring fair treatment of employees and addressing grievances responsibly.
⑭ Human Capital Management (Diversity & Inclusion)	Promoting gender diversity, equal opportunities and an inclusive workplace culture where all employees are valued.
⑮ Health & Safety	Safeguarding employee wellbeing through strong safety governance, risk management and continuous improvement in workplace practices.
⑯ Talent Management	Developing and retaining talent through capability development, continuous learning and performance enhancement programmes.
⑰ Community Development	Supporting local communities through CSR initiatives and local hiring to contribute to socio-economic wellbeing.

Sustainability Management

1. Governance and Economic

Business ethics and conducts

The Group's supply chain practices are guided by its Code of Ethics and Conduct, Anti-Bribery and Corruption ("ABC") Policy, Conflict of Interest and Recurrent Related Party Transactions ("COI") Policy and Director's Fit and Proper Policy (collectively referred to as "the Practices"). The Practices outline the principles on our conduct of business and interaction with business partners, government and community as well as the general workplace behaviour. The Group aims to conduct all of its business activities and operations in an open, honest and ethical manner, and we adopt a zero-tolerance approach to all forms of bribery and corruption.

All new on-boarding employees will be briefed on the Policies as part of the induction process on their first working day. Training and awareness programs on the Practices will be conducted from time to time. Any changes on the Practices will be updated and circulated via intranet to all employees.

Compliance with the ABC policy	FYE 2023	FYE 2024	FYE 2025
No. of staff disciplined or dismissed due to non-compliance with the ABC policy	Nil	Nil	Nil
Fines, penalties or settlements from regulatory authorities in relation to corruption (RM)	Nil	Nil	Nil
Total employees briefed/trained	22	234	299

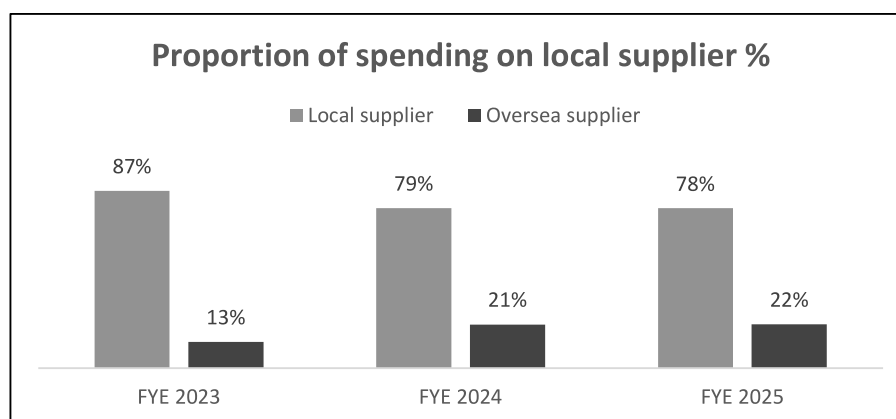
A whistle-blowing channel has also been established for Directors, employees and associated persons to report any improper conducts. Improper conducts may include fraud, crime, misuse of confidential information etc. The whistle-blower will be accorded with protection of confidentiality of identity, unless otherwise required by the laws. In FYE 2025, no whistleblowing report was received by the Group (FYE 2024: 0 incident).

Procurement Practices

The Group is committed to enhancing its procurement process and engaging with its suppliers to identify and manage risks, as well as opportunities for improvement in productivity and efficiency. These efforts are guided by the core values of integrity and transparency. To ensure a smooth and efficient supply chain, the Group conducts regular supplier performance evaluations.

To maintain robust internal controls and compliance within the supply chain, the Group has established a multi-level approval process. For instance, new supplier registrations are required to undergo a rigorous supplier selection process, and financial transactions are subject to a three-tier approval system involving the creators, checker and approver. This structured approach serves as a check-and-balance system, ensuring integrity and transparency in all commercial decisions. It also enables the Group to promptly identify and mitigate potential risks, including corruption.

The Group prioritises local procurement whenever possible to support local businesses and economies. By sourcing our materials, goods and services locally, we contribute to the growth and development of the communities in which the Group operates. This approach is considered fundamental to the Group's business, spanning from raw material procurement to final product delivery. Our procurement performance is as follows: -



The table above demonstrated the Group's strong commitment to sourcing locally, with local suppliers accounting for a significant percentage of the total procurement amount in all financial years under review.

Customer Engagement

The Group's revenue largely depends on interaction between our Business Development team and both new and existing customers. Therefore, it is crucial to prioritise customers' satisfaction by promptly addressing their feedback and concerns. Various initiatives have been implemented to ensure the delivery of highest quality products to our customers.

1) *Product Quality*

The Group places great importance on delivering high-quality customised product solutions to its customers and we view this as a cornerstone of business growth. Consequently, the Group is dedicated to maintaining and improving product quality to foster trust, enhance brand reputation and ensure customer loyalty. Our control measures and manufacturing processes strictly adhere to the principles and requirements outlined in ISO 9001:2015 Quality Management System (“QMS”).

The Group conducts regular audits and training sessions on ISO 9001:2015 to ensure compliance with established standards and processes. These audits assess the effectiveness of quality control measures, driving continuous improvement in product and service quality, customer satisfaction and overall organizational efficiency.

In addition, the Group’s dedicated in-house quality assurance department ensures rigorous testing of quality of each product. This guarantees that all products consistently meet both internal standards and external requirements.

3) *Product Innovation*

The Group prioritises continuous innovation and product enhancement to ensure our products remain aligned with the diverse needs of existing and potential customers. To keep pace with market demands, we provide a wide range of innovative design solutions tailored to our customers’ diverse product requirements. In addition to design solutions, we consistently upgrade our manufacturing processes by investing in various updated machines. This enhances our production capabilities and ensure that we meet the evolving expectations of our customers.

Privacy and data protection

The Group is committed to protecting the privacy and personal data of our customers, suppliers and employee. To support this commitment, we have implemented robust measures to manage the cybersecurity risks and safeguard against potential cyber-attacks. Data is stored on secure company servers with strict access controls, firewall protection and other security protocols to prevent unauthorised access.

In line with the Cyber Security Act 2024 (“CSA”), the Group ensures that appropriate cybersecurity measures, risk-management processes, and incident-response procedures are implemented across the Group. The CSA introduces new requirements for entities handling critical or sensitive data, including regular risk assessments, periodic audits, and mandatory incident notification for designated infrastructure. Accordingly, where applicable, the Group will:

- ✓ Conduct periodic cybersecurity risk assessments and audits as required under the CSA;
- ✓ Continuously enhance and strengthen its infrastructure to safeguard critical systems and data;
- ✓ Maintain ongoing vigilance through active monitoring and the deployment of protective software to minimise potential cyber threats.
- ✓ Implement and maintain comprehensive incident-notification procedures to ensure prompt reporting of cybersecurity incident, in compliance with CSA regulations.

Through this practice, the Group ensure that information is shared appropriately and lawfully, and that all data is handled with the utmost care, confidentiality and integrity. The Group also adheres to the requirements of Personal Data Protection Act (“PDPA”) when managing and processing personal data in commercial transactions.

The table below sets out the Group’s incidents and complaints data for the past 3 years.

Incidents	FYE 2023	FYE 2024	FYE 2025
Total number of identified data leaked (number)	0	0	0
Total number of complaints received from external shareholders. (number)	0	0	0

To further strengthen data confidentiality and security, non-disclosure agreements are signed with the customers and reviewed annually by the Group’s Head of Internal Audit to ensure compliance and effectiveness. All customer data and information are handled responsibly, reflecting the Group’s commitment to maintaining strong ethical business practices.

2. Environmental

Climate Management

The Group remains committed to continuously manage its greenhouse gas (“GHG”) emissions to maintain them at reasonable levels. In line with this commitment, the Group actively promote responsible energy consumption and emission reduction initiatives. The ISO14001:2015 Environment Management Systems certification obtained by the Group supports a systematically approach to managing environment responsibilities. In addition, the Group ensures its compliance with all environment laws and regulations.

Our key climate management focus areas include enhancing energy efficiency, reducing GHG emissions, ensuring efficient use of water resources and improving waste arrangement practices.

Climate Governance Framework

PPHB has implemented a comprehensive climate governance framework that embeds sustainability considerations into decision-making at every level of the organisation. The company adopts top-down governance approach to climate governance to ensure that climate-related initiatives are feasible, effective and consistently applied across all operations.

The Board has oversight on the climate-related initiatives, including the identification and assessment of climate risks, setting priorities and ensuring their integration into the Group's overall business strategy. Supporting this, the Group Managing Director, together with Senior Management, is responsible for day-to-day execution, monitoring and management of climate plans and policies. Clearly defined roles and accountabilities reinforce the Group's commitment to responsible and sustainable business growth.

Senior Management is evaluated against climate-linked KPIs, including targets related to energy efficiency, emissions performance and operational reliability, strengthening accountability and fostering continuous improvement.

Low Carbon Strategy

The Group's low carbon strategy also provides a clear pathway toward a sustainable operating model while enhancing resilience to physical climate risks. A range of initiatives have been strategically mapped across key business dimensions to ensure comprehensive coverage of both mitigation and adaptation priorities.

Dimensions	Climate Actions
Renewable energy	- Solar energy adoption - Energy-efficient equipment.
Process optimisation	- Automation and digital technologies - Digital emissions-tracking systems
Products	- Development of eco-labelled products and lightweight products - Lower-emissions packaging solutions.
Supply Chain	- Sustainable sourcing - Sustainability-linked procurement
Logistics	- Route optimisation - Improved loading efficiency - Exploration of lower-emission fuel alternatives.
Risk Management	- Climate risk monitoring - Enhanced insurance coverage - Emergency preparedness.

Collectively, these initiatives position the Group to manage emerging climate risks effectively while unlocking opportunities for efficiency, innovation, and strengthened competitiveness. Climate considerations increasingly shaped capital allocation, operational decisions and business continuity planning, enabling responsible and resilient long-term growth.

Alignment with business models and financial planning

Our climate strategy is fully integrated into its long-term business planning to ensure profitable growth while enhancing resilience to climate-related risks. Key areas of focus include: -

a) Revenue Growth

- ✓ Introducing lower carbon products that meet evolving customer expectations; and
- ✓ Positioning sustainability as a core market differentiator.

b) Capital Investment & Asset Resilience

- ✓ Investing in renewable energy and energy-efficient technology to reduce emissions and operating costs;
- ✓ Strengthening the resilience facilities against climate-related hazards; and
- ✓ Preparing for future regulatory requirements, ensuring long term compliance and effectiveness.

This integration positions climate strategy as a driver of innovation, operational excellence, and financial sustainability.

Climate Risk Management

During the year, we began developing our scenario analysis framework and identified climate-related risk factors across both *transition* and *physical* dimensions in accordance with the **Task Force on Climate-related Financial Disclosure** ("TCFD"). For each risk, we outlined the possible impacts, corresponding opportunities and mitigation plans, along with defined timeframes.

To support effective planning and prioritisation, we adopted the following time horizons: -

Time Horizons		
Short term (S) (1-5 years)	Medium term (M) (6-15 years)	Long term (L) (>15 years)
<p>In short term, our primary focus will be to continue reducing GHG emissions and ensuring high-quality climate reporting. These efforts will serve as the foundation for informed decision-making, strategic development, and the establishment of climate-related targets.</p> <p>We are also committed to gradually adopting the IFRS S1 and S2 standards by integrating the four content pillars and 11 recommendations of the TCFD into our climate disclosures. This phased approach will support the development of robust strategic plans and allow us to effectively respond to possible impacts and opportunities associated with climate risks.</p> <p>During the process, potential climate risks both physical and transition were identified. Physical risks, driven by climate change, may be acute (event-driven) or chronic (long term shifts in climate patterns). These risks may result in financial implications, including direct damage to assets and indirect impact from supply chain disruptions. Transition risks, on the other hand, arises as an organisation move towards low-carbon economy.</p> <p>In line with these developments, we have prioritised establishing clear climate strategies, roles, and responsibilities to support our medium- and long-term goals.</p>	<p>In the medium term, the Group aims to further advance our climate strategy in alignment with national targets and 1.5°C pathway. Our focus will be on enhancing business resilience while continuing to mitigate emissions. A key component of this strategy will involve fully adopting IFRS S1 and S2 standards, ensuring that climate risks, opportunities and considerations are fully integrated into business strategy and financial reporting. These efforts will guide our continued investments in low carbon solutions across our operations and supply chain.</p> <p>We are also committed to strengthening leadership and management accountability within our climate governance framework, with a clear emphasis on addressing climate risks, opportunities, strategies and targets. In parallel, we will consider implementing an internal carbon pricing mechanism in preparation for potential carbon-tax regulations. Where feasible, we aim to implement some of these initiatives ahead the schedule.</p> <p>Furthermore, we will evaluate capital expenditure and operational planning to support the development and adoption of new technologies capable of reducing GHG emissions.</p>	<p>In the long term, we will continue to enhance our GHG emissions reduction strategies, anticipating the availability of commercially viable green technologies and systematic solutions aligned with Malaysia’s Net Zero Goal. Our long-term strategy includes collaborating with suppliers and participating in cross-industry partnership to address GHG emissions across the value chain.</p> <p>Climate-related risks and opportunities will continue to be identified, assessed and managed with the Group’s Risk Management Processes. The Board, Group Managing Director and Senior Management will continue to consider, review and monitor climate-related risks and opportunities as part of strategic planning, investment decision and ongoing financial and operational performance reviews throughout the year.</p>

Our climate actions across the short-, medium- and long-term horizons underpin PPHB’s transition toward **Net Zero emissions by 2050**, aligning with national aspirations and reinforcing our commitment to delivering long-term value for stakeholders.

Breakdown of Transition and physical risks

Transition Risks

Risk Category	Description	Potential Impacts	Time Horizon	PPHB Opportunities & Responses
Policy & Legal	Carbon pricing, emission limits, waste regulations and plastic restrictions	<ul style="list-style-type: none"> - Stricter environmental laws and regulations (e.g. carbon tax, carbon tariffs) - Higher compliance and carbon-related costs. - Potential penalties for non-compliance. - Risk of operational disruptions. 	M,L	<ul style="list-style-type: none"> - Adoption of internal carbon pricing. - Strengthened sourcing governance for sustainable materials. - Integration of energy-efficient practices.

Risk Category	Description	Potential Impacts	Time Horizon	PPHB Opportunities & Responses
Technology	Implementation of low-carbon technologies	<ul style="list-style-type: none"> - Higher capital investments requirements. - Process interruptions during transitions. - Risk of asset impairment. 	S,M,L	<ul style="list-style-type: none"> - Solar energy deployment. - Maximising green technology incentives. - Sustainable financing initiatives. - Strategic technology partnerships. - Productivity-enhancing and low-emission equipment upgrades.
Market Shift	Growing demand for sustainable packaging	<ul style="list-style-type: none"> - Higher product development costs. - Increased demand for lower-emissions packaging solutions. - Pressure on resource availability due to tight supply. - Exposure to fossil fuel price volatility. 	S,M,L	<ul style="list-style-type: none"> - Eco-labelled, lightweight and lower-emissions packaging solutions innovation. - Sustainable material sourcing. - Collaboration with customers on sustainability targets.
Reputation	Rising stakeholder expectations for credible climate action	<ul style="list-style-type: none"> - Lower investor confidence. - Potential revenue loss due to non-compliance with environmental standards. 	S,M,L	<ul style="list-style-type: none"> - Commitment to Net Zero Emission by 2050. - Climate performance targets and indicators. - Enhanced climate-related disclosures.

Physical Risks

Risk Category	Description	Potential Impacts	Time Horizon	PPHB Mitigation Measures
Acute	Flooding and extreme weather events	<ul style="list-style-type: none"> - Production downtime. - Asset damage. - Increased logistics and repair costs. - Supply chain disruptions. 	S,M	<ul style="list-style-type: none"> - Business Continuity Plan (“BCP”). - Emergency respond protocols. - Supplier diversification and strengthened green supply chain.
Chronic	Water stress, heat, declining forest productivity and increased fire risk	<ul style="list-style-type: none"> - Higher energy costs. - Increased insurance premiums. - Workforce safety risk. 	S,M,L	<ul style="list-style-type: none"> - Energy-efficient system upgrades. - Continuous process optimisation. - Climate-resilient sourcing.

Metrics and targets

To support our decarbonisation journey, PPHB measures and discloses its operational GHG emissions in line with the GHG Protocol. Our emissions boundary currently covers Scope 1 and Scope 2, with Scope 3 data collection to be phased in progressively after FYE2026.

Scope	Description	Status
Scope 1	Direct emissions from fuel use and operations	Measured
Scope 2	Indirect emissions from purchased electricity	Measured
Scope 3	Indirect value-chain emissions	Data collection to commence progressively after FYE2026

Scope 1 emissions refer to direct GHG emissions from sources owned or controlled by the Group, including fuel combustion in vehicles, machinery and equipment.

Scope 2 emissions arise from purchased electricity. Through increased reliance on on-site solar energy, PPHB has reduced its dependence on grid electricity, thereby lowering Scope 2 emissions. The Group applies the Grid Electricity Emission Factor for Peninsular Malaysia issued by Suruhanjaya Tenaga for Scope 2 calculations.

Our near-term priority is to reduce Scope 1 and 2 emissions within areas under our direct operational control. In parallel, we are strengthening our readiness for Scope 3 reporting through improved engagement and the adoption of digital data-management tools. We are developing an integrated data platform to consolidate information from all business divisions, enabling complete, accurate and verifiable reporting. As a progressive step, reporting of Scope 3 emissions related to business travel and employee commuting will begin after FYE2026.

Group's GHG Performance is as follows: -

GHG (CO ₂ e) Emissions (MT)	FYE 2023	FYE 2024	FYE 2025
Scope 1	1,887	1,742	1,704
Scope 2	1,951	1,538	1,358

Our Responds towards Climate Risks and Opportunities

Energy Management

During the year under review, the Group continued to optimise energy efficiency by implementing the following energy-saving activities: -

- ✓ Installed inverters at high amp machinery and equipment;
- ✓ Replaced conventional lights with energy-efficient LED lights;
- ✓ Upgraded small fans to larger, more efficient fans;
- ✓ Conducted regular maintenance on machinery and equipment;
- ✓ Switched off lights and air conditioners during lunch hours; and
- ✓ Increased the use of virtual meetings to reduce unnecessary travel.

A total of **seven (7)** factories (2024: 7) within the Group are equipped with solar panels, with a total installed capacity of **1,736.43 kWp** (2024: 1,535.55 kWp). This investment is aimed at reducing our Group's carbon footprints. Total electricity consumption in the past three (3) financial years is as follows: -

	FYE 2023	FYE 2024	FYE 2025
Total electricity consumption (MWh)	3,751	3,630	3,453
Renewable Solar energy generated (MWh)	1,382	1,947	2,108

Based on the table above, the Group has achieved a remarkable reduction of approximately **4.9%** in total electricity during the reporting period. The efficiency of energy consumption is monitored on a monthly basis to ensure continuous improvements.

In addition to the installation of solar panels, the Group continued to replace its diesel forklifts with electric forklifts on its production floor. The electric forklifts help to reduce carbon emissions, as they are powered by renewable energy. We are committed to continue with this transition.

The Group continues its effort in exploring the possibility of turning its fleet of vehicles to lower-emission options.

Water Management

To maintain environment sustainability, the Group strives to improve its water management practices and reduce water wastage. The Group primarily obtains water supply from municipal water suppliers for use in productions. The table below demonstrates our water consumption over the past three (3) financial years: -

	FYE 2023	FYE 2024	FYE 2025
Water consumption (m ³)	40,987	36,634	38,702
Water treated (m ³)	3,796	5,389	6,391

As shown in the table above, there was a slight increase of 5.65% in total water consumption in FYE 2025. Despite the increase in water consumption, the Group continues to implement proactive measures to minimize water usage, in alignment with our sustainability goals and responsible resource management practices.

All wastewater generated by production is stored in secured wastewater storage facilities. The wastewater is treated via a water treatment system to ensure its quality complies with the requirements set by the relevant regulatory bodies before being discharged into the environment or recycling.

To further strengthen water conservation, the Group has implemented the following measures to: -

- ✓ Continuous monitoring of water usage to eliminate excessive consumptions.
- ✓ Recycling water from water treatment plant; and
- ✓ Harvesting rain water for toilet use.

These initiatives demonstrate our ongoing commitment to sustainable water management practices.

Waste management

We are committed to reducing waste generation and minimising the consumption of natural resources. To achieve this, we follow a 3R program – **Recovery, Resue and Recycle** - in managing waste from our operations. Employees are trained on this approach to ensure consistent implementation.

In addition, as a packaging manufacturer, our printing and production activities inevitably generate waste, including paper waste and scheduled waste. In our operations, we prioritise proper segregation, conversion and recycling of the waste produced.

1) Paper waste and other materials

The Group primarily handles paper-based products, which are naturally recyclable. For example, corrugated cartons consist of a combination of kraft, medium and liner paper. The waste generated from its production is collected for recycling purposes. To facilitate the collection of paper waste, baler machines have been installed at each factory to compress paper waste into compact blocks to ease handling, transport and storage efficiency.

In addition to paper waste, other materials such as Polyurethane (“PU”), Polyethylene (“PE”), plastic and metal waste are also collected for recycling, allowing the Group to divert more waste away from landfills. The total weight of waste collected for recycling in the past three (3) financial years is as follows: -

	FYE 2023	FYE 2024	FYE 2025
Paper waste weight (MT)	5,578	5,168	4,914
PU (MT)	3	5	13
PE (MT)	19	36	89
Plastic (MT)	17	21	91
Metal (MT)	9	31	39
Total	5,626	5,261	5,146

2) Scheduled waste

During production, the Group generates ink waste and other hazardous materials classified as scheduled wastes under the Environmental Quality (Scheduled Waste) Regulations 2005. These wastes fall under the following codes: -

Waste Code	Description
SW 109	Waste containing mercury or its compound
SW 110	Waste from electrical and electronic assemblies
SW 305	Spent lubricating oil
SW 409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes
SW 410	Rags, plastics, papers or filters contaminated with schedules wastes
SW 416	Sludges of inks, paints, pigments, lacquer, dye or varnish
SW 417	Waste of inks, paints, pigments, lacquer, dye or varnish
SW 418	Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent
SW 422	A mixture of scheduled and non-scheduled wastes

The generated waste is stored in plastic drums, jumbo bags, pallets or other suitable containers. These containers are labelled with the Company’s name, address and telephone number, along with additional information such as waste characteristics, waste code, waste name and the date of waste generation. The containers are stored at secured scheduled waste stores within the factories before disposal.

The Group engages reputable and licensed waste collectors to handle the waste. Accurate and up-to-date information on inventory, generation, treatment and disposal of scheduled waste are maintained and submitted online to the Department of Environment.

The total scheduled waste generated in the past three (3) financial years is as follows: -

	FYE 2023	FYE 2024	FYE 2025
Total Scheduled Waste (MT)	39	72	64

These figures highlight the Group’s commitment to sustainable waste management practices and its ongoing efforts to reduce our environmental footprint.

Biodiversity and Conservation

As part of the Group’s ESG commitment, the Group recognises that biodiversity is essential for maintaining the healthy ecosystems and safeguarding the well-being of present and future generations. Accordingly, the Group purchases its raw materials from certified and responsible suppliers to support the protection of forests.

This responsible sourcing approach strengthens customers confidence by assuring them that the products they purchase come from sustainable sources. It also enhances the Group’s marketing opportunities and reinforces its commitment to sustainable practices.

3. Social

Human Capital Management

The Group recognises that our workforce is our most valuable asset. Effective human capital management is therefore crucial to the Group’s long-term success and sustainability. We prioritised the well-being of employees, who have played a major role in driving the Group’s growth.

As at the reporting period, the Group have a total of **820 (2024: 828)** full time employees. All employees are guided by the Employee Handbook and Code of Ethics and Conduct.

- **Fair remuneration packages**

The Group adopts a fair, transparent, and performance-driven remuneration framework designed to attract, motivate, and retain talent. Employee remuneration is linked to individual performance and contributions, and is regularly assessed through annual performance evaluations. Promotions or remuneration adjustments are awarded strictly on merit, without discrimination based on gender, race or nationality.

Employees’ contributions are measured against their respective key performance indicators (“KPIs”), with top performers are being recognised through competitive cash rewards, performance-based incentives and participation in the Employee Share Scheme. This merit-based approach supports employee motivation and aligns individual contributions with the Group’s long-term objectives. Notably, the Group has never implemented salary reductions or retrenchments even during periods of challenging market conditions.

- **Compensations and Benefits**

The Group complies with the Employment Act 1955 and ensure that employees’ remuneration package meet the minimum wage requirements stipulated under the Malaysian Minimum Wages Order 2022.

To remain competitive in the labour market, the Group offers comprehensive remuneration packages and benefits. In addition, the Employee Shares Scheme serves as a long-term incentive plan to align employees’ interest with Group’s corporate objectives, fostering stronger commitment, productivity and loyalty. The benefits provided to employees include:

Statutory Contributions	Leave Entitlements	Benefits-in-kind
<ul style="list-style-type: none">• Employees Provident Fund (“EPF”)• Social Security Organisation (“SOCSO”)• Employment Insurance System (“EIS”)	<ul style="list-style-type: none">• Annual leave• Medical leave• Hospitalisation leave• Maternity leave• Compassionate leave• Examination leave	<ul style="list-style-type: none">• Overtime compensation• Performance incentives• Phone allowance (eligible employees)• Outpatient medical benefits• Group hospitalisation and surgical insurance• Group Personal Accident insurance (selected employees)• Daily vegetarian lunch• Telephone line (selected employees)• Shares scheme (eligible employees)• Mileage claims• Hostel accommodation (eligible employees) and personal locker for operators

▪ **Diversity and equal opportunities**

The Group is committed to fostering a diverse and inclusive workplace. We do not discriminate based on age, gender, ethnicity or nationality, apart from preference given to local candidates during recruitment. The Group also promotes employment of persons with disabilities and provides equal employment opportunities for them.

The Group believes that workforce diversity enriches the organisation with a wide range perspectives and ideas, supporting innovation and sustainable growth. The table below shows a breakdown of the Group’s employees: -

	FYE 2023		FYE 2024		FYE 2025	
	Number	%	Number	%	Number	%
Employees by Gender						
- Male	587	69.5%	559	67.5%	538	65.6%
- Female	258	30.5%	269	32.5%	282	34.4%
Total	845		828		820	
Employees by Ethnicity						
Local						
- Malay	262	31.0%	275	33.2%	287	35.0%
- Chinese	166	19.6%	170	20.5%	170	20.7%
- Indian	114	13.5%	108	13.1%	111	13.6%
Non-local	303	35.9%	275	33.2%	252	30.7%
Total	845		828		820	
Employees by Age						
< 30 years old	307	36.3%	281	33.9%	238	29.0%
30-49 years old	370	43.8%	388	46.9%	403	49.2%
>50 years old	168	19.9%	159	19.2%	179	21.8%
Total	845		828		820	
Employees by Category						
Management	31	3.7%	28	3.4%	28	3.4%
Executive	192	22.7%	207	25.0%	205	25.0%
Non-executive	622	73.6%	593	71.6%	587	71.6%
Total	845		828		820	

A total of **19** (2024: 21) are persons with disabilities. During the reporting period, the Group recruited **146** (2024: 98) new employees, while **154** (2024: 115) employees resigned.

• **Human Rights and Labour Practices**

The Group upholds labour standards and complies with all applicable human right legislation. Forced labour, human trafficking and child labour are strictly prohibited across all business operations. Foreign workers are accorded the same employment rights and benefits as local employees, including public holidays, salary structures, and welfare benefits.

Foreign workers are also provided with workers dormitories that exceed the minimum space requirements prescribed under the Employee Minimum Standards of Housing, Accommodations and Amenities Act 1990 (“EMSHAAA 1990”). In line with regulatory requirements, EPF contributions for foreign workers commenced with effect from October 2025.

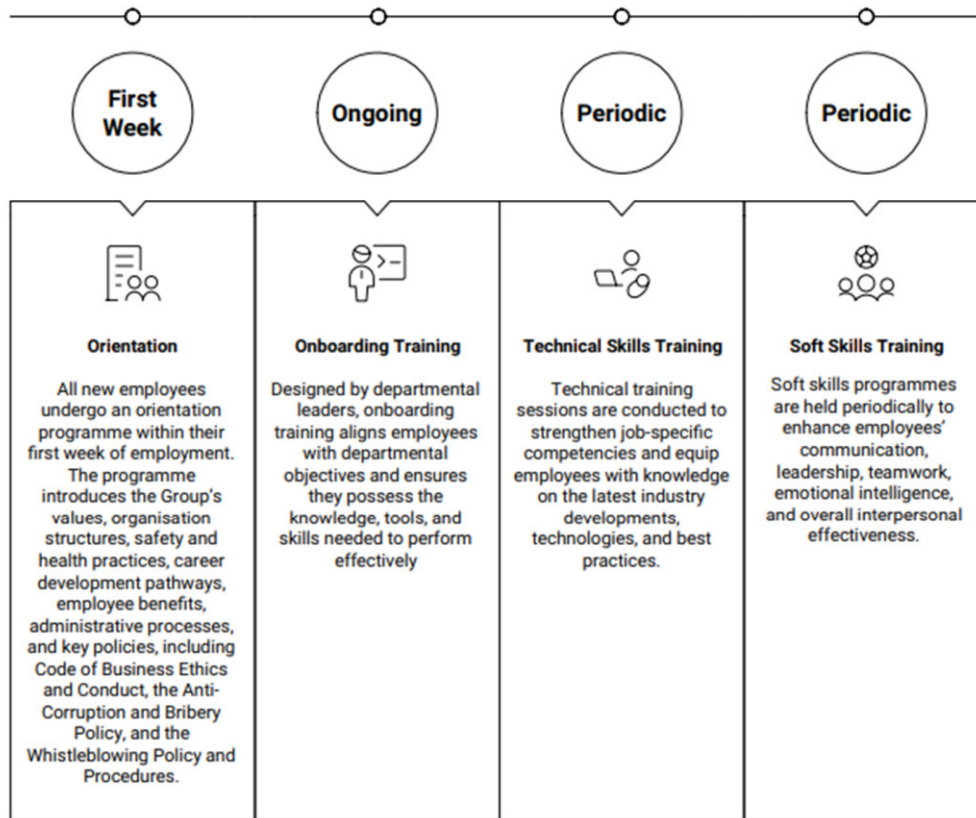
The Group is committed to maintaining a workplace free from any harassment and violence. During the reporting period, no incident or complaint related to human right violations or unfair treatment of employees were reported.

Training and development opportunities

The Group places strong emphasis on continuous learning and upskilling to deepen understanding of their respective roles and enhance overall performance. Regular in-house training sessions are conducted, covering functional and soft-skill competencies. In addition, employees are also encouraged and sponsored to attend external seminars, workshops, webinars and exhibitions to further broaden their knowledge and exposure.

Below is the list of training and development programmes conducted to meet the various organisational and individual development needs of our employees:

Key Training and Development Programmes



The table below illustrates the total training hours of employees over the past three (3) financial years: -

	FYE 2023	FYE 2024	FYE 2025
Number of participants	123	610	816
Total hours	306	5,092	5,521

Occupational Safety and Health (“OSH”)

The safety and health of our employees remain a top priority. The Group is committed to providing a safe and healthy working environment for all employees, ensuring strict compliance with relevant safety and health laws and regulations. To minimise workplace incidents, the Group has implemented the following strategies: -

- ✓ Conducting hazard identification, risk assessments and risk controls at workplace;
- ✓ Providing handling manuals at workplaces;
- ✓ Implementing safety measures, including installation of safety signboards and warning signs;
- ✓ Promoting the 1S + 5S methodology (Safety, Sort, Set, Shine, Standardise and Sustain);
- ✓ Conducting safety and health education and trainings programs, such as fire drills and evacuations exercises;
- ✓ Supplying appropriate personal protective equipment (“PPE”), including safety helmets, shoes, ear protection and face masks;
- ✓ Ensuring the functionality of fire preventive equipment and systems; and
- ✓ Conducting regular machine inspections.

At our corrugating plant, a dust collecting system has been installed to collect and dispose of dust. The system filters exhaust air before releasing it into the atmosphere, ensuring compliance with the environmental regulations. In addition, this system helps maintain a safe and clean working environment for all employees.

Our goal is to achieve an injury-free workplace with zero accidents. To meet this target, the Group conducts safety training programs to ensure that our employees understand their roles and responsibilities in preventing workplace injury, with a focus on emergency preparedness, response and recovery. During the reporting period, the following safety and health training programs were conducted: -

- ✓ Ergonomics Training;
- ✓ Noise Conservation Training;
- ✓ Chemical Spillage Preparedness Training;
- ✓ Basic Occupational First Aid and CPR Training;
- ✓ BOMBA Firefighting Competency Training; and
- ✓ Fire Drills Training.

The table below summarises the total training hours on OSH and total incidents recorded in the past three (3) financial years:

	FYE 2023	FYE 2024	FYE 2025
No. of safety training/programme	1	156	76
Total training hours (hours)	7	1,697	1,901
Total staff trained	3	461	557
No. of fatality	0	0	0
No. of number of hours worked	0	0	0
Lost time incident rate (“LTIR”)*	0	0.97	1.62

* *LITR = No. of reported accidents/ Total man-hours worked X 1,000,000*

Calculated based on the formula as in line with the guideline issued by DOSH.

To monitor and manage safety risks, the Head of Internal Audit conducts regular safety audits and inspections at each factory.

Community

The Group is firmly committed to contributing positively to the society and engaging with the local communities through various corporate social responsibilities (“CSR”) initiatives, including charitable contributions, sports events, education supports, employee development, health awareness and customer engagement programmes.

a) Charitable donations

During the year, the Group contributed **RM240,000** (2024: RM240,000) to various charitable organisations, including the Buddhist Tzu Chi Merit Society Malaysia.

b) Education Supports

The Group sponsors full tuition fees for Malaysian students pursuing diploma and bachelor degree programmes local institutions of higher learning. As at year end, **nine** (2024: seven) students were supported under the Group’s scholarship programme. In addition, the Group provided internship opportunities to **ten** (2024: three) students in collaboration with local universities and colleges, offering practical exposure and skills development.

c) Health and Community Initiatives

In support of community well-being, PPH Plaza Sdn. Bhd. participated in a blood donation programme on 6 August 2025 in collaboration with recognised medical organisations to support national blood supply needs. The Company also conducted a breast cancer awareness campaign on 1 October 2025 to promote early detection and preventive care through educational and awareness activities.

d) Customer Engagement CSR Programme – Tzu Chi Hospital

On 8 November 2025, the Group organised a CSR programme in collaboration with its customers to support the Buddhist Tzu Chi Hospital. Employees and customers jointly participated together in hospital cleanliness and maintenance activities, contributing to a safe and hygienic environment while strengthening stakeholder relationships.

e) Employee Well-being

To promote a healthy lifestyle among employees, the Group sponsored sport activities for its staff. The *Badminton Smash Day* was organised by PPH Printing & Packaging (Penang) Sdn. Bhd. on 10 October 2025, while a Pickleball Game was organised by Public Packages Sdn. Bhd. on 7 October 2025. These initiatives support the Group’s ESG objectives of encouraging active lifestyles, enhancing employee engagement, and fostering a healthy workplace culture.

In addition, the Group provides vegetarian lunch boxes at selected operations to promote healthy eating habits among employees.

Conclusion

The Board will continuously review and assess the sustainability performance of the Group’s operations to improve and enhance existing practices. The ongoing efforts aim to create and preserve sustainable and long-term value for the Group’s stakeholders.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remark
Anti-Corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	7.1% (Management) 33.7% (Executive) 38.8% (Non-executive)	-	No assurance	-
Anti-Corruption	C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.0%	-	No assurance	-
Anti-Corruption	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	-	No assurance	-
Community/Society	C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	418,185	-	No assurance	-
Community/Society	C2(b) Total number of beneficiaries of the investment in communities	Number	19	-	No assurance	-
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	By Age Group: - 0.0% (Management Under 30) 1.3% (Management Between 30-50) 2.1% (Management Above 50) 5.0% (Executive Under 30) 15.7% (Executive Between 30-50) 4.3% (Executive Above 50) 24.0% (Non-executive Under 30) 32.1% (Non-executive Between 30-50) 15.5% (Non-executive Above 50) By Gender Group: - 2.6% (Management Male) 0.9% (Management Female) 11.6% (Executive Male) 13.4% (Executive Female) 51.5% (Non-executive Male) 20.0% (Non-executive Female)	-	No assurance	-
Diversity	C3(b) Percentage of directors by gender and age group	Percentage	By Gender: - 90% (Male) 10% (Female) By Age: - 0% (Under 30) 30% (Between 30-50) 70% (Above 50)	-	No assurance	-
Energy Management	C4(a) Total energy consumption	Megawatt-hour	3,453	-	No assurance	-
Health and safety	C5(a) Number of work-related fatalities	Number	0	-	No assurance	-

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remark
Health and safety	C5(b) Lost time incident rate ("LTIR")	Rate	1.62	-	No assurance	-
Health and safety	C5(c) Number of employees trained on health and safety standards	Number	557	-	No assurance	-
Labour practices and standards	C6(a) Total hours of training by employee category	Hour	232 (Management) 2,170 (Executive) 3,119 (Non-executive)	-	No assurance	-
Labour practices and standards	C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.4%	-	No assurance	-
Labour practices and standards	C6(c) Total number of employee turnover by employee category	Number	0 (Management) 19 (Executive) 135 (Non-executive)	-	No assurance	-
Labour practices and standards	C6(d) Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance	-
Supply chain management	C7(a) Proportion of spending on local suppliers	Percentage	78.0%	-	No assurance	-
Data privacy and security	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance	-
Water	C9(a) Total volume of water used	Megalitres	38.7	-	No assurance	-
Waste management	C10(a) Total waste generated (i) Total waste diverted from disposal (ii) Total waste directed to disposal	Metric tonnes	Total = 5,210 (i) 0 (ii) 5,210	-	No assurance	-
Emissions management	C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,704	-	No assurance	-
Emissions management	C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,358	-	No assurance	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of adopting and maintaining high standards of corporate governance and is fully committed to conducting the Group's affairs in a transparent and objective manner, with full accountability and integrity. The Board strives to safeguard shareholders' investments and stakeholders' interests, thereby enhancing their values. This Corporate Governance Statement pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") outlines the Group's corporate governance practices and aims to provide vital insights to our shareholders, potential investors and stakeholders.

The full CG Report 2025 is available on the Company's website, www.pph.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

The Board is fully responsible for the overall governance and performance of the Group. The Board's role is to lead and control the Group's business and affairs on behalf of shareholders, taking into consideration the interests of all stakeholders in its decision making and ensuring that the Group's objective of creating long term shareholder value is met.

The Board assumes the following key responsibilities, among others: -

- a. Develop and evaluate the Group's succession planning and talent management plans;
- b. Review, approve and monitor implementation of the Group's strategies and business plans that supports long-term value creation by incorporating sustainability – environment, social and governance ("ESG") elements;
- c. Monitor and evaluate performance of the Group's business operations as well as the adequacy and integrity of the Group's financial and non-financial reporting;
- d. Oversee conduct of the Group's business, ensuring that affairs are carried out ethically and in full compliance with relevant laws and regulations;
- e. Identify principal risks and ensure execution of appropriate Risk Management and Internal Control procedures;
- f. Ensure that Senior Management has the necessary skills and experience, and that there are measures in place to provide for orderly succession of the Board; and
- g. Supervise the implementation of shareholders' communication policy.

The Group's succession planning is set out below: -

- a. Developing a recruitment and communication strategy;
- b. Determining critical positions and identifying expected vacancies;
- c. Identifying current and future competencies;
- d. Identifying gaps in current employees' competency levels;
- e. Developing individual development plans for employees;
- f. Developing and implementing coaching and mentoring programmes; and
- g. Assisting with leadership transition and development.

Division of responsibilities

The Board delegates the authority and responsibility of managing day-to-day operations of the Group to the Management Team led by the Executive Directors. The Management Team is also responsible for implementation of business plans and strategies, policies and decisions approved by the Board and communication of matters to the Board.

Non-Executive Chairman

The Non-Executive Chairman acts as a spokesperson for the Board and represents the Group to the shareholders. He is responsible for the overall strategic direction of the Group and takes a leading role in creating an effective corporate governance system, setting the tone at the top of practising and promoting ethical practices, good governance, as well as legal and regulatory compliances. He is also responsible for managing the boardroom dynamics, promoting a culture of openness and debate to build a high-performance board and effectuate robust decision making.

Executive Directors

The Group Managing Director is supported by five (5) Executive Directors in the day-to-day management of the Group. All Executive Directors form part of the Senior Management team and have an overall responsibility over the Group's business operations, organisational effectiveness and efficiencies, formulation of strategies and implementation of Board policies and decisions. They are also responsible for fostering relationships with regulators and stakeholders. In light of their technical expertise and knowledge of the business and its industry, they add value to the Board's decision-making process by offering an intimate view of the workings within the Group as well as the strategic plans in action.

Independent Non-Executive Directors

The INEDs are independent of management and free from any business or other relationships that could materially interfere with the exercise of their independent judgement, enabling their contribution towards corporate accountability. They take into account interests of the Group, its shareholders and stakeholders, as well as the communities in which the Group conducts its business, in providing their unbiased and impartial views, advice and judgement. It is also their responsibility to ensure that all financial information announced are accurate and that the Group's Risk Management and Internal Control systems are robust and defensible. Furthermore, the INEDs play a key role in

the evaluation and review of the Board's performance and remuneration.

The Board had established several Board Committees which compositions and Terms of Reference are in accordance with the MMLR and best practices prescribed by MCCG. The Board Committees are as follows: -

- a. Audit and Risk Management Committee ("ARMC");
- b. Nominating Committee ("NC");
- c. Remuneration Committee ("RC"); and
- d. Scheme Committee ("SC").

Matters Reserved for The Board

The Board Charter further defines matters that are reserved for the Board's deliberations and decision making. These matters require approvals from the Board, except where they are expressly delegated by the Board to the Management. The reserved matters include: -

- a. Approval of Annual Report and financial statements, as well as the relevant announcements;
- b. Matters covered by statutory requirements, Best Practice Guide and Corporate Governance;
- c. Annual review on the remuneration package for the Board;
- d. Revision of Board Remuneration Policy;
- e. Develop and evaluate the Group's succession planning and talent management plans;
- f. Monitor and evaluate performance of the Group's business operations and activities;
- g. Oversee conduct of the Group's business, ensuring that affairs are carried out ethically and in full compliance with relevant laws and regulations;
- h. Dividend policy;
- i. Supervise the implementation of shareholders' communication policy; and
- j. Matters that may have material impact on the system of internal controls; or significantly exposes the Company and the Group to financial and/or operating risks.

These reserved matters are reviewed at least once a year.

Sustainability Management

The Board considers various sustainability considerations, including the economic, environment and social ("ESG") performance of the Group, in the development and implementation of the Group's business strategies and operations to maximise long-term value creation and achieve operational excellence.

In governing and managing sustainability matters, the Board is supported by the Group Managing Director and assisted by Senior Management. The team advises on and recommends sustainable business strategies for adoption by the Board. The team convenes monthly to review and discuss on sustainability matters. The identified sustainability matters will then be reported by the Group Managing Director to the ARMC and the Board during the annual assessment.

The team conducts an annual material assessment to identify the most significant ESG issues of the Group. The results of the assessment are approved and endorsed by the Board. The material issues identified are clearly outlined in the Sustainability Statement.

Company Secretaries

The Joint Company Secretaries assume key advisory roles to the Board on matters related to statutory and regulatory compliances, best corporate governance practices, Board's policies and procedures, as well as Directors' duties and responsibilities. The Board is satisfied with the performances and competencies demonstrated.

During the financial year, the Joint Company Secretaries have performed, among others, the following tasks: -

- a. Served notices on closed periods to the Directors, notifying them of the closed periods for trading of shares pursuant to the MMLR;
- b. Attended all Board meetings and ensured the meetings are properly convened;
- c. Ensured accurate recording of minutes of proceedings and proper maintenance of secretarial records;
- d. Supported the Board in ensuring adherence to Board policies and procedures; and
- e. Facilitated the provision of information as requested by the Directors.

Supply of Information

Members of the Board are supplied with unrestricted and timely information to enable effective discharge of their duties and responsibilities.

To facilitate the Directors' time planning, the Board meetings as well as Board Committee meetings are scheduled and circulated to them before the beginning of every year. Special Board meetings may be convened to consider urgent proposals or matters that require expeditious decisions or deliberation by the Board. Relevant agendas and board papers containing management and financial information are distributed at least five (5) business days in advance of each Board meeting for their perusal and consideration, to enable active participation during meetings and to facilitate informed decision making. Furthermore, all Directors are regularly updated on the statutory and regulatory requirements relating to their duties and responsibilities.

The Directors have individual and independent access to the advice and dedicated support services of the Joint Company Secretaries in ensuring effective functioning of the Board. The Board may interact directly with the Management Team on issues under their respective purview. In addition, the Board may consult external experts for their independent and professional opinion in furtherance of its duties, at the Group's expense.

Board Charter

The Board Charter delineates the Board's strategic intent and sets out key values and principles of the Group. It defines the roles, powers and responsibilities of the Board and its Directors. It acts as a source of reference and primary induction literature for prospective Board members, as well as assisting the Board in assessment of its collective performance and that of each individual Director.

The Board Charter is reviewed at least once a year, reflecting changes in regulations and best practices, and to update its relevance and effectiveness. A copy of the Board Charter can be accessed from the Group's website.

Code of Ethics and Conduct

A Code of Ethics and Conduct with the objective of creating an ethical corporate climate has been adopted by the Group. It provides guidance on the standards of behaviours expected from the Directors, employees as well as any other persons who represents the Group in execution of their duties and functions. It also outlines the principles on the conduct of business and interaction with business partners, customers, government and community and general workplace behaviour. Apart from advising the Board and the employees on the manner in which they should act when making decisions and carrying out their daily work activities, the Code of Ethics and Conduct also provide guidance on maintaining confidentiality and disclosure of information, disclosure of conflict of interest, internal control and anti-competition practices as well as the duty to protect the Group's assets. In formulation of the Group's Code of Ethics and Conduct, reference has been made to the Code of Ethics for Directors, highlighting principles in relation to transparency, integrity, accountability and corporate social responsibility.

A copy of the Code of Ethics and Conduct is published on the Group's website. The code is subject to regular review. All employees are required to read, understand and abide by the Code of Ethics and Conduct.

Anti-Bribery and Corruption ("ABC") policy

The Group's ABC policy was approved by the Board on 22 February 2021. The policy is intended to provide Directors, employees and associated persons of the Group with information on how the Group combats bribery and corruptions in furtherance of Group's business dealings. Besides that, the policy is also in place to ensure that all relevant persons are aware of their obligation to disclose any corruptions, bribes, conflicts of interest or similar unethical acts that they may encounter, and to follow the highest standards of ethical conduct of business.

The policy should be read in conjunction with the Code of Ethics and Conduct and Whistle-blowing policy of the Group.

Whistle-blowing policy

The Board has established and adopted a Whistle-blowing Policy. The purpose of the policy is to provide an avenue for Directors, employees and any external parties to raise their concerns on improper conduct and malpractice.

Any person who knows of or suspects a violation of the Code of Ethics and Conduct is encouraged to lodge report with the Managing Director of the Group or email to dedicated whistleblowing email address, b_m@pph.com.my. The violation may include fraud, criminal, misuse of confidential information etc. The Group will treat all information received confidentially and will protect the identity and interest of all whistle-blowers. There have been no reported incidents pertaining to whistle-blowing during the year.

Conflict of Interest and Recurrent Related Party Transactions ("COI") Policy

The Group has formalised and adopted the COI Policy for the Directors and employees of the Group. The policy aims to effectively identify, address and manage a wide range of COI situations, including those that are actual, potential, or

perceived in nature. The policy also serves as a guide to the Board in discharging their role, which is to provide insight and review any COI situation that arose or may arise within the Group.

A copy of this policy can be accessed from the Group's website and the policy should be read in conjunction with the Code of Ethics and Conduct, ABC policy and Whistleblowing policy of the Group.

Director's Fit and Proper policy

The Group's Directors' fit and proper policy was approved by the Board on 30 May 2022. The policy outlined the fit and proper criteria for the appointment and re-appointment of Directors to the Board, as well as the appointment of Senior Management of the Group. A copy of this policy can be accessed from the Group's website.

Audit and Tax Policy

Audit Policy

PPHB is in compliance with the professional standards set by the Malaysian Institute of Accountants, which require the rotation of lead partner and quality control partner involved in external audits every seven (7) years. A cooling-off period of five (5) years must be observed before either partner can be reappointed.

In addition to the partner rotation requirement, the following policy applies to the appointment of former employees of the external auditor (including key audit partners and former employees of the firm) to the Board or ARMC: -

a) *Key Audit Partners*

Key audit partners will not be offered employment or appointed as a member of the ARMC by the Group within three (3) years of undertaking any role in the audit.

b) *Other Key Team Members*

Other key team members will not be offered employment or be appointed as a member of the ARMC by the Group within six (6) months of undertaking of any role in the audit.

c) *Other Audit Team Members*

Any other audit team members (excluding key audit partners or key audit team members) who accept employment or are appointed as a member of the ARMC by the Group must immediately cease the audit activities and tender their resignation to the audit firm.

d) *Senior Management or ARMC appointment*

Any offer of employment to a former employee of the audit firm for a senior management position, or any appointment of the former employee to the ARMC, must be pre-approved by the ARMC. Between meetings, the ARMC Chairman is authorised to approve such appointments at their discretion, with any interim approval subject to ratification at the next ARMC meeting.

Tax Policy

On 24 February 2025, the Group established a comprehensive Tax Policy that outlines clear guidelines for our tax practices, ensuring accurate and compliance reporting in accordance with relevant laws and regulations. The Board, with support from the ARMC, ensures strict adherence to this policy, reflecting the Group's commitment to ethical and transparent tax governance.

Recognising the importance of tax contributions to public finances and national development programs across its jurisdictions, the Group conducts its tax affairs without engaging in tax structures that lack commercial substance for avoidance purposes. In addition, all tax payments are aligned with the revenue generated within respective jurisdictions, in compliance with applicable laws. The Group also ensures that its transfer pricing policy is based on the arm's-length principle to ensure taxes are paid in the appropriate jurisdiction and/or business line.

Risks associated with tax matters are managed diligently, with professional advice sought from competent local third-party advisors when necessary to address uncertainties in the interpretation of tax laws.

2. BOARD COMPOSITION

Composition and Size of the Board

The Board comprises five (5) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, in compliance with Paragraph 15.02 of the MMLR where at least one third (1/3) of the Board members must be Independent Directors. Members of the Board are of diverse backgrounds, specialisation, experience, character and age.

Tenure of Independent Directors

The tenure of an Independent Director should not exceed a cumulative term nine (9) years in accordance to Malaysian Code on Corporate Governance ("MCCG") 2021 and in compliance with Part 1(h) of Appendix 8A, Part A(g) of Appendix 9A and Practice Note 13 of the MMLR. Upon completion of nine (9) years' service, an Independent Director may continue to serve on the Board but as a Non-Independent Director. However, the Board may at its discretion after the evaluation the performance of the Independent Director who exceeded a cumulative term of nine (9) years, seek annual shareholders' approval via two-tier voting process at the AGM to retain the said Director as an Independent Director.

In considering each Director's independence, the Board must conduct a vigorous review of his/her background and current activities to determine whether he/she can act independently of the management, or whether his/her independence has been impaired. In this regard, the Board will also take into account the need for progressive refreshing of the Board to ensure its effectiveness.

Cybersecurity ("CSA") and Personal Data Protection ("PDPA") Policies

Cybersecurity is critical to protecting the Group's data and information, as well as our business associates and stakeholders. As cyber threats may originate from multiple sources, any breach could disrupt normal business operations, resulting in financial loss and erosion of customer trust. To address these risks, the Group has developed and implemented Cybersecurity and Personal Data Protection policies as part of its governance framework. The policies aim to protect our Group and its stakeholders against cybercrime and safeguarding our critical systems and sensitive information from digital attacks.

In addition, the Group is committed to safeguarding the privacy of employees, customers, suppliers and business partners, recognising that protection of personal data is a fundamental aspect of ethical business conduct. We adopt robust security measures that comply with Personal Data Protection Act and industry best practices to ensure sensitive information is adequately protected.

The Group's approach includes comprehensive data governance, regular security assessments and ongoing employee training to mitigate risks and promote responsible handling of data. Information is securely stored on secure company servers with firewall protection and access is restricted to authorised personnel only.

As at date of this Annual Report, none of the Independent Directors have exceeded a cumulative of term of nine (9) years.

Time Commitment

During the financial year, the Directors have demonstrated their ability to devote sufficient time and commitment to their respective roles and responsibilities. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Group. This is evidenced by the attendance record of the Directors at the Board and Committee meetings held during the financial year 2025, as set out below: -

Meeting attendance	Board	ARMC	NC	RC	AGM
Koay Chiew Poh	5/5	-	1/1	1/1	1/1
Koay Chiew Kang	5/5	-	-	-	1/1
Koay Teng Liang	5/5	-	-	-	1/1
Koay Teng Kheong	5/5	-	-	-	1/1
Nurjannah Binti Ali	5/5	-	-	-	1/1
Gooi Chye Soon (Appointed on 24 February 2025)	4/5	-	-	-	1/1
Soon Poh Lean	5/5	5/5	1/1	1/1	1/1
Sek Weng Yew	4/5	4/5	1/1	1/1	0/1
Tang Boon Lee	5/5	5/5	1/1	1/1	1/1

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, each of the Directors must not hold more than five (5) directorships in public listed companies and shall notify the Chairman of the Board before accepting any new appointment.

Board Diversity

The Board acknowledges the recommendation of MCCG pertaining to the establishment of boardroom gender diversity policy. However, the Group does not adopt any formal gender diversity policy in the selection of new Board candidate and does not have specific policies on setting target for female candidates in the workforce. The evaluation of suitability of candidates as new Board member or as a member of workforce is based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities required to meet the needs of the Group, regardless of gender.

As at date of this Annual Report, the Board has one (1) female Director, in compliance with paragraph 15.02(1)(b) of the MMLR.

Nominating Committee ("NC")

The NC of the Company has been established since 2002. The Committee Members are as follows: -

Name and position	Position
Mr. Koay Chiew Poh <i>Non-Independent Non-Executive Director</i>	Chairman
Mr. Soon Poh Lean <i>Independent Non-Executive Director</i>	Member
Dr. Sek Weng Yew <i>Independent Non-Executive Director</i>	Member
Mr. Tang Boon Lee <i>Independent Non-Executive Director</i>	Member

The full Terms of Reference setting out the NC's composition, meeting procedures, authority, and functions and duties can be viewed at the Company's website, www.pph.com.my.

The NC is primary responsible to ensure that the procedures for appointment of new Directors are transparent, rigorous and that appointments are made on merit and against objective criteria for the purpose. The Committee does not rely solely on recommendations from existing directors, management or major shareholders in identifying candidates. In addition, the Committee will perform background checks on the individual's character and bankruptcy search prior to the appointment.

The NC meets as and when required, and at least once a year. As at date of this Report, one (1) meeting was held, which were attended by all members.

As at the date of this report, the following key activities were undertaken by the NC: -

- i. Reviewed the NC's Term and Reference and the Directors' Fit and Proper Policy;
- ii. Identified the Directors who are due for re-election by rotation or re-appointment pursuant to the Company's Constitution;

- iii. Reviewed and assessed the character, experience, integrity and competence of Senior Management;
- iv. Reviewed the Continuing Education Programmes attended by the Directors; and
- v. Evaluated and determined training needs of the Directors.

Board Evaluation and Board Independence

On 27 February 2026, The NC undertook an evaluation process involving the Board, Board Committees and Directors' self and peer assessment. The criteria and procedures undertaken are as follows: -

- a. The NC conducted Board Evaluation via questionnaires and assessed Board effectiveness in terms of composition, conduct, accountability and responsibility of the Board and Committees in accordance with the relevant Terms of Reference. The Directors' self and peer assessments were conducted to evaluate the mix of skills, experience and individual Director's ability to contribute to the development of Group and towards Board's effectiveness. The NC also evaluated the independence of Independent Directors based on the criteria of "Independence" as prescribed by the MMLR.
- b. The evaluation process was led by Chairman of the NC with support from the Joint Company Secretaries. The NC reviewed feedbacks gathered from the evaluation, identified areas for improvements to enhance effectiveness of the Board, and recommended actions to be taken.
- c. The Board Evaluation carried out was properly documented.

The Board is satisfied with the level of commitment given by each Director towards the fulfilment of his/her role and responsibilities. The assessment results, therefore, form a basis for the NC to recommend to the Board for re-appointment of Directors.

Subsequent to the board evaluation, the following directors were identified to retire by rotation pursuant to Article 99 of Company's Constitution and for re-election at the forthcoming AGM of the Company.

- i. Mr. Koay Chiew Poh;
- ii. Mr. Soon Poh Lean; and
- iii. Dr. Sek Weng Yew.

Continuing Professional Development of Directors

All Directors have completed the Mandatory Accreditation Programme ("MAP") and Mandatory Accreditation Programme II ("MAP II") as prescribed by the Bursa Malaysia Securities Berhad. In addition, the Directors have attended relevant trainings and seminars to enhance their skills and knowledge and to keep abreast with the latest developments in the prevailing business environment, thereby enabling them to discharge their duties effectively.

From time to time, the Directors were also briefed by the Group's External Auditors and Company Secretaries on relevant updates on statutory and regulatory requirements.

The training programs and seminars attended by the Directors during the financial year covered, among others, areas relating to corporate governance, risk management and sustainability. The Directors will continue to participate in relevant training programs as appropriate to further enhance their professionalism and contribution to the Board.

The details of seminars/trainings attended by the Directors during the year are as follows: -

Director	Seminars/ Training attended
Koay Chiew Poh	- Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact)
Koay Chiew Kang	- Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact) - Unlocking the Power of Generative AI
Koay Teng Liang	- Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact)
Koay Teng Kheong	- Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact) - COURSERA: University of Virginia - Artificial Intelligence in Marketing
Nurjannah Binti Ali	- 2025 2 nd Half Market Outlook - Bursa Malaysia and the Securities Commission Malaysia (SC) – Introduction to New Disclosure Requirements for Shariah Screening - Latest Service Tax Updates on Construction Services
Soon Poh Lean	- Online Briefing on Invested Leadership Programme by Securities Commission Malaysia
Dr. Sek Weng Yew	- Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact)
Tang Boon Lee	- Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact)
Gooi Chye Soon	- Bursa Malaysia Mandatory Accreditation Programme (MAP) - Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact)

Remuneration Committee (“RC”)

The members of the RC are as follows: -

NC members	Position
Mr. Koay Chiew Poh <i>Non-Independent Non-Executive Director</i>	Chairman
Mr. Soon Poh Lean <i>Independent Non-Executive Director</i>	Member
Dr. Sek Weng Yew <i>Independent Non-Executive Director</i>	Member
Mr. Tang Boon Lee <i>Independent Non-Executive Director</i>	Member

The responsibility of the RC is to review the remuneration framework and packages for the members of the Board and recommend them to the Board for approval. The remuneration of Directors is set at levels that would enable the Company to attract and retain Directors with relevant expertise and experience necessary to manage the Group effectively. Directors do not participate in decisions regarding their own remuneration packages. The remuneration package of the Non-Executive Chairman is approved by the full Board on the recommendation of the RC.

The current remuneration policy for Directors is as follows:

(a) Components of remuneration packages and link to business strategy and objectives: -

(i) *Remuneration package of Executive Directors*

The remuneration package for Executive Directors consists of both fixed and performance-linked elements. The performance of Executive Directors is reviewed annually by taking into consideration the following factors: -

1. The alignment of the remuneration package with the Group’s objectives and strategies;
2. Accountability and responsibility; and
3. Yearly performance.

(ii) *Fees for Non-Executive Directors*

The fees for Directors, including Non-Executive Directors, are endorsed by the Board and tabled for approval by the shareholders of the Company at the AGM. Non-Executive Directors are paid annual fixed fees for serving on the Board. These fees reflect the experience, level of responsibility, contributions, and the time spent attending to Group matters.

(b) Nature of commitments

In determining the appropriate level of remuneration for directors, the Board considers the Group’s performance in managing sustainability risks and opportunities.

The RC held its annual meeting on 27 February 2026 to review remuneration packages of the Executive Directors and Senior Management. This ensures that the remuneration packages offered are in line with the Group’s policies and can attract or retain Directors who contribute to the success of the Group. During the meeting, the Committee also reviewed the remuneration packages, and benefits of the INED, as well as the expenses incurred in the course of carrying out their duties. The proposed Director fees and benefits for the financial year 2026 will be tabled for shareholders’ approval at the forthcoming AGM of the Company.

The aggregate remuneration of the Directors paid or payable by the Group for the financial year under review are as follows: -

	Fee RM' 000	Salary RM' 000	Bonus RM' 000	Other emoluments RM' 000	EPF & SOCSO & EIS RM' 000	Benefit in- kind RM' 000	Total RM' 000
Executive Director							
Koay Chiew Poh	-	60	-	16	12	33	121
Koay Chiew Kang	-	300	359	593	191	40	1,483
Koay Teng Liang	117*	300	100	544	190	6	1,257
Koay Teng Kheong	117*	228	388	226	164	12	1,135
Koay Chue Beng	-	384	460	248	175	22	1,289
Gooi Chye Soon	-	207	90	120	58	4	479
Nurjannah Binti Ali	48 [#]	-	-	-	-	-	48
Non-Executive Director							
Soon Poh Lean	36 [#]	-	-	-	-	-	36
Sek Weng Yew	36 [#]	-	-	-	-	-	36
Tang Boon Lee	28 [#]	-	-	-	-	-	28
Total	382	1,479	1,397	1,747	790	117	5,912

* The remuneration paid to Executive Directors was in respect of their employment in the Group's subsidiary companies.

[#] The Director's fee of RM148,000 for the FYE 2025 was approved by the shareholders at the 38th AGM and was paid in FYE2025.

The aggregate remuneration (including salary, bonus, benefits in-kind and other emoluments) of the top (5) senior management staff in bands of RM50,000 during the financial year are as follows: -

Remuneration Range	Number of Senior Management
Between RM400,001 – RM450,000	2
Between RM450,001 – RM500,000	-
Between RM500,001 – RM550,000	-
Between RM550,001 – RM600,000	2
Between RM600,000 – RM650,000	1

In view of competitive pressures in the labour market on retaining talent, the Board has opted not to disclose the remuneration of senior management on named basis as recommended by the MCCG. The Board is of the view that disclosure of the remuneration bands is sufficient to meet the objectives of the MCCG.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee (“ARMC”)

The ARMC is tasked to oversee the effectiveness of the Group's audit and risk management function. Currently, the Committee consist of three (3) Independent Non-Executive Directors. The ARMC's role and responsibilities as set out set out in pages 44 to 49 of this Annual Report.

Assessment of suitability and independence of External Auditors

Through the ARMC, the Board maintains a transparent and professional relationship with the Group's External Auditor, Grant Thornton. The External Auditors are invited to attend the ARMC meetings to discuss their audit plans, audit findings and statutory financial statements. The ARMC meets with the External Auditors at least twice a year without the presence of the Executive Directors, Senior Management Team or Internal Auditors to discuss management reports and management's response, and the External Auditors are invited to raise any matter that requires the Board's attention.

Great emphasis is placed on the objectivity, suitability and independence of the External Auditors. The ARMC has performed its annual assessment of the performance, technical competency and independence of the External Auditors and has obtained written assurance from the External Auditors confirming their independence throughout the conduct of the audit engagement for the financial year prior to recommending their re-appointment to the Board. Shareholders' approval will be sought at the forthcoming AGM.

Risk management and internal control

The Board acknowledges its responsibilities to maintain a sound internal control system including financial controls, operational and compliance controls as well as governance and risk management to safeguard shareholders' investments, stakeholders' interests and the Group's assets. The Statement on Risk Management and Internal Control of the Group are set out in pages 50 to 52 of this Annual Report.

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

Communication with stakeholders

The Board recognises the importance of a high quality, on-going dialogue which helps to build trusts and understanding, as well as enable better appreciation of the Group's objectives, quality of its management and challenges. Shareholders, prospective investors and other stakeholders are kept abreast with the development of the Group through timely release of financial results, along with various announcements made to Bursa Securities. During the AGM, the Chairman delivered a brief presentation on the financial performance and activities of the Group throughout the year. Members of the Board are available to respond to any question that shareholders may have. The External Auditors are also present to provide their professional and independent clarification on the issues and concerns raised by shareholders.

Conduct of general meetings

The AGM is the primary forum for dialogue and interaction with both institutional and individual shareholders. Members of the Board, the Senior Management team as well as the External Auditors are present to provide clarification to any questions that shareholders may have in relation to the business activities of the Group. It also provides an ideal opportunity for shareholders to communicate their expectations and concerns.

During the meeting, the Chairman will inform shareholders, proxies and corporate representatives on their rights to demand for a poll vote at the commencement of a general meeting. In line with the Group's Constitution, substantive resolutions are put to vote by poll and the outcome will be announced to Bursa Securities.

Members of the Board, the Joint Company Secretaries and External Auditors have attended the Group's 38th AGM held on 26 May 2025 meeting. All resolutions put to vote at the meeting were unanimously approved.

Compliance Statement

This CG Overview Statement was approved by the Board on 6 April 2026 and the Board was of the view that the Group has substantially complied with principles and practices that are set out in the MCCG and the MMLR.

Additional Compliance Information

The following information is provided in compliance with Paragraph 9.25 of the MMLR.

1. Audit Fees and Non-Audit Fees

The amount of audit fees and non-audit fees receivable by the External Auditors of the Group during the financial year ended 31 December 2025 are as below: -

Paid By	Audit fee (RM'000)	Non-Audit fee (RM'000)
Company	36	3
Group	240	25

2. Material Contracts involving Directors and Substantial Shareholders

There was no material contracts entered into by the Company and its subsidiaries involving the Directors and major shareholders' interests, whether still subsisting at the end of the financial year ended 31 December 2025 or entered into since the end of the previous financial year.

3. Utilisation of Proceeds Raised from Corporate Proposal

The Company did not undertake any corporate proposal during the financial year ended 31 December 2025.

4. Recurrent Related Party Transaction of A Revenue or Trading Nature

Other than related party transactions entered into in the ordinary course of business as disclosed in Note 28 to the financial statements, there are no other significant recurrent related party transactions of a revenue or trading nature.

5. Employees' Share Scheme ("Scheme")

At the Extraordinary General Meeting held on 29 August 2017, the Company's shareholders have approved the establishment of a Scheme, which comprises of an Employee Share Option Scheme ("ESOS") and an Employee Share Grant Scheme ("ESGS"). The Scheme is administered by the Scheme Committee which was appointed by the Board in accordance with the by-laws of the Scheme. The Scheme shall be in force for a period of five (5) years commencing from 6 October 2017 ("Initial Term"), unless extended for another five (5) years.

On 30 May 2022, the Board had approved the extension of the Scheme for a period of another five (5) years from the expiry of the Initial Term in accordance with paragraph 6.2 of the by-laws of the Scheme.

The details of shares and options granted under the Scheme up to the financial year ended 31 December 2025 are as set out below: -

Grant date	Market /Exercise price (RM)	Balance as at 1 January 2025	Granted & accepted	Exercised/ Forfeited	Balance as at 31 December 2025
<i>Pursuant to ESOS</i>					
- 21 July 2021	0.560	9,100	-	-	9,100
- 30 June 2022	0.465	27,841	-	-	27,841
- 20 October 2022	0.495	14,478	-	(500)	13,978

6. Comparative financial data for the purpose of Shariah Screening by the Shariah Advisory Council

(A) Group Total Income and Total Assets

	Group	
	2025 RM'000	2024 RM'000
Total income		
Revenue	200,041	206,768
Other income	8,677	5,562
Shares of results of joint ventures	5,523	1,986
Finance income	121	200
Total	214,362	214,516
Total Assets	516,667	474,442

(B) Business activities

	Remarks	Group	
		2025 RM'000	2024 RM'000
Shariah Non-Compliant Activities			
Revenue	Note 20		
Manufacturing segment – sales of goods		1,450	393
Hospitality segment			
Food and beverage income		2,493	2,558
Other hotel operation income		94	74
Distribution income		1,656	1,314
Gross dividend from quoted equity investments		130	70
Rental income		417	467
Other Income	Note 22		
Distribution income		2,141	1,769
Fair value gain from quoted equity investments		476	321
Fair value gain from short term funds		2,189	1,980
Gain on disposal of quoted equity investments		52	2
Gross dividend quoted equity investments		460	343
Insurance claimed		50	145
Rental income		-	-
Finance income	Note 22	121	192
Total		<u>11,729</u>	<u>9,628</u>

(C) Component of Financial Position**(i) Cash Component**

Islamic account/instruments

	Group	
	2025 RM'000	2024 RM'000
Islamic Account/ Instruments		
Total	<u>-</u>	<u>-</u>

Conventional account/instruments

	Remarks	Group	
		2025 RM'000	2024 RM'000
Conventional Account/ Instruments			
Other investments	Note 9	211,237	174,017
Cash and bank balance	Note 14	22,669	24,638
Total		<u>233,906</u>	<u>198,655</u>

(ii) Debt component

Islamic financing

	Group	
	2025 RM'000	2024 RM'000
Islamic financing		
Total	<u>-</u>	<u>-</u>

Conventional financing

	Remarks	Group	
		2025 RM'000	2024 RM'000
Conventional borrowing			
Current			
Overdrafts	Note 18	135	521
Term loans	Note 18	1,088	1,698
Non-current			
Term loans	Note 18	-	1,072
Total		<u>1,223</u>	<u>3,291</u>

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The details of attendances of each Audit Committee (“ARMC”) members at Audit and Risk Management Committee meetings held during year 2025 are as follows: -

ARMC members	Attendance
Mr. Soon Poh Lean <i>Chairman, Independent Non-Executive Director</i>	5/5
Dr. Sek Weng Yew <i>Member, Independent Non-Executive Director</i>	4/5
Mr. Tang Boon Lee <i>Member, Independent Non-Executive Director</i>	5/5

TERMS OF REFERENCE

The full Terms of Reference setting out the ARMC’s composition, meeting procedures, authority, and functions and duties can be viewed at the Company’s website, www.pph.com.my.

SUMMARY OF ACTIVITIES

The ARMC has discharged its duties as set out in its Terms of Reference. During the financial year, the activities of the ARMC include: -

1. FINANCIAL REPORTING

- (a) The ARMC reviewed the unaudited quarterly financial results with the Management before submission of the same to the Board of Directors for consideration, approval and release to Bursa Malaysia Securities Berhad. The reviews focused on:
- Changes in or implementation of major accounting policies;
 - Significant matters highlighted, including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed; and
 - Compliance with accounting standards and other legal requirements.

2. EXTERNAL AUDIT

- (a) On 18 November 2025, the ARMC together with the External Auditors reviewed the audit plan for the Group and the Company for the financial year ended 2025, outlining audit scope, audit approaches, areas of focus, recent developments in the Group, financial reporting updates and proposed fees for statutory audit prior to the commencement of the annual audit.
- (b) On 27 February 2026 and 30 March 2026, the ARMC reviewed the results of the External Auditors’ audit report together with the Management’s response to the findings of the External Auditors before recommending the same for the Board’s approval. “Key Audit Matters”

prepared in accordance to *International Standards on Auditing 701 Commentary Key Audit Matters in the Independent Auditors’ Report*, were also discussed during the meeting.

- (c) The ARMC met with the External Auditors without the presence of the Management on 18 November 2025, 27 February 2026 and 30 March 2026 to discuss the assistance provided by the Management to them during the course of audit, and audit findings which they would want to bring to the attention of the ARMC.
- (d) In accordance with the MCCG, the ARMC assessed the suitability of the External Auditors on 30 March 2026 based on the following criteria:
- Caliber and quality of work;
 - Independence and objectivity;
 - Communication; and
 - Professionalism.

The ARMC was satisfied that the External Auditors meet all the established criteria. In addition, the ARMC obtained written assurance from the External Auditors confirming their independence throughout the conduct of the audit engagement for the financial year. Accordingly, recommendation was made to the Board for the re-appointment of the External Auditors to audit the financial statements for the next financial year subject to shareholders’ approval.

3. INTERNAL AUDIT

- (a) On 27 February 2026, the ARMC reviewed and approved the internal audit plans for the financial year ended 2026. During the exercise, the ARMC reviewed the adequacy and relevance of the scope, functions, resources, risk-based audit plans, and results of the Group’s internal audit processes with the Head of Internal Audit, and confirmed that she has the necessary authority to carry out the work.
- (b) Audit reports based on the audit plan approved by the ARMC were presented by the Head of Internal Audit on 26 May 2025, 18 August 2025, 17 November 2025 and 27 February 2026. The Head of Internal Audit also provided updates to the AMRC in respect of the implementation of management plans or agreed course of action on the findings reported during audit.
- (c) On 27 February 2026, the ARMC reviewed the performance of the Internal Auditors based on adequacy of the scope, functions, competency and resources of the Internal Audit function prior to recommendation to the Board on their appointment.

4. RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”)

- (a) Reviewed the related party transactions entered into by the Group and by the Company and the disclosure of such transactions in the Annual Report of the Company. The review is to ensure the following: -
- The transactions were carried out on normal commercial terms and were not prejudicial to the interest of the Group and its minority shareholders;
 - Adequate oversight over the internal control procedures with regard to such transactions; and
 - Compliance with the Group’s policy on related party transactions.
- (b) Reviewed the proposals and circular to shareholders in connection with RRPT of a revenue or trading nature prior to submission of the relevant documents to Bursa Malaysia Securities Berhad, if any.

5. RISK MANAGEMENT AND INTERNAL CONTROL

- (b) Reviewed and deliberated on the Group’s Risk Management Framework which identifies and monitors the development of potential major risks affecting the Group externally and internally.
- (c) Reviewed the principal risks to ensure implementation of appropriate risks management systems to effectively identify, analyse, evaluate, manage, monitor, treat and mitigate the risks impacting the Group.
- (d) Assessed emerging risks and mitigation plans, covering among others, sustainability-related risks and opportunities.

- (e) Reviewed the Statement on Risk Management and Internal Control to be disclosed in the Annual Report.

6. OTHERS

- (a) ARMC reviewed the extent of the Group’s compliance with the principles and recommendations set out in the MCCG for the purpose of preparing the Statement of Corporate Governance and the Statement of Risk Management and Internal Control for inclusion in the Company’s Annual Report for the financial year ended 31 December 2025. AMRC also recommended to the Board action plans to address the identified gaps between the Group’s existing corporate practices and the prescribed principles and recommendations under the MCCG.
- (b) Reviewed and revised its Terms of Reference to ensure compliance with the latest amendments to the MMLR affecting the ARMC, and recommended to the Board for approval.
- (c) Reviewed the implementation of the Group’s ABC Policy that was prepared in accordance to “TRUST” principles of the Guideline on Adequate Procedures, pursuant to of Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009.
- (d) Reviewed the implementation of the Group’s whistleblowing policy including measures to promote employee awareness and to ensure the protection of the identity and interests of all whistle-blowers.
- (e) Reviewed the conflict-of-interest involving Directors and Key Senior Management in accordance with the MMLR.

SUMMARY OF CONFLICT-OF-INTEREST (“COI”)

A summary of the actual and/or potential COI situations involving Directors and Key Senior Management, along with the measures taken to resolve, eliminate or mitigate such conflicts, is as follows: -

Nature and extent of interest of Director, major shareholder, persons connected with such Director or major shareholder, and Key Senior Management	Nature of COI or potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
<p>Koay Chiew Poh is a director and major shareholder of PPHB.</p> <p>Ooi Siew Hong is the spouse of Koay Chiew Poh.</p> <p>Koay Teng Liang, Koay Teng Kheong and Dr. Koay Teng Kwang are children of Koay Chiew Poh and Ooi Siew Hong.</p> <p>Goh Ee Lin is the spouse of Koay Teng Liang and Lim Mei Lin is the spouse of Koay Teng Kheong.</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are siblings.</p>	<ul style="list-style-type: none"> - RRPT with Fame Pack and KBPHSB. - Ooi Siew Hong is a Principal Officer of PPHB Group. - Dr. Koay Teng Kwang is an employee of PPSB, PPNT, PPAM and PPHK, the wholly-owned subsidiaries of PPHB. 	<ul style="list-style-type: none"> - To ensure RRPT are carried out at arm’s length - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family’s interests - The annual performance evaluation and remunerations of Ooi Siew Hong and Dr. Koay Teng Kwang will be subject to and endorsed by the Nominating and Remuneration Committees.

Nature and extent of interest of Director, major shareholder, persons connected with such Director or major shareholder, and Key Senior Management	Nature of COI or potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
<p>Koay Chiew Poh (con't) Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.</p> <p>Fame Pack Holdings Sdn Bhd ("Fame Pack") is a substantial shareholder of PPHB, of which Koay Chiew Poh and Ooi Siew Hong are directors and shareholders.</p> <p>Koay Boon Pee Holding Sdn Bhd ("KBPHSB") is a shareholder of PPHB, of which Koay Chiew Poh and Ooi Siew Hong are directors and shareholders.</p>		
<p>Ooi Siew Hong is a Principal Officer and major shareholder of PPHB.</p> <p>Ooi Siew Hong is the spouse of Koay Chiew Poh.</p> <p>Koay Teng Liang, Koay Teng Kheong and Koay Teng Kwang are children of Koay Chiew Poh and Ooi Siew Hong.</p> <p>Goh Ee Lin is the spouse of Koay Teng Liang and Lim Mei Lin is the spouse of Koay Teng Kheong.</p> <p>Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are brothers-in-law.</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.</p> <p>Fame Pack is a substantial shareholder of PPHB of which Koay Chiew Poh and Ooi Siew Hong are directors and shareholders.</p> <p>KBPHSB is a shareholder of PPHB of which Koay Chiew Poh and Ooi Siew Hong are directors and shareholders.</p>	<ul style="list-style-type: none"> - RRPT with Fame Pack and KBPHSB. - Ooi Siew Hong is a Principal Officer of PPHB Group. - Dr. Koay Teng Kwang is an employee of PPSB, PPNT, PPAM and PPHK, the wholly-owned subsidiaries of PPHB. 	<ul style="list-style-type: none"> - To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family's interests. - The annual performance evaluation and remunerations of Ooi Siew Hong and Dr. Koay Teng Kwang will be subject to and endorsed by the Nominating and Remuneration Committees.
<p>Koay Chiew Kang</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are siblings.</p> <p>Koay Sze-Lynn, Koay Mei-Lynn and Koay Lynn-Lynn are children of Koay Chiew Kang.</p> <p>Koay Teng Liang and Koay Teng Kheong are nephews of Koay Chiew Kang.</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.</p> <p>KBPHSB is a shareholder of PPHB, of which Koay Chiew Kang is a director and shareholder.</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.</p>	<ul style="list-style-type: none"> - RRPT with KBPHSB. - Koay Sze-Lynn is an employee of PPSB, PPNT, PPPR, PPAM, PPHK and Plaza, the wholly-owned subsidiaries of PPHB. - Koay Mei-Lynn is an employee of PPSB, PPNT, PPPR, PPAM and MC, the wholly-owned subsidiaries of PPHB. - Koay Lynn-Lynn is an employee of PPSB, PPNT, PPPR, PPAM and PPHK, he wholly-owned subsidiaries of PPHB. 	<ul style="list-style-type: none"> - To ensure RRPT are carried out at arm's length - To abstain from any discussion/voting pertaining to RRPT. - The annual performance evaluation and remuneration of Koay Sze-Lynn, Koay Mei-Lynn and Koay Lynn-Lynn will be subject to and endorsed by the Nominating and Remuneration Committees.

Nature and extent of interest of Director, major shareholder, persons connected with such Director or major shareholder, and Key Senior Management	Nature of COI or potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
<p>Koay Chue Beng</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are siblings.</p> <p>Koay Teng Seah is the son of Koay Chue Beng.</p> <p>Koay Teng Liang and Koay Teng Kheong are nephews of Koay Chue Beng.</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.</p> <p>KBPHSB is a shareholder of PPHB, of which Koay Chue Beng is a director and shareholder.</p> <p>Koay Chue Beng is a director of Infinite Network Sdn Bhd (“Infinite”).</p>	<ul style="list-style-type: none"> - RRPT with KBPHSB and Infinite. - Koay Teng Seah is an employee of PPHDD, a wholly-owned subsidiary of PPHB. 	<ul style="list-style-type: none"> - To ensure RRPT are carried out at arm’s length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family’s interests. - The annual performance evaluation and remuneration of Koay Teng Seah will be subject to and endorsed by the Nominating and Remuneration Committees.
<p>Koay Chiew Lee</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Chue Beng and Koay Chiew Lee are siblings.</p> <p>Koay Teng Liang and Koay Teng Kheong are nephews of Koay Chue Beng.</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.</p> <p>KBPHSB is a shareholder of PPHB, of which Koay Chiew Lee is a director and shareholder.</p>	<ul style="list-style-type: none"> - RRPT with KBPHSB 	<ul style="list-style-type: none"> - To ensure RRPT are carried out at arm’s length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family’s interests.
<p>Koay Teng Liang</p> <p>Koay Teng Liang is the son of Koay Chiew Poh and Ooi Siew Hong.</p> <p>Koay Teng Liang and Koay Teng Kheong are siblings.</p> <p>Koay Chiew Kang, Koay Chiew Lee and Koay Chue Beng are uncles of Koay Teng Liang.</p> <p>Goh Ee Lin is the spouse of Koay Teng Liang.</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.</p> <p>Multiple Accomplishment Sdn. Bhd. (“MASB”) is a substantial shareholder of PPHB, of which Koay Teng Liang is a director and shareholder.</p> <p>Koay Teng Liang is a director and shareholder of Fame Pack.</p> <p>Koay Teng Liang is a director and shareholder of Peoples Primary Healthcare Sdn. Bhd. (“PPHSB”).</p>	<ul style="list-style-type: none"> - RRPT with Fame Pack, PPHSB and MASB. - Goh Ee Lin is an employee of PPHDD, a wholly-owned subsidiary of PPHB. 	<ul style="list-style-type: none"> - To ensure RRPT are carried out at arm’s length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family’s interests. - The annual performance evaluation and remuneration of Goh Ee Lin will be subject to and endorsed by the Nominating and Remuneration Committees.

Nature and extent of interest of Director, major shareholder, persons connected with such Director or major shareholder, and Key Senior Management	Nature of COI or potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
<p>Koay Teng Kheong</p> <p>Koay Teng Kheong is the son of Koay Chiew Poh and Ooi Siew Hong.</p> <p>Koay Teng Kheong and Koay Teng Liang are siblings.</p> <p>Koay Chiew Kang, Koay Chiew Lee and Koay Chue Beng are uncles of Koay Teng Kheong.</p> <p>Lim Mei Lin is the spouse of Koay Teng Kheong.</p> <p>Koay Chiew Poh, Koay Chiew Kang, Koay Teng Liang and Koay Teng Kheong and Koay Chue Beng are directors of PPHB.</p> <p>MASB is a shareholder of PPHB, of which Koay Teng Kheong is a director and shareholder.</p> <p>Koay Teng Kheong is a director and shareholder of Fame Pack.</p> <p>Koay Teng Kheong is a director and shareholder of Peoples Primary Healthcare Sdn Bhd.</p>	<ul style="list-style-type: none"> - RRPT with Fame Pack, PPHSB and MASB. - Lim Mei Lin is employee of PPNT, PPHPG and PPAM, the wholly-owned subsidiaries of PPHB. 	<ul style="list-style-type: none"> - To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his and his family's interests. - The annual performance evaluation and remuneration of Lim Mei Lin will be subject to and endorsed by the Nominating and Remuneration Committees.
<p>Nurjannah Binti Ali</p> <p>Nurjannah Binti Ali is an Executive Director of PPHB</p> <p>Nurjannah Binti Ali is a director and shareholder of Turas Sdn Bhd (“Turas”).</p> <p>Nurjannah Binti Ali is a director of Infinite.</p>	<ul style="list-style-type: none"> - RRPT with Turas and Infinite. 	<ul style="list-style-type: none"> - To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving her interests.
<p>Tang Boon Lee</p> <p>Tang Boon Lee is an Independent Non-executive Director of PPHB.</p> <p>Tang Boon Lee is a director of Turas and Infinite.</p>	<ul style="list-style-type: none"> - RRPT with Turas and Infinite. 	<ul style="list-style-type: none"> - To ensure RRPT are carried out at arm's length. - To abstain from any discussion/voting pertaining to RRPT or any COI or any potential COI involving his interests.

INTERNAL AUDIT FUNCTION

The AMRC is supported by an in-house Internal Audit function in the discharge of its duties and responsibilities. The Internal Audit function reports directly to the ARMC. Its responsibilities include the provision of reasonable assurance to all levels of management concerning the overall control over assets and the effectiveness of the system of internal control in achieving the Group's overall objectives. The Internal Audit function also includes various internal audits on all operating units of the Group and is required to submit its findings and recommendations to the ARMC and Senior Management of the subsidiaries.

ACTIVITIES OF INTERNAL AUDIT FUNCTION

The Internal Audit function is carried out by a team of in-house Internal Auditors, who reports directly to the ARMC. The Internal Auditors have direct access to the ARMC on all internal control and audit issues. The role of Internal Auditors is to assist the ARMC in reviewing, examining and evaluating the effectiveness of the Group's internal control system whilst ensuring that there is an appropriate balance of controls and risks in achieving its business objective.

The Internal Auditors are independent from the Group's operations. The Internal Auditors adopt a risk-based approach towards the planning and conduct of audits consistent with the Group's objective in designing, implementing and monitoring of control system. Annual internal audit plan is developed in consideration of the audit history and the Group's risk that the Board and Management are focused in, and is approved by ARMC during the first ARMC meeting of the year.

The Internal Auditors carried out its activities based on the annual internal audit plan approved by AMRC. During FYE 2025, the Internal Auditors completed a total of **118** audit assignments. The audit covered various areas of the Group as follows: -

- (i) Inventory and Warehouse Management;
- (ii) Human Resource and Payroll Management;
- (iii) Production and Quality Control Management;
- (iv) Safety and Health Management;
- (v) Casual Worker and Cash Management;
- (vi) Custom Compliance; and
- (vii) Sales and Service Tax ("SST") Compliance.

After each audit, the findings and recommendations are submitted to the heads of the subsidiaries in which the audit was carried out. The Management of the audited subsidiary is obliged to respond to the findings of the in-house Internal Auditors. Thereafter, a follow up audit is carried out to ensure that the recommendations of the in-house Internal Auditors are followed through.

The External Auditors will also meet up with the in-house Internal Auditors twice a year to exchange views and audit findings. The External Auditors will review the recommendations given by the in-house Internal Auditors to the Company or its subsidiaries in which the audit was carried out.

The Group's Head of Internal Audit meets with the ARMC on a quarterly basis. The internal audit reports on audits conducted at each audited subsidiary are presented and reported at the ARMC meeting.

In summary, the Board of Directors, working with the ARMC, carries out the ongoing process of monitoring the effective application of policies, processes and activities related to internal control, and is responsible to ensure that the Group's system of internal control is in place.

During the financial year ended 31 December 2025, the Group incurred **RM176,000** to carry out the Internal Audit function performed by the in-house Internal Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors is pleased to present the following statement on Risk Management and Internal Control of the Group which has been prepared pursuant to Paragraph 15.26(b) of the MMLR and guided by the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers”.

BOARD RESPONSIBILITY

The Board recognises the importance of effective risk management and internal control practices to safeguard shareholders’ investments and the Group’s assets. The Board acknowledges its overall responsibility to identify the principal risks within the Group, ensure implementation of appropriate systems to manage these risks, as well as to review the adequacy and integrity of the Group’s system of internal control.

These systems are designed to manage the Group’s risks within acceptable levels, rather than to eliminate risk of the non-achievement of the Group’s policies, goals and objectives. Therefore, these systems provide a reasonable but not absolute assurance against material loss or against the Group’s failure to achieve its objectives. For the purpose of these statements, joint ventures are not considered as part of the Group.

The ARMC was set up on 26 February 2018 to oversee and ensure the effective implementation of the risk management and internal control systems of the Group. The members of the ARMC are as follows: -

Name and position	Position
Mr. Soon Poh Lean <i>Independent Non-Executive Director</i>	Chairman
Dr. Sek Weng Yew <i>Independent Non-Executive Director</i>	Member
Mr. Tang Boon Lee <i>Independent Non-Executive Director</i>	Member

Risk Management Team

The Group’s Risk Management Team is responsible to overseeing and executing the Group’s risk management and internal control systems with the following objectives: -

- Ensuring uninterrupted delivery of goods and services in the event of disruptions;
- Safeguarding the Group’s assets and reputation;
- Preserving the safety and health of employees;
- Ensuring that the Group’s operations are not adversely affected by the environment;
- Ensuring compliance with regulatory requirements; and
- Promoting risk awareness and maintaining a risk-controlled culture.

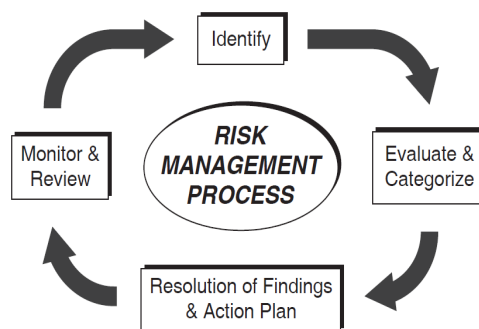
The team, which is led by the Group Managing Director and assisted by the Senior Management, identifies and evaluates potential risks during periodic Internal Unit Meetings. Significant matters and relevant mitigation plans are then reported by the Group Managing Director to the ARMC and the Board in Board meetings during the financial year. Thereafter, mitigations plans are executed by Senior Management and monitored by the team.

Risk Management Framework

Risk management is firmly embedded in the Group’s management system as the Group believes that prudent risk management is vital for sustainability and enhancement of shareholders’ value. To ensure alignment of activities with the Group’s strategic objectives and compliance with regulatory requirements, the Group has implemented a risk management framework to identify, measure, assess and manage significant risks affecting the Group. This framework is reviewed periodically by the Board via the ARMC to ensure its relevance and adequacy to managing risks, which continue to evolve along with the changing business environment.

Risk Management Process

The Group’s Risk Management process is categorised into four steps as follows: -



(a) Risk Identification

All potential events that could adversely impact the achievement of business objectives, including failure to capitalise on opportunities is identified. Informal management discussions are held by the Executive Directors with the Senior Management Team to identify potential business-related risks throughout the financial year. Updates and feedback are generally reported by Divisional and Departmental Heads.

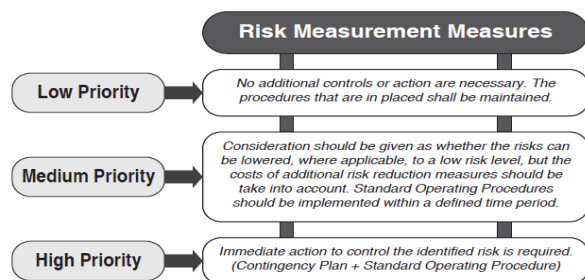
(b) Risk Evaluation and Categorisation

The identified risks are then evaluated to determine their impact on the relevant business strategies and objectives, and the likelihood of each risk. The Risk Matrix shown below is utilized to classify the impact and likelihood of each risk event ranging from “Low Priority” to “High Priority”. This will assist the Group in optimal allocation of resources and preparation of the most appropriate responses to manage and mitigate identified risks.

		IMPACT (EFFECT)		
		IRREVERSIBLE	TOLERABLE	NEGLIGIBLE
LIKELIHOOD	VERY LIKELY	HIGH PRIORITY	HIGH PRIORITY	MEDIUM PRIORITY
	LIKELY	HIGH PRIORITY	MEDIUM PRIORITY	LOW PRIORITY
	UNLIKELY	MEDIUM PRIORITY	LOW PRIORITY	LOW PRIORITY

(c) Risk Mitigation

Risk mitigation involves development of mitigation plans designed to manage, eliminate or reduce risk to an acceptable level. In this stage, risk owners with vast experience (usually Senior Managers of the Group) are responsible for identifying action plans. Impact of risks can be categorized as Low, Medium or High Priority and appropriate responses are developed as outlined in the table below: -



(d) Risk Monitoring & Review

As part of the Risk Management process, frequent meetings are held between the Group Managing Director, Risk Management Team, Division Heads and Senior Managers. Identified risks and action plans are monitored, reviewed and revised on an on-going basis to ensure adequacy and effectiveness. The monitoring of risk is further enhanced by internal audits carried out in accordance with internal audit plan approved by the ARMC.

Internal Control System

The Group’s Internal Control system encompasses controls relating to financial, operational, risk management as well as compliance with laws, regulations, policies and guidelines. The effectiveness and integrity of these Internal Controls is overseen and periodically reviewed by the Board, while operationally monitored by Management at various organization levels. Through well-planned delegation of responsibilities, the Risk Management Team proactively identifies, analyses, mitigates and monitors significant business risks, ensuring that the risks are within tolerance limits established by the Board. Regular reviews are performed to ensure the Risk Management and Internal Control systems are adequate and remains effective.

The key elements of the Group’s Internal Control system and activities are described as below: -

- **Organisation Structure**

A formal organisation structure is in place to define the function, reporting line and responsibility of Management staff. This organisation structure serves to facilitate quick response to changes in the evolving business environment, supervision of day-to-day business operations and accountability for operation performance.

- **Financial Review Control**

ARMC meets quarterly to review the quarterly financial reports and to ensure the financial reports are properly prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 so as to give a true and fair view of the Group’s financial position. These financial statements are presented to the Board for approval prior to being released to Bursa Malaysia Securities Berhad.

- **Policies, Procedures and Limits of Authority**

Standard operating procedures are established for operating units and departments within the units, illustrating detailed operating procedures and controls at all levels and in all functions. Activities such as approvals, authorizations, verifications, reconciliations, operating performance assessments, security of assets and segregation of duties are included. The manuals are reviewed and updated on an on-going basis to ensure compliance with internal controls, directives, laws and regulations.

- **Internal Audit**

Periodic review of the Group’s Internal Control system is executed by the Internal Audit Division, in accordance with the annual plan approved by the ARMC. The Head of Internal Audit examines, evaluates and reports the effectiveness and efficiency of the Group’s internal control system. Findings and corrective measures are communicated to Division Heads and Senior Managers of the respective departments. Subsequently, audit findings, recommendations and management responses are reviewed by the ARMC during ARMC Meetings and directed to the Board for rectification.

- **Compliance Audit**

Yearly audits are carried out by Fides Certification (M) Sdn Bhd (“FIDES”) in relation to the Quality Management System (ISO9001:2015) and Environment Management System (ISO14001:2015). These audits ensure compliance with international standards and conditions improvement of product and service quality as well as environmental performance.

- **Human Resource Management**

The Group has implemented a formal Human Resource Policy and Employee Handbook across the Group to ensure its ability to operate effectively and efficiently. These documents are reviewed and updated periodically to comply with the applicable laws.

Annual performance appraisals are conducted to assess employees' competency. In addition, training and development programs are provided to enhance employees' knowledge, skills and abilities for effective and efficient job performance.

- **Succession Planning**

The Group identifies and develops middle management across key operational areas as an integral part of its management succession plan. This includes offering competitive remuneration packages as well as providing training and career development opportunities across all functions.

- **ABC Policy**

The Group's ABC policy was established and enforced across the Group. The Group adopts a zero-tolerance approach in combating all forms of bribery and corruptions. An employee or associated person, who encounters actual or suspected violations of the policy is encouraged to whistle-blow or report any concern through appropriate channels under the Group's whistle-blowing policy, which is made available at www.pph.com.my.

- **Insurance and Safeguard of Assets**

The Group's assets are insured to ensure protection against mishaps and other perils which might result in material losses. Annual reviews are performed by the Management during policy renewals to maintain sufficient coverage.

ADEQUACY AND EFFECTIVENESS

The Board is of the view that the Group's risk management and internal control systems are adequate and effective in managing the Group's key risks during the financial year under review.

The system has functioned satisfactorily, with no material internal control failures that have resulted in significant losses or adversely affected the Group's financial position.

ASSURANCE PROVIDED BY THE AUDITOR

This statement has been reviewed by the External Auditors pursuant to Paragraph 15.23 of the MMLR and the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants for inclusion in the 2025 Annual Report. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention and they believe that this statement is consistent with their understanding of the process adopted by the Board in assessing the adequacy and integrity of the Group's Risk Management and Internal Control.

ASSURANCE PROVIDED BY GROUP MANAGING DIRECTOR

During the Board meeting held on 30 March 2026, based on the briefing by the Group Managing Director, the ARMC and the Board are satisfied that the Risk Management and Internal Control of the Group is adequate and is operating effectively, in all material aspects, during the financial year under review.

This statement was approved by the Board on 6 April 2026.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are collectively responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the results and cash flows of the Group and of the Company for the financial year then ended. The financial statements are prepared on a going concern basis, in accordance with the applicable approved accounting standards and comply with the provision of the Companies Act 2016. It is the duty of the Directors to review the appropriateness of the basis of accounting policies and supported by reasonable and prudent judgments and estimates before adopting the financial statements and presenting them during the AGM together with their Report and Auditors' Report thereon.

The Directors are responsible for ensuring that the Group and the Company keep accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company, which also enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have general responsibility for taking steps as are reasonably open to them to safeguard the shareholders' interest and the assets of the Group and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year remain unchanged and consist of investment holding and the provision of financial, administrative and advisory services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit for the financial year	41,629	12,598

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 December 2025** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the Company has declared a single tier interim dividend of RM0.00375 per ordinary share amounting to RM1,000,115 in respect of financial year ended 31 December 2024 on 24 February 2025 and paid on 17 March 2025.

On 27 February 2026, the Company has declared a single tier interim dividend of RM0.0075 per ordinary share amounting to RM2,000,228 in respect of financial year ended 31 December 2025 and paid on 6 April 2026. Such dividend will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 31 December 2026.

The directors do not recommend any final dividend payment 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.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debentures.

EMPLOYEE SHARE OPTION SCHEME (“ESOS”) AND EMPLOYEE SHARE GRANT SCHEME (“ESGS”)

The Company's ESOS and ESGS are governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 29 August 2017. The ESOS and ESGS will be in force for a maximum period of five years till 6 October 2022 and had been extended for a further five years which expiring on 6 October 2027.

The salient features of the ESOS and ESGS are disclosed in Note 32 to the financial statements.

The movement of the share options during the financial year is as follows:

Grant date	Exercise price RM	Number of ESOS			Balance at 31.12.2025
		Balance at 1.1.2025	Exercised	Forfeited	
21.7.2021	0.560	9,100	-	-	9,100
30.6.2022	0.465	27,841	-	-	27,841
20.10.2022	0.495	14,478	-	(500)	13,978

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

- * **Koay Chiew Poh**
- * **Koay Chiew Kang**
- * **Koay Teng Liang**
- * **Koay Teng Kheong**
Nurjannah Binti Ali
- * **Gooi Chye Soon**
- * **Koay Chue Beng (alternate director to Koay Chiew Poh)**
Soon Poh Lean
Dr. Sek Weng Yew
Tang Boon Lee

Directors of the subsidiaries:

Koay Chiew Lee
Ooi Siew Hong
Loo Weng Keen
Tan Peck Sian
Tay Gee Lang

* The directors are also directors of the Company's certain subsidiaries.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in 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			Balance at 31.12.2025
	Balance at 1.1.2025	Bought	ESGS *	
The Company:				
Direct Interest:				
Koay Chiew Poh	10,445,251	-	-	10,445,251
Koay Chiew Kang	2,567,749	-	-	2,567,749
Koay Teng Liang	2,016,903	1,487,800	-	3,504,703
Koay Teng Kheong	1,904,910	580,000	-	2,484,910
Koay Chue Beng	938,860	-	-	938,860
Gooi Chye Soon	311,963	-	-	311,963
Tang Boon Lee	11,519	-	-	11,519

	----- Number of ordinary shares-----			Balance at 31.12.2025
	Balance at 1.1.2025	Bought	ESGS *	
	Deemed Interest:			
¹ Koay Chiew Poh	119,017,549	-	-	119,017,549
² Koay Chiew Kang	9,854,390	-	-	9,854,390
³ Koay Chue Beng	9,443,999	-	-	9,443,999
⁴ Koay Teng Liang	17,559,763	-	-	17,559,763
⁴ Koay Teng Kheong	17,559,763	-	-	17,559,763

* Arising from the ESGS granted.

¹ Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Fame Pack Holdings Sdn. Bhd., Koay Boon Pee Holding Sdn. Bhd., his spouse and son respectively.

² Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Koay Boon Pee Holding Sdn. Bhd., his spouse and daughter respectively.

³ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Koay Boon Pee Holding Sdn. Bhd..

⁴ Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Multiple Accomplishments Sdn. Bhd. and his spouse respectively.

By virtue of his shareholdings in the Company, **Mr. Koay Chiew Poh** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

Other than the above, none of the other directors holding office at the end of the financial year had any interests in shares in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM'000	SUBSIDIARIES RM'000	GROUP RM'000
Directors' fees	148	234	382
Salaries, bonus and allowances	-	4,623	4,623
Defined contribution plan	-	778	778
Social security contribution and employment insurance scheme	-	12	12
Benefits-in-kind	-	117	117
	148	5,764	5,912

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

No indemnity has been given to or insurance effected for any of the directors and officers of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

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

In the opinion of the directors:

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

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 31 December 2025 are as follows:

	GROUP RM'000	COMPANY RM'000
Statutory audit	240	36
Assurance related services and non-audit services	25	3
Total	265	39

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

.....
Koay Chiew Poh

Penang,

Date: 6 April 2026

.....
Koay Teng Liang

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 63 to 113 are properly 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 at **31 December 2025** and of their financial performance and cash flows for the financial year then ended.

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

.....
Koay Chiew Poh

.....
Koay Teng Liang

Date: 6 April 2026

STATUTORY DECLARATION

I, **Ooi Siew Hong**, the officer primarily responsible for the financial management of **Public Packages Holdings Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 63 to 113 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed in Penang, this **6th**)
day of **April 2026**.)

.....
Ooi Siew Hong

Before me,

.....
Goh Suan Bee
No.: P125
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PUBLIC PACKAGES HOLDINGS BERHAD

Registration No. 198701003743 (162413-K)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Public Packages Holdings Berhad**, which comprise the statements of financial position as at **31 December 2025** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 63 to 113.

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

**Independent Auditors’ Report To The Members Of
Public Packages Holdings Berhad (cont’d)**

Registration No. 198701003743 (162413-K)
(Incorporated in Malaysia)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>Revenue recognition <i>(Note 20 to the financial statements)</i></p> <p>The Group’s revenue is mainly derived from the manufacturing of paper packaging products.</p> <p>We focus on this area due to the magnitude and voluminous transactions which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group’s revenue recognition process and application and thereafter tested controls on the occurrence of revenue; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transactions taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.

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

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.

Independent Auditors' Report To The Members Of Public Packages Holdings Berhad (cont'd)

Registration No. 198701003743 (162413-K)

(Incorporated in Malaysia)

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report To The Members Of Public Packages Holdings Berhad (cont'd)

Registration No. 198701003743 (162413-K)
(Incorporated in Malaysia)

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 identified 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 7 to the financial statements.

Other Matter

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

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Loo Wei Teng
No. 03487/03/2028 J
Chartered Accountant

Penang

Date: 6 April 2026

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	NOTE	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	136,253	140,943	1	1
Investment properties	5	31,600	26,254	-	-
Right-of-use assets	6	1,453	1,730	-	-
Investment in subsidiaries	7	-	-	140,849	137,349
Investment in joint ventures	8	41,440	35,917	15,100	15,100
Other investments	9	8,814	7,777	-	-
Deferred tax assets	10	4,754	5,663	-	-
		<u>224,314</u>	<u>218,284</u>	<u>155,950</u>	<u>152,450</u>
Current assets					
Inventories	11	12,447	12,119	-	-
Trade and other receivables	12	48,187	46,376	2	2
Contract assets	13	1,452	55	-	-
Current tax assets		5,175	6,730	32	31
Other investments	9	202,423	166,240	65,509	57,465
Cash and bank balances	14	22,669	24,638	247	182
		<u>292,353</u>	<u>256,158</u>	<u>65,790</u>	<u>57,680</u>
TOTAL ASSETS		<u>516,667</u>	<u>474,442</u>	<u>221,740</u>	<u>210,130</u>
EQUITY AND LIABILITIES					
Share capital	15	133,794	133,794	133,794	133,794
Reserves	16	8,690	7,941	9	9
Retained profits	17	329,595	288,923	87,880	76,282
Total equity		<u>472,079</u>	<u>430,658</u>	<u>221,683</u>	<u>210,085</u>
Non-current liabilities					
Borrowings	18	-	1,072	-	-
Lease liabilities	6	454	513	-	-
Deferred tax liabilities	10	12,896	12,528	-	-
		<u>13,350</u>	<u>14,113</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	19	21,571	19,974	57	45
Contract liabilities	13	6,850	5,937	-	-
Borrowings	18	1,223	2,219	-	-
Lease liabilities	6	1,106	1,319	-	-
Current tax liabilities		488	222	-	-
		<u>31,238</u>	<u>29,671</u>	<u>57</u>	<u>45</u>
Total liabilities		<u>44,588</u>	<u>43,784</u>	<u>57</u>	<u>45</u>
TOTAL EQUITY AND LIABILITIES		<u>516,667</u>	<u>474,442</u>	<u>221,740</u>	<u>210,130</u>

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

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	NOTE	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	20	200,041	206,768	12,656	15,314
Cost of sales	21	(116,778)	(117,537)	-	-
Gross profit		83,263	89,231	12,656	15,314
Other income		8,677	5,562	301	316
Administrative expenses		(26,959)	(26,643)	(349)	(330)
Selling and distribution expenses		(18,500)	(19,166)	-	-
Other operating expenses		-	(871)	-	-
(Addition)/Reversal of allowance for expected credit losses on:					
- Trade receivables		-	(6)	-	-
- Other receivables		-	700	-	700
Operating profit		46,481	48,807	12,608	16,000
Finance costs		(296)	(468)	(2)	(2)
Finance income		121	200	-	-
Share of results of joint ventures		5,523	1,986	-	-
Profit before tax	22	51,829	50,525	12,606	15,998
Taxation	23	(10,200)	(9,552)	(8)	*
Profit for the financial year carried forward		41,629	40,973	12,598	15,998

* Represents RM1

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

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	NOTE	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the financial year brought forward		41,629	40,973	12,598	15,998
Other comprehensive income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		(326)	(480)	-	-
Items that will not be reclassified subsequently to profit or loss:					
Net change in fair value of equity investments designated at fair value through other comprehensive income		1,153	725	-	-
Net loss on equity investment designated at fair value through other comprehensive income		(35)	-	-	-
Transfer of revaluation surplus to retained profits		88	88	-	-
Realisation of revaluation surplus upon depreciation		(88)	(88)	-	-
Total other comprehensive income for the financial year		792	245	-	-
Total comprehensive income for the financial year, attributable to owners of the Company		42,421	41,218	12,598	15,998
Earnings per share attributable to owners of the Company (sen)					
- Basic	24	15.61	15.37		
- Diluted	24	15.61	15.37		

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

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

NOTE	----- Attributable to Owners of the Company -----						
	----- Non-distributable -----					Distributable	
	Share Capital RM'000	Revaluation Reserve RM'000	ESOS and ESGS Reserve RM'000	Fair Value Adjustment Reserve RM'000	Foreign Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
2025							
Balance at beginning	133,794	4,989	9	968	1,975	288,923	430,658
Total comprehensive income for the financial year	-	(88)	-	1,118	(326)	41,717	42,421
<i>Transactions with owners of the Company</i>							
Transfer of fair value adjustment reserve of equity instruments designated at fair value through other comprehensive income	-	-	-	45	-	(45)	-
Dividend 25	-	-	-	-	-	(1,000)	(1,000)
Total transactions with owners of the Company	-	-	-	45	-	(1,045)	(1,000)
Balance at end	133,794	4,901	9	2,131	1,649	329,595	472,079
2024							
Balance at beginning	133,558	5,077	10	243	2,455	248,861	390,204
Total comprehensive income for the financial year	-	(88)	-	725	(480)	41,061	41,218
<i>Transactions with owners of the Company</i>							
Issuance of shares pursuant to:							
- ESGS 15	233	-	(233)	-	-	-	-
- Exercise of ESOS 15	2	-	-	-	-	-	2
Grant of ESGS to employees	-	-	233	-	-	-	233
Transfer of ESOS reserve upon exercised 15	1	-	(1)	-	-	-	-
Dividend 25	-	-	-	-	-	(999)	(999)
Total transactions with owners of the Company	236	-	(1)	-	-	(999)	(764)
Balance at end	133,794	4,989	9	968	1,975	288,923	430,658

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

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

	NOTE	Share Capital RM'000	Non-distributable ESOS and ESGS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
2025					
Balance at beginning		133,794	9	76,282	210,085
Total comprehensive income for the financial year		-	-	12,598	12,598
<i>Transaction with owners of the Company</i>					
Dividend	25	-	-	(1,000)	(1,000)
Balance at end		133,794	9	87,880	221,683
2024					
Balance at beginning		133,558	10	61,283	194,851
Total comprehensive income for the financial year		-	-	15,998	15,998
<i>Transactions with owners of the Company</i>					
Issuance of shares pursuant to:					
- ESGS	15	233	(233)	-	-
- Exercise of ESOS	15	2	-	-	2
Grant of ESGS to employees		-	233	-	233
Transfer of ESOS reserve upon exercised	15	1	(1)	-	-
Dividend	25	-	-	(999)	(999)
Total transactions with owners of the Company		236	(1)	(999)	(764)
Balance at end		133,794	9	76,282	210,085

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

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	51,829	50,525	12,606	15,998
Adjustments for:				
Accretion of interest on lease liabilities	114	108	-	-
Addition/(Reversal) of allowance for expected credit losses on:				
- Trade receivables	-	6	-	-
- Other receivables	-	(700)	-	(700)
Deposits forfeited	(2)	(4)	-	-
Depreciation of:				
- Property, plant and equipment	8,157	8,387	-	-
- Right-of-use assets	2,086	1,646	-	-
Distribution income	(3,797)	(3,083)	(1,656)	(1,314)
Dividend income	(656)	(445)	(11,000)	(14,000)
Equity-settled share-based payments	-	233	-	233
Fair value gain on:				
- Investment properties	(2,449)	(80)	-	-
- Quoted equity investments	(808)	(691)	-	-
- Short term funds	(2,189)	(1,980)	(300)	(316)
Gain on disposal of:				
- Property, plant and equipment	(28)	(43)	-	-
- Quoted equity investments	(60)	(59)	-	-
Impairment loss on property, plant and equipment	-	871	-	-
Interest expenses	182	360	2	2
Interest income	(121)	(200)	-	-
Loss on derecognition of right-of-use assets and lease liabilities	27	-	-	-
Property, plant and equipment written off	477	15	-	-
Share of results of joint ventures	(5,523)	(1,986)	-	-
Unrealised loss on foreign exchange	85	271	-	-
Operating profit/(loss) before working capital changes	47,324	53,151	(348)	(97)
Changes in:				
Inventories	(328)	692	-	-
Receivables	(1,853)	1,717	-	700
Contract assets	(1,397)	84	-	-
Payables	1,677	395	12	9
Contract liabilities	927	509	-	-
Cash generated from/(used in) operations	46,350	56,548	(336)	612
Interest paid	(182)	(360)	(2)	(2)
Interest received	121	200	-	-
Income tax paid	(9,694)	(10,851)	(20)	(17)
Income tax refunded	2,593	105	11	24
Net cash from/(used in) operating activities, balance carried forward	39,188	45,642	(347)	617

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

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

	GROUP		COMPANY		
	NOTE	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balance brought forward		39,188	45,642	(347)	617
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		656	445	11,000	13,000
Dividend received from a joint venture		-	1,000	-	1,000
Additions in investment in a subsidiary		-	-	(3,500)	(2,000)
Additions in quoted equity investments		(3,845)	(1,770)	-	-
Additions in short term investment and unit trusts		(18,020)	(20,099)	(10,400)	(15,600)
Proceeds from disposal of property, plant and equipment		28	48	-	-
Proceeds from disposal of quoted equity investments		924	197	-	-
Purchase of property, plant and equipment		(3,944)	(8,571)	-	-
Purchase of investment properties		(2,600)	-	-	-
Subsequent expenditures on an investment property		(297)	(296)	-	-
Net changes in short term funds with a licensed financial institution		2,602	2,205	352	350
Net changes in fixed deposits with a licensed bank		-	154	-	-
Net cash used in investing activities		(24,496)	(26,687)	(2,548)	(3,250)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		(1,000)	(999)	(1,000)	(999)
Proceeds from issuance of ordinary shares		-	2	-	2
Repayment of bill payables	A	-	(2,430)	-	-
Repayment of finance lease liabilities	A	-	(31)	-	-
Repayment of term loans	A	(1,682)	(1,600)	-	-
Repayment of lease liabilities	A	(2,277)	(1,711)	-	-
Net cash used in financing activities		(4,959)	(6,769)	(1,000)	(997)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,733	12,186	(3,895)	(3,630)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(408)	(753)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		96,056	84,623	12,765	16,395
CASH AND CASH EQUIVALENTS AT END		105,381	96,056	8,870	12,765
The cash and cash equivalents are represented by:					
Cash and bank balances		22,669	24,638	247	182
Short term funds with a licensed financial institution		82,847	71,939	8,623	12,583
Less: Bank overdrafts		(135)	(521)	-	-
		105,381	96,056	8,870	12,765

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

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

A. Reconciliation of liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM'000	Net cash flows RM'000	Others ¹ RM'000	Balance at end RM'000
GROUP				
2025				
Borrowings excluding bank overdrafts	2,770	(1,682)	-	1,088
Lease liabilities	1,832	(2,277)	2,005	1,560
Total liabilities arising from financing activities	4,602	(3,959)	2,005	2,648
2024				
Borrowings excluding bank overdrafts	6,831	(4,061)	-	2,770
Lease liabilities	1,753	(1,711)	1,790	1,832
Total liabilities arising from financing activities	8,584	(5,772)	1,790	4,602

¹ Others consist of non-cash movements as follows:

	GROUP	
	2025 RM'000	2024 RM'000
Accretion of interest on lease liabilities	114	108
Additions of lease liabilities	2,067	1,792
Derecognition of lease liabilities	(169)	(85)
Foreign currency translation	(7)	(25)
	2,005	1,790

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025

1. CORPORATE INFORMATION

General

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

The registered office and principal place of business of the Company are located at Wisma Public Packages, Plot 67, Lintang Kampung Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 April 2026.

Principal Activities

The principal activities of the Company in the course of the financial year remain unchanged and consist of investment holding and the provision of financial, administrative and advisory services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for investment properties and other investments that are measured at fair values.

2.3 Functional and Presentation Currency

Ringgit Malaysia (“RM”) is the presentation currency of the Group and of the Company and the amounts in the financial statements are rounded-up to the nearest RM’000, except where otherwise stated.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group’s foreign operation has different functional currency.

2.4 Adoption of Amendments to MFRSs

The accounting policies adopted by the Group are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Initial application of the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

2.5 Standards/Amendments to MFRSs Issued But Not Yet Effective

The following are accounting standards/amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

Effective for annual period beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments

Annual Improvements to MFRS Accounting Standards - Volume 11

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

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

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

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has not included the extension option period as part of the lease term for lease of premises as it is not reasonably certain that the extension option will be exercised. For the lease of motor vehicles, the Group has not included the extension option as part of the lease term as there is no extension option available. The period covered by termination option is included as part of the lease term only when it is reasonably certain not to be exercised.

3.2 **Key sources of estimation uncertainty**

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

(i) **Useful lives of depreciable assets**

Plant and machinery are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful life of the plant and machinery to be within 5 to 35 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the plant and machinery. A reduction in the estimated useful life of the plant and machinery would increase the depreciation charge and decrease the property, plant and equipment.

(ii) **Fair value of investment properties**

The Group measures its investment properties at fair value amount with changes in fair value being recognised in profit or loss. The Group engaged independent external valuers to determine fair value as at the end of the reporting period.

The carrying amount of the Group's investment properties as at the end of the reporting period and the relevant fair value are disclosed in Note 5 to the financial statements.

(iii) **Inventories**

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 11 to the financial statements.

(iv) **Provision for expected credit losses ("ECL") of receivables**

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 29.3.1 to the financial statements.

(v) **Leases – Estimating the incremental borrowing rate (“IBR”)**

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

(vi) **Deferred tax assets**

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

The carrying amount of deferred tax assets of the Group as at the end of the reporting period is disclosed in Note 10 to the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Apartments RM'000	Plant and machinery RM'000	Hotel equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Electrical installation RM'000	Renovation RM'000	Solar system RM'000	Capital work-in- progress RM'000	Total RM'000
2025													
At cost													
Balance at beginning	16,533	17,569	86,303	565	105,889	13,881	4,263	6,833	695	4,254	3,695	76	260,556
Additions	-	-	78	-	2,476	42	149	137	28	50	382	602	3,944
Disposals	-	-	-	-	-	(14)	(441)	(3)	-	-	-	-	(458)
Written offs	-	-	-	-	(14,353)	-	-	(37)	-	-	-	-	(14,390)
Foreign currency translation	-	-	-	-	-	-	-	(7)	-	(2)	-	-	(9)
Balance at end	16,533	17,569	86,381	565	94,012	13,909	3,971	6,923	723	4,302	4,077	678	249,643
Accumulated depreciation													
Balance at beginning	-	6,022	20,095	334	69,519	8,513	3,426	5,956	643	3,087	570	-	118,165
Current charge	-	342	2,056	7	3,452	1,200	277	229	13	196	385	-	8,157
Disposals	-	-	-	-	-	(14)	(441)	(3)	-	-	-	-	(458)
Written offs	-	-	-	-	(13,879)	-	-	(34)	-	-	-	-	(13,913)
Foreign currency translation	-	-	-	-	-	-	-	(7)	-	(2)	-	-	(9)
Balance at end	-	6,364	22,151	341	59,092	9,699	3,262	6,141	656	3,281	955	-	111,942
Accumulated impairment losses													
Balance at beginning/end	-	-	-	-	1,448	-	-	-	-	-	-	-	1,448
Balance at end	-	-	-	-	1,448	-	-	-	-	-	-	-	1,448
Carrying amount	16,533	11,205	64,230	224	33,472	4,210	709	782	67	1,021	3,122	678	136,253

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Apartments RM'000	Plant and machinery RM'000	Hotel equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Electrical installation RM'000	Renovation RM'000	Solar system RM'000	Capital work-in- progress RM'000	Total RM'000
2024													
At cost													
Balance at beginning	16,533	17,569	82,886	565	105,947	13,839	4,717	7,456	678	3,787	3,530	2,831	260,338
Additions	-	-	83	-	6,506	66	-	267	17	469	-	1,163	8,571
Disposals	-	-	-	-	-	(24)	(432)	(4)	-	-	-	-	(460)
Written offs	-	-	-	-	(6,804)	-	(22)	(1,054)	-	-	-	-	(7,880)
Reclassification	-	-	3,334	-	240	-	-	179	-	-	165	(3,918)	-
Foreign currency translation	-	-	-	-	-	-	-	(11)	-	(2)	-	-	(13)
Balance at end	16,533	17,569	86,303	565	105,889	13,881	4,263	6,833	695	4,254	3,695	76	260,556
Accumulated depreciation													
Balance at beginning	-	5,682	17,825	327	73,017	7,121	3,638	6,778	632	2,885	205	-	118,110
Current charge	-	340	2,270	7	3,291	1,416	237	246	11	204	365	-	8,387
Disposals	-	-	-	-	-	(24)	(427)	(4)	-	-	-	-	(455)
Written offs	-	-	-	-	(6,789)	-	(22)	(1,054)	-	-	-	-	(7,865)
Foreign currency translation	-	-	-	-	-	-	-	(10)	-	(2)	-	-	(12)
Balance at end	-	6,022	20,095	334	69,519	8,513	3,426	5,956	643	3,087	570	-	118,165
Accumulated impairment losses													
Balance at beginning	-	-	-	-	577	-	-	-	-	-	-	-	577
Current charge	-	-	-	-	871	-	-	-	-	-	-	-	871
Balance at end	-	-	-	-	1,448	-	-	-	-	-	-	-	1,448
Carrying amount	16,533	11,547	66,208	231	34,922	5,368	837	877	52	1,167	3,125	76	140,943

COMPANY

	Furniture, fittings and office equipment	
	2025	2024
	RM'000	RM'000
At cost	171	171
Accumulated depreciation	170	170
Carrying amount	1	1

- (i) The information of right-of-use assets of the Group which are included in the property, plant and equipment is as follows:

	Carrying amount	Current depreciation
	RM'000	RM'000
GROUP		
2025		
Leasehold land	11,205	342
2024		
Leasehold land	11,547	340

- (ii) The carrying amount of property, plant and equipment of the Group which are pledged to licensed banks as securities for banking facilities granted to a subsidiaries as disclosed in Note 18 to the financial statements are as follows:

	GROUP	
	2025	2024
	RM'000	RM'000
Freehold land	9,955	9,955
Building	37,069	38,448
	47,024	48,403

- (iii) In the prior year, a subsidiary had impaired plant and machinery amounting to RM870,611 as a result of technology obsolescence.

Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Leasehold land	45 - 53 years
Buildings	10 - 85 years
Apartments	85 years
Plant and machinery	2.86% - 20%
Hotel equipment	10% - 20%
Motor vehicles	10% - 12.50%
Furniture, fittings and office equipment	10% - 33.33%
Electrical installation	10%
Renovation	10% - 33.33%
Solar system	10%

Freehold land is not depreciated as it has an infinite life.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

5. INVESTMENT PROPERTIES

	GROUP	
	2025	2024
	RM'000	RM'000
Balance at beginning	26,254	25,878
Additions	2,897	296
Fair value gain recognised in profit or loss	2,449	80
Balance at end	31,600	26,254

The investment properties consist of the following:

	GROUP	
	2025	2024
	RM'000	RM'000
At fair value		
Freehold land and buildings	21,010	18,870
Commercial property	5,200	2,300
Apartments	3,660	3,650
At cost		
Building under construction	1,730	1,434
	31,600	26,254

- (i) The carrying amount of investment properties of the Group which are pledged to licensed banks as securities for banking facilities granted to a subsidiary as disclosed in Note 18 to the financial statements is **RM19,800,000** (2024: RM17,700,000).
- (ii) On 30 April 2025, a wholly-owned subsidiary of the Company, Public Packages Properties Sdn. Bhd., has entered into a Sale and Purchase Agreement with a third party to purchase a leasehold commercial property for a total cash consideration of RM2,600,000. The transaction has been completed during the financial year.
- (iii) The investment property under construction is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably determinable.
- (iv) **Group as a lessor**

The Group has entered into operating leases on its investment properties. These leases have terms of between one to three years.

The following are recognised in profit or loss in respect of investment properties:

	GROUP	
	2025	2024
	RM'000	RM'000
Rental income from income generating properties	425	403
Direct operating expenses		
- Rental income generating	43	35
- Non-rental income generating	27	17

Future minimum rental receivables under non-cancellable operating leases as at the end of the reporting period are as follows:

	GROUP	
	2025 RM'000	2024 RM'000
Within one year	186	176
More than one year and less than five years	238	81
	424	257

Material accounting policy information

Investment properties are initially measured at cost, and subsequently measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group as a lessee

The Group has lease contracts for motor vehicles and premises used in its operations that have lease terms of two to five years. The lease contracts restrict the Group from assigning and subleasing the leased assets.

The Group also has certain leases of premises, machinery and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Such lease payments are charged to profit or loss on the straight-line basis over the lease term.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets and the movements during the financial year:

	Motor vehicles RM'000	Premises RM'000	Total RM'000
GROUP			
2025			
Balance at beginning	614	1,116	1,730
Additions	1,049	962	2,011
Depreciation	(996)	(1,090)	(2,086)
Derecognition	(108)	(88)	(196)
Foreign currency translation	-	(6)	(6)
Balance at end	559	894	1,453
2024			
Balance at beginning	1,065	628	1,693
Additions	315	1,477	1,792
Depreciation	(766)	(880)	(1,646)
Derecognition	-	(85)	(85)
Foreign currency translation	-	(24)	(24)
Balance at end	614	1,116	1,730

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Motor vehicles RM'000	Premises RM'000	Total RM'000
GROUP			
2025			
Balance at beginning	635	1,197	1,832
Additions	1,049	1,018	2,067
Accretion of interest	32	82	114
Payments	(1,031)	(1,246)	(2,277)
Derecognition	(108)	(61)	(169)
Foreign currency translation	-	(7)	(7)
Balance at end	<u>577</u>	<u>983</u>	<u>1,560</u>
2024			
Balance at beginning	1,065	688	1,753
Additions	315	1,477	1,792
Accretion of interest	29	79	108
Payments	(774)	(937)	(1,711)
Derecognition	-	(85)	(85)
Foreign currency translation	-	(25)	(25)
Balance at end	<u>635</u>	<u>1,197</u>	<u>1,832</u>

	GROUP	
	2025 RM'000	2024 RM'000
Represented by:		
Non-current	454	513
Current	1,106	1,319
	<u>1,560</u>	<u>1,832</u>

The maturity analysis of lease liabilities is disclosed in Note 29.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	GROUP	
	2025 RM'000	2024 RM'000
Depreciation of right-of-use assets	2,086	1,646
Accretion of interest on lease liabilities	114	108
Loss on derecognition of right-of-use assets and lease liabilities	27	-
Expenses relating to leases of low value assets	45	59
Expenses relating to short term leases	130	453
Total amount recognised in profit or loss	<u>2,402</u>	<u>2,266</u>
Total cash outflow for leases	<u>2,452</u>	<u>2,223</u>

Material accounting policy information

Right-of-use assets

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Motor vehicles	1 to 3 years
Premises	2 to 5 years

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	140,849	137,349

The details of the subsidiaries, all of which were incorporated and principal place of business in Malaysia, except where indicated, are as follows:

Name of Entities	Effective Equity Interest		Principal Activities
	2025 %	2024 %	
Public Packages Sdn. Bhd. (“PPSB”)	100	100	Manufacturing and retailing of corrugated cartons and packing materials.
PPH Printing & Packaging (Penang) Sdn. Bhd.	100	100	Manufacturing of offset printed display boxes.
PPH Printing & Packaging (Kulim) Sdn. Bhd.	100	100	Manufacturing of gift and display boxes.
Public Packages Properties Sdn. Bhd. (“PPP”)	100	100	Property investment.
PPASIA Media Packaging Sdn. Bhd.	100	100	Dormant.
PPH Plaza Sdn. Bhd.	100	100	Hotel owner and operating of hotel and managing of properties.
PPH Resources Sdn. Bhd. (“PPHR”)	100	100	Investment holding.
Merits Capital Sdn. Bhd. (“MCSB”)	100	100	Investment holding.
Indirect - held through PPSB			
Public Packages (NT) Sdn. Bhd.	100	100	Manufacturing and retailing of corrugated cartons and packing materials.
Public Packages (Prai) Sdn. Bhd.	100	100	Manufacturing and retailing of corrugated cartons and packing materials.
Indirect - held through PPHR			
Public Packages (Shah Alam) Sdn. Bhd.	100	100	Manufacturing and sale of corrugated cartons and packing materials.
PPH Display Design Sdn. Bhd.	100	100	Manufacturing of paper products and packaging materials.

Name of Entities	Effective Equity Interest		Principal Activities
	2025 %	2024 %	
Indirect - held through PPHR			
Public Packages Asia Sdn. Bhd.	100	100	Manufacturing of paper products and packaging materials.
* Public Packages Asia (S) Pte. Ltd. (Incorporated and principal place of business in Singapore)	100	100	Total packaging solution provider.
* Not audited by Grant Thornton Malaysia PLT.			

Subscription of ordinary shares in a subsidiary

2025

On 5 November 2025, the Company has subscribed for additional 2,000,000 ordinary shares in PPP at RM2,000,000 for cash. No changes in the equity interest subsequent to the subscription of ordinary shares.

On 12 November 2025, the Company has subscribed for additional 1,500,000 ordinary shares in MCSB at RM1,500,000 for cash. No changes in the equity interest subsequent to the subscription of ordinary shares.

2024

On 26 August 2024, the Company had subscribed for additional 2,000,000 ordinary shares in MCSB at RM2,000,000 for cash. No changes in the equity interest subsequent to the subscription of ordinary shares.

Material accounting policy information

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

8. INVESTMENT IN JOINT VENTURES

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares, at cost	19,112	19,112	15,100	15,100
Share of post-acquisition results	22,328	16,805	-	-
	41,440	35,917	15,100	15,100

The details of the joint ventures, all of which were incorporated and principal place of business in Malaysia, except where indicated, are as follows:

Name of Entities	Effective Equity Interest		Principal Activities
	2025 %	2024 %	
* PPH Teckwah Value Chain Sdn. Bhd. ("PTVC")	50	50	Investment holding and the provision of management services.
New Merit Development Sdn. Bhd. ("NMD")	50	50	Investment holding.

Name of Entities	Effective Equity Interest		Principal Activities
	2025 %	2024 %	
Indirect – held through PTVC			
* Techwah Paper Products Sdn. Bhd.	100	100	Manufacture and sale of paper based product and commercial printing.
* Tompac Industrial Sdn. Bhd.	100	100	Manufacture and sale of printed carton boxes.
* Not audited by Grant Thornton Malaysia PLT.			

The following table summarises the financial information of PTVC and NMD, adjusted for entries to facilitate the equity method by the Group, any differences in accounting policies and reconciled the information to the carrying amount of the Group's interest in the joint ventures, which are accounted for using the equity method.

GROUP

	PTVC RM'000	NMD RM'000	Total RM'000
As at 31 December 2025			
Non-current assets	8,245	66,000	74,245
Current assets excluding cash and bank balances	16,186	27	16,213
Cash and bank balances	10,357	1,733	12,090
Non-current liabilities	(687)	(12,416)	(13,103)
Current liabilities	(5,451)	(1,115)	(6,566)
Net assets	28,650	54,229	82,879
Reconciliation of net assets to carrying amount			
Group's share of net assets, representing carrying amounts in the statements of financial position	14,325	27,115	41,440
Year ended 31 December 2025			
Results			
Revenue	44,609	2,160	46,769
Cost of sales excluding depreciation	(24,544)	-	(24,544)
Depreciation	(1,878)	-	(1,878)
Other income excluding interest income	559	10,376	10,935
Interest income	150	10	160
Interest expense	(58)	(526)	(584)
Other expenses	(18,357)	(222)	(18,579)
Profit before tax	481	11,798	12,279
Taxation	148	(1,382)	(1,234)
Profit for the financial year, representing total comprehensive income for the financial year	629	10,416	11,045
Group's share of total comprehensive income	315	5,208	5,523
Contingent liabilities			
Corporate guarantee extended by PTVC to licensed banks for banking facilities granted to a subsidiary of PTVC	5,100	-	5,100

	PTVC RM'000	NMD RM'000	Total RM'000
As at 31 December 2024			
Non-current assets	8,883	55,500	64,383
Current assets excluding cash and bank balances	15,397	-	15,397
Cash and bank balances	10,224	1,548	11,772
Non-current liabilities	(1,056)	(12,330)	(13,386)
Current liabilities	(5,427)	(905)	(6,332)
Net assets	<u>28,021</u>	<u>43,813</u>	<u>71,834</u>
Reconciliation of net assets to carrying amount			
Group's share of net assets, representing carrying amounts in the statements of financial position	<u>14,011</u>	<u>21,906</u>	<u>35,917</u>
Year ended 31 December 2024			
Results			
Revenue	47,632	2,160	49,792
Cost of sales excluding depreciation	(26,405)	-	(26,405)
Depreciation	(1,797)	-	(1,797)
Other income excluding interest income	732	1,527	2,259
Interest income	129	6	135
Interest expense	(51)	(577)	(628)
Other expenses	(18,107)	(199)	(18,306)
Profit before tax	<u>2,133</u>	<u>2,917</u>	<u>5,050</u>
Taxation	(592)	(486)	(1,078)
Profit for the financial year, representing total comprehensive income for the financial year	<u>1,541</u>	<u>2,431</u>	<u>3,972</u>
Group's share of total comprehensive income	<u>771</u>	<u>1,215</u>	<u>1,986</u>
Contingent liabilities			
Corporate guarantee extended by PTVC to licensed banks for banking facilities granted to a subsidiary of PTVC	<u>5,100</u>	<u>-</u>	<u>5,100</u>

Material accounting policy information

The Group's investment in joint ventures are accounted for using the equity method. In the Company's separate financial statements, investment in joint ventures are measured at cost less impairment losses.

9. OTHER INVESTMENTS

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Financial assets at fair value through other comprehensive income ("FVOCI")				
Quoted equity investments				
- In Malaysia	-	180	-	-
- In Singapore	8,814	7,597	-	-
	<u>8,814</u>	<u>7,777</u>	<u>-</u>	<u>-</u>

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Financial assets at fair value through profit or loss ("FVTPL")				
Quoted equity investments				
- In Malaysia	5,551	3,680	-	-
- In the United States of America	2,178	179	-	-
Short term funds with a licensed financial institution	82,847	71,939	8,623	12,583
Short term investments	4,542	-	2,524	-
Unit trusts	107,305	90,442	54,362	44,882
	202,423	166,240	65,509	57,465
Total other investments	211,237	174,017	65,509	57,465

Short term funds with a licensed financial institution of the Group and of the Company are primarily invested in money market. The funds can be redeemed at any point in time upon request.

Material accounting policy information

Upon initial recognition, the Group irrevocably elect to classify its equity investments as equity instruments designated at FVOCI and subsequent changes in the fair value are recorded in other comprehensive income. This election is made on an investment-by-investment basis.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2025 RM'000	2024 RM'000
Balance at beginning	(6,865)	(5,024)
Recognised in profit or loss	(1,098)	(2,050)
	(7,963)	(7,074)
(Under)/Over provision in prior year	(179)	209
Balance at end	(8,142)	(6,865)
The recognised deferred tax assets/(liabilities), after appropriate offsetting, are as follows:		
Deferred tax assets	4,754	5,663
Deferred tax liabilities	(12,896)	(12,528)
	(8,142)	(6,865)

The deferred tax liabilities as at the end of the reporting period are represented by temporary differences arising from:

	GROUP	
	2025 RM'000	2024 RM'000
Property, plant and equipment	(10,568)	(10,272)
Investment properties	(548)	(303)
Revaluation reserve	(3,095)	(3,286)
Unabsorbed capital allowances	38	78
Balance carried forward	(14,173)	(13,783)

	GROUP	
	2025 RM'000	2024 RM'000
Balance brought forward	(14,173)	(13,783)
Unabsorbed reinvestment allowances	5,427	6,846
Unabsorbed investment tax allowances	386	684
Other deductible temporary differences	218	(612)
	(8,142)	(6,865)

Material accounting policy information

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

11. INVENTORIES

	GROUP	
	2025 RM'000	2024 RM'000
At cost		
Raw materials	5,951	5,473
Work-in-progress	846	1,329
Finished goods	4,184	4,114
Consumables	1,391	1,130
Food and beverages	75	73
	12,447	12,119
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	105,984	106,165

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the first-in, first-out basis.

12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables				
Third parties	46,322	44,557	-	-
Less: Allowance for expected credit losses				
Balance at beginning	(9)	(3)	-	-
Current year	-	(6)	-	-
Balance at end	(9)	(9)	-	-
Balance carried forward	46,313	44,548	-	-

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balance brought forward	46,313	44,548	-	-
Other receivables				
Sundry receivables	485	493	-	-
Less: Allowance for expected credit losses				
Balance at beginning	(82)	(782)	-	(700)
Reversal	-	700	-	700
Balance at end	(82)	(82)	-	-
Refundable deposits	403	411	-	-
Prepayments	853	679	2	2
	618	738	-	-
	1,874	1,828	2	2
Total trade and other receivables	48,187	46,376	2	2

The normal trade credit terms granted by the Group range from **30 to 180 days** (2024: 30 to 180 days). Other credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	41,488	38,737	2	2
United States Dollar	5,712	6,307	-	-
Singapore Dollar	987	1,324	-	-
Thai Baht	-	8	-	-
	48,187	46,376	2	2

13. CONTRACT ASSETS/(LIABILITIES)

	NOTE	GROUP	
		2025 RM'000	2024 RM'000
Contract assets			
- Accrued income	13.1	1,452	55
Contract liabilities			
- Customers' deposits	13.2	(6,850)	(5,937)
		(5,398)	(5,882)

13.1 Contract assets from accrued income

Contract assets represent the right to consideration for services transferred to the customers.

	GROUP	
	2025 RM'000	2024 RM'000
Balance at beginning	55	139
Revenue recognised during the financial year	9,811	8,926
Billings issued during the financial year	(8,414)	(9,010)
Balance at end	1,452	55

13.2 Contract liabilities from customers' deposits

Contract liabilities represent deposits received from customers in advance for sales orders before commencing production activity. The deposits will be reversed and recognised as revenue upon satisfying the performance obligation.

	GROUP	
	2025 RM'000	2024 RM'000
Balance at beginning	(5,937)	(5,473)
Revenue recognised during the financial year	6,098	6,922
Deposits received during the financial year	(7,025)	(7,431)
Foreign currency translation	14	45
Balance at end	(6,850)	(5,937)

All deposits received are expected to be recognised as revenue within one year from the date of receipt.

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations of the Group (unsatisfied or partially unsatisfied) to be fulfilled within one year as at the end of the reporting period is **RM6,850,385** (2024: RM5,937,499).

14. CASH AND BANK BALANCES

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	14,203	14,881	247	182
United States Dollar	6,946	7,858	-	-
Singapore Dollar	1,427	1,808	-	-
Euro	82	79	-	-
Australian Dollar	11	12	-	-
	22,669	24,638	247	182

15. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Issued and fully paid with no par value:				
Balance at beginning	266,697	266,439	133,794	133,558
Issuance of shares pursuant to:				
- ESGS	-	254	-	233
- Exercise of ESOS	-	4	-	2
Transfer of ESOS reserve upon exercised	-	-	-	1
Balance at end	266,697	266,697	133,794	133,794

2024

In the previous financial year, the Company had increased its issued and fully paid up ordinary share capital by way of:

- (i) issuance of 254,600 new ordinary shares pursuant to ESGS. The related fair value of the ESGS amounting to RM234,232 was transferred from the ESGS reserve to share capital upon vesting of ESGS;
- (ii) issuance of 3,388 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.465 per ESOS for a total cash consideration of RM1,575. Upon the exercise of the ESOS, the related fair value of the ESOS amounting to RM534 was transferred from the ESOS reserve to share capital; and
- (iii) issuance of 500 new ordinary shares pursuant to the exercise of ESOS at an exercise price of RM0.495 per ESOS for a total cash consideration of RM248. Upon the exercise of the ESOS, the related fair value of the ESOS amounting to RM106 was transferred from the ESOS reserve to share capital.

16. RESERVES

	NOTE	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-distributable:					
Revaluation reserve	16.1	4,901	4,989	-	-
ESOS and ESGS reserve	16.2	9	9	9	9
Fair value adjustment reserve	16.3	2,131	968	-	-
Foreign translation reserve	16.4	1,649	1,975	-	-
		8,690	7,941	9	9

16.1 Revaluation reserve

Included in the revaluation reserve of the Group are an amount of:

- (i) **RM482,241** (2024: RM482,241) in respect of the surplus on revaluation of property, net of deferred tax, in prior years; and
- (ii) **RM4,418,449** (2024: RM4,506,641) in respect of increase in the fair value of property, plant and equipment, net of tax, as a result of change in use of the Group's owner-occupied properties to investment properties that was carried at fair value at the date of change in use.

16.2 ESOS and ESGS reserve

ESOS and ESGS reserve represent the equity-settled share options and share grants respectively awarded to the employees of certain subsidiaries and the Company's executive directors. This reserve is made up of the cumulative value of services received from the employees recorded on the grant date of share options and share grants, and is reduced by the exercise or lapse of share options and share grants.

16.3 **Fair value adjustment reserve**

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of equity instruments, recognised through other comprehensive income until they are disposed or impaired.

16.4 **Foreign translation reserve**

This is in respect of foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

17. **RETAINED PROFITS**

COMPANY

The franking of dividends of the Company is under the single tier system and therefore, there is no restrictions on the Company to distribute dividends subject to the availability of retained profits.

18. **BORROWINGS**

	GROUP	
	2025	2024
	RM'000	RM'000
Non-current liabilities		
Secured:		
<u>Term loans</u>		
Total amount repayable	1,088	2,770
Amount due within one year included under current liabilities	(1,088)	(1,698)
	-	1,072
	-	1,072
Current liabilities		
Secured:		
Bank overdrafts	135	521
Term Loans	1,088	1,698
	1,223	2,219
Total borrowings	1,223	3,291

The borrowings are secured by way of:

- (i) legal charge over the freehold land and building of certain subsidiaries as disclosed in Note 4 to the financial statements;
- (ii) legal charge over the investment properties of a subsidiary as disclosed in Note 5 to the financial statements;
- (iii) negative pledge of the Group's unencumbered assets; and
- (iv) corporate guarantees of the Company.

A summary of the effective interest rates per annum and the maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM'000	Within one year RM'000	More than one year and less than two years RM'000
GROUP				
2025				
Bank overdrafts	7.70	135	135	-
Term loans	6.60 to 7.60	1,088	1,088	-
2024				
Bank overdrafts	7.95	521	521	-
Term loans	6.85 to 7.85	2,770	1,698	1,072

19. **TRADE AND OTHER PAYABLES**

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables				
Third parties	8,665	7,263	-	-
Other payables				
Sundry payables	2,056	3,306	14	2
Accruals	7,820	7,042	43	43
Deposits received	504	451	-	-
SST payable	2,506	1,865	-	-
GST payable	20	47	-	-
	12,906	12,711	57	45
Total trade and other payables	21,571	19,974	57	45

The trade payables are non-interest bearing and are normally settled on **30 to 90 days** (2024: 30 to 90 days) credit terms.

Included in the sundry payables of the Group is an amount of **RM32,260** (2024: RM28,219) due to companies in which certain directors of the Company have financial interests. The amounts are unsecured, non-interest bearing and repayable on demand.

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	20,981	18,359	57	45
United States Dollar	2	882	-	-
Singapore Dollar	578	579	-	-
Renminbi	10	140	-	-
Euro	-	14	-	-
	21,571	19,974	57	45

20. **REVENUE**

20.1 **Disaggregated revenue information**

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Types of revenue				
Sales of goods	175,513	180,050	-	-
Room revenue	19,267	21,585	-	-
Food and beverages income	2,492	2,752	-	-
Other hotel operation income	269	269	-	-
Total revenue from contracts with customers	197,541	204,656	-	-
Distribution income	1,656	1,314	1,656	1,314
Gross dividend from:				
- A joint venture	-	-	-	1,000
- Quoted equity investments	196	102	-	-
- Subsidiaries	-	-	11,000	13,000
Rental income	648	696	-	-
Other revenue	2,500	2,112	12,656	15,314
Total revenue	200,041	206,768	12,656	15,314
Timing of revenue recognition				
At a point in time	178,274	183,071	-	-
Over time	19,267	21,585	-	-
Total revenue from contracts with customers	197,541	204,656	-	-
Geographical segments				
Malaysia	185,595	191,340	-	-
Asia Pacific	11,255	12,062	-	-
Europe	336	869	-	-
United States of America	173	208	-	-
Others	182	177	-	-
Total revenue from contracts with customers	197,541	204,656	-	-

20.2 **Contract balances**

	GROUP	
	2025 RM'000	2024 RM'000
Trade receivables (Note 12)	46,313	44,548
Contract assets (Note 13)	1,452	55
Contract liabilities (Note 13)	(6,850)	(5,937)

20.3 **Performance obligations**

The performance obligations to recognise revenue are as follows:

(i) **Revenue from sale of goods**

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on the delivery of the goods.

(ii) **Revenue from room**

Revenue from room is recognised over time during the period of stay for the hotel guests.

(iii) **Revenue from food and beverages and other hotel operation**

Revenue from food and beverage and other hotel operation are generally recognised at a point in time when the services are rendered.

21. **COST OF SALES**

	GROUP	
	2025	2024
	RM'000	RM'000
Direct operating costs from sales of goods	104,537	104,366
Hotel operation expenses	12,241	13,171
	116,778	117,537

22. **PROFIT BEFORE TAX**

This is arrived at:

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
After charging:				
Accretion of interest on lease liabilities	114	108	-	-
Auditors' remuneration				
- Company's auditors				
- statutory audit				
- current year	240	238	36	36
- under provision in prior year	7	1	-	-
- assurance related services	3	3	3	3
- non-audit services	22	3	-	-
- Other auditors				
- statutory audit				
- current year	23	24	-	-
Depreciation of:				
- Property, plant and equipment	8,157	8,387	-	-
- Right-of-use assets	2,086	1,646	-	-
Directors' fees				
- Executive directors	282	292	48	48
- Non-executive directors	100	96	100	96
Expenses relating to leases of low value assets	45	59	-	-
Expenses relating to short term leases	130	453	-	-
Impairment loss on property, plant and equipment	-	871	-	-
Interest expenses on:				
- Bank overdrafts	28	81	2	2
- Bill payables	-	41	-	-
- Finance lease liabilities	-	1	-	-
- Term loans	154	237	-	-
Loss on derecognition of right-of-use assets and lease liabilities	27	-	-	-
Property, plant and equipment written off	477	15	-	-
Realised loss on foreign exchange	294	396	-	-
* Staff costs	57,532	55,326	-	-
Unrealised loss on foreign exchange	85	271	-	-

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
And crediting:				
Deposits forfeited	2	4	-	-
Distribution income	2,141	1,769	-	-
Fair value gain on:				
- Investment properties	2,449	80	-	-
- Quoted equity investments	808	691	-	-
- Short term funds	2,189	1,980	300	316
Gain on disposal of:				
- Property, plant and equipment	28	43	-	-
- Quoted equity investments	60	59	-	-
Gross dividend from quoted equity investments	460	343	-	-
Interest income	121	200	-	-
Realised gain on foreign exchange	54	25	-	-
Rental income	291	328	-	-
	57,532	55,326	-	-
* Staff costs				
- Salaries, bonus, wages, overtime and allowances	51,562	49,494	-	-
- Defined contribution plan ("EPF")	5,400	5,072	-	-
- Social security contribution ("SOCSO") and employment insurance scheme ("EIS")	570	527	-	-
- Equity-settled share-based payments	-	233	-	-
	57,532	55,326	-	-

Directors' emoluments

The aggregate amount of remuneration received and receivable by directors of the Company and its subsidiaries are as shown below:

	GROUP	
	2025	2024
	RM'000	RM'000
Executive directors of the Company:		
- Salaries, bonus and allowances	4,623	3,860
- EPF	778	659
- SOCSO and EIS	12	11
	5,413	4,530
Directors' emoluments included in the staff costs	117	101
- Benefits-in-kind	117	101
	5,530	4,631
Executive directors of the subsidiaries:		
- Salaries, bonus and allowances	2,681	3,001
- EPF	385	440
- SOCSO and EIS	6	7
- Equity-settled share-based payments	-	139
	3,072	3,587
Directors' emoluments included in the staff costs	46	51
- Benefits-in-kind	46	51
	3,118	3,638
Total executive directors' emoluments	8,648	8,269

23. TAXATION

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Based on results for the financial year				
- Current tax				
- Malaysian income tax	(8,684)	(8,042)	-	-
- Deferred tax relating to the origination and reversal of temporary differences	(1,098)	(2,050)	-	-
	(9,782)	(10,092)	-	-
(Under)/Over provision in prior year				
- Current tax	(239)	331	(8)	*
- Deferred tax	(179)	209	-	-
	(418)	540	(8)	*
	(10,200)	(9,552)	(8)	*

The reconciliation of taxation of the Group and of the Company is as follows:

Profit before tax	51,829	50,525	(12,606)	15,998
Less: Share of results of joint ventures	(5,523)	(1,986)	-	-
	46,306	48,539	(12,606)	15,998

Income tax at Malaysian statutory tax rate of 24%	(11,113)	(11,649)	(3,025)	(3,840)
Effect of tax rates in foreign jurisdiction	25	(16)	-	-
Income not subject to tax	2,390	1,690	3,109	3,919
Expenses not deductible for tax purposes	(1,291)	(1,298)	(84)	(79)
Effect of double deduction	68	112	-	-
Utilisation of current year reinvestment allowance	167	910	-	-
Utilisation of unrecognised unused tax losses and unabsorbed capital allowances	-	62	-	-
Deferred tax assets not recognised	(234)	(15)	-	-
Effect of real property gains tax applied on the fair value changes of the investment properties	15	(8)	-	-
Annual crystallisation of deferred tax on revaluation reserve	191	120	-	-
	(9,782)	(10,092)	-	-
(Under)/Over provision in prior year	(418)	540	(8)	*
	(10,200)	(9,552)	(8)	-

* Represents RM1

The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's and the Company's deferred tax position are as follows:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax recognised:				
Property, plant and equipment	200	243	31	-
Unused tax losses	-	(12)	-	-
Unabsorbed capital allowances	(179)	(210)	(31)	-
Unabsorbed investment tax allowance	(21)	(21)	-	-
	-	-	-	-
Deferred tax assets not recognised:				
Unused tax losses	(8,034)	(7,109)	-	-
Unabsorbed capital allowances	(263)	(207)	(190)	(190)
Unabsorbed investment tax allowance	(48)	(48)	-	-
Other deductible temporary differences	(7)	(12)	-	-
	(8,352)	(7,376)	(190)	(190)

The gross amount and future availability of unused tax losses, unabsorbed capital allowances, unabsorbed investment tax allowance and unabsorbed reinvestment allowance which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unused tax losses	8,034	7,121	-	-
Unabsorbed capital allowances	602	740	190	190
Unabsorbed investment tax allowance	22,680	28,549	-	-
Unabsorbed reinvestment allowance	1,607	2,717	-	-

In respect of Malaysia's subsidiaries, the unused tax losses can be carried forward for ten (10) consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred and this is effective from YA 2019. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven consecutive YAs. However, unabsorbed capital allowances can be carried forward indefinitely.

In respect of Singapore's subsidiary, unused tax losses can be carried forward indefinitely.

The unabsorbed reinvestment allowance will be disregarded in YA 2043. The unused tax losses will be disregarded in the following YAs:

	GROUP	
	2025 RM'000	2024 RM'000
YA 2029	2,168	2,168
YA 2030	1,763	1,763
YA 2031	1,924	1,924
YA 2033	249	257
YA 2034	669	669
YA 2035	25	25
YA 2036	590	-
	7,388	6,806

24. **EARNINGS PER SHARE**

(a) **Basic earnings per share**

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2025	2024
Profit for the financial year (RM'000)	41,629	40,973
Weighted average number of ordinary shares in issue ('000)	266,697	266,541
Basic earnings per share (sen)	15.61	15.37

(b) **Diluted earnings per share**

The diluted earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year after adjusting for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	2025	2024
Profit for the financial year (RM'000)	41,629	40,973
Weighted average number of ordinary shares in issue ('000)	266,697	266,541
Adjustment for dilutive effect of ESOS ('000)	51	51
	266,748	266,592
Diluted earnings per share (sen)	15.61	15.37

25. **DIVIDEND**

	GROUP AND COMPANY	
	2025	2024
	RM'000	RM'000
In respect of financial year ended 31 December 2024:		
- Single tier interim dividend of RM0.00375 per share	1,000	-
In respect of financial year ended 31 December 2023:		
- Single tier interim dividend of RM0.00375 per share	-	999
	1,000	999

26. **CAPITAL COMMITMENTS**

	GROUP	
	2025	2024
	RM'000	RM'000
Contracted but not provided for		
- Property, plant and equipment	824	125
- Investment properties	-	38
	824	163

27. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business and geographical segments. The primary format and business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results and assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business Segments

The operations of the Group are organised into the following main business segments:

- | | | |
|-------|---------------|---|
| (i) | Investment | Investment holding and provision of financial, administrative and advisory services. |
| (ii) | Manufacturing | Manufacturing and retailing of corrugated cartons, packing materials, gift and display boxes. |
| (iii) | Property | Property investment. |
| (iv) | Trading | Trading of paper products, design and sale of paper. |
| (v) | Hospitality | Management and operation of hotel and restaurant. |

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial year and previous financial year.

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

	Investments RM'000	Manufacturing RM'000	Property RM'000	Trading RM'000	Hospitality RM'000	Eliminations RM'000	Note	Total RM'000
2025								
Revenue								
External sales	1,852	167,748	171	7,765	22,505	-		200,041
Inter-segment sales	-	2,000	630	-	241	(2,871)	A	-
Total revenue	1,852	169,748	801	7,765	22,746	(2,871)		200,041
Result								
Segment results	2,470	31,606	53	2,396	9,956	-		46,481
Finance costs								(296)
Finance income								121
Share of results of joint ventures								5,523
Profit before tax								51,829
Taxation								(10,200)
Profit for the financial year								41,629
Assets								
Segment assets	67,877	268,457	10,194	13,030	105,740	-		465,298
Investment in joint ventures								41,440
Deferred tax assets								4,754
Current tax assets								5,175
Total assets								516,667
Liabilities								
Segment liabilities	82	27,398	103	779	2,842	-		31,204
Deferred tax liabilities								12,896
Current tax liabilities								488
Total liabilities								44,588
Other segment information								
Additions to non- current assets	-	5,849	2,600	7	396	-	B	8,852
Depreciation	-	7,190	45	320	2,688	-		10,243
Non-cash (income)/ expenses other than depreciation	(1,167)	(479)	(350)	(18)	(2,819)	-	C	(4,833)

	Investments RM'000	Manufacturing RM'000	Property RM'000	Trading RM'000	Hospitality RM'000	Eliminations RM'000	Note	Total RM'000
2024								
Revenue								
External sales	1,416	170,737	154	9,313	25,148	-		206,768
Inter-segment sales	-	3,492	630	-	174	(4,296)	A	-
Total revenue	<u>1,416</u>	<u>174,229</u>	<u>784</u>	<u>9,313</u>	<u>25,322</u>	<u>(4,296)</u>		<u>206,768</u>
Result								
Segment results	2,821	33,423	(156)	3,304	9,415	-		48,807
Finance costs								(468)
Finance income								200
Share of results of joint ventures								<u>1,986</u>
Profit before tax								50,525
Taxation								<u>(9,552)</u>
Profit for the financial year								<u>40,973</u>
Assets								
Segment assets	57,395	249,968	7,658	12,712	98,399	-		426,132
Investment in joint ventures								35,917
Deferred tax assets								5,663
Current tax assets								<u>6,730</u>
Total assets								<u>474,442</u>
Liabilities								
Segment liabilities	56	24,870	84	1,566	4,458	-		31,034
Deferred tax liabilities								12,528
Current tax liabilities								<u>222</u>
Total liabilities								<u>43,784</u>
Other segment information								
Additions to non- current assets	-	9,445	-	379	835	-	B	10,659
Depreciation	-	6,735	86	325	2,887	-		10,033
Non-cash (income)/ expenses other than depreciation	(1,766)	383	(81)	(7)	(582)	-	C	(2,053)

Notes to segmental information:

A Inter-segment revenue are eliminated on consolidation.

B Additions to non-current assets consist of:

	2025 RM'000	2024 RM'000
Property, plant and equipment	3,944	8,571
Investment properties	2,897	296
Right-of-use assets	2,011	1,792
	<u>8,852</u>	<u>10,659</u>

It excludes the additions of financial instruments and deferred tax assets.

C Other material non-cash (income)/expenses other than depreciation consist of the following items:

	2025 RM'000	2024 RM'000
Accretion of interest on lease liabilities	114	108
Addition/(Reversal) of allowance for expected credit losses on:		
- Trade receivables	-	6
- Other receivables	-	(700)
Deposits forfeited	(2)	(4)
Equity-settled share-based payments	-	233
Fair value gain on:		
- Investment properties	(2,449)	(80)
- Quoted equity investments	(808)	(691)
- Short term funds	(2,189)	(1,980)
Gain on disposal of:		
- Property, plant and equipment	(28)	(43)
- Quoted equity investments	(60)	(59)
Impairment loss on property, plant and equipment	-	871
Loss on derecognition of right-of-use assets and lease liabilities	27	-
Property, plant and equipment written off	477	15
Unrealised loss on foreign exchange	85	271
	(4,833)	(2,053)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and non-current assets respectively are as follows:

	Revenue		Non-current assets	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysia	188,095	193,452	215,380	210,247
Asia Pacific	11,255	12,062	8,934	8,037
Europe	336	869	-	-
United States of America	173	208	-	-
Others	182	177	-	-
	200,041	206,768	224,314	218,284

Information about major customers

There is no single customer that contributed to 10% or more of the Group's revenue during the financial year.

28. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries, joint ventures, key management personnel and the following parties:

Related parties	Relationship
Fame Pack Holdings Sdn. Bhd. :	A substantial shareholder of the Company and connected to Mr. Koay Chiew Poh.
Koay Boon Pee Holding Sdn. Bhd. :	A company in which the directors of the Company, namely Mr. Koay Chiew Poh, Mr. Koay Chiew Kang and Mr. Koay Chue Beng, have substantial financial interests.

Related parties	Relationship
Peoples Primary Healthcare Sdn. Bhd.	: A company in which the directors of the Company, namely Mr. Koay Teng Liang and Mr. Koay Teng Kheong, have substantial financial interests.
Peoples Primary Pharmacy Sdn. Bhd.	: A company in which the directors of the Company, namely Mr. Koay Teng Liang and Mr. Koay Teng Kheong, have substantial financial interests.

(ii) **Related parties transactions**

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Dividend income from subsidiaries	-	-	11,000	13,000
Dividend income from a joint venture	-	-	-	1,000
Accommodation fee paid to a subsidiary	-	-	-	6
Rental of premises paid to related parties:				
- Fame Pack Holdings Sdn. Bhd.	285	291	-	-
- Koay Boon Pee Holding Sdn. Bhd.	32	52	-	-
Rental of premises paid to certain directors of the Company:				
- Mr. Koay Teng Kheong	24	24	-	-
- Mr. Koay Teng Liang	54	54	-	-
Rental of premise paid to a director of a subsidiary, Madam Ooi Siew Hong	6	6	-	-
Rental of motor vehicles paid to Koay Boon Pee Holding Sdn. Bhd.	719	713	-	-
Medical care and supplies paid to related parties:				
- Peoples Primary Healthcare Sdn. Bhd.	215	194	-	-
- Peoples Primary Pharmacy Sdn. Bhd.	1	4	-	-

(iii) **Compensation of key management personnel**

Key management personnel are defined as those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The remuneration of the directors and other members of key management during the financial year is as follows:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' fees	382	388	148	144
Salaries and other short-term employee benefits	9,652	9,058	-	-
EPF	1,514	1,431	-	-
Equity-settled share-based payments	-	191	-	-
	11,548	11,068	148	144
Analysed as:				
- Directors	9,030	8,657	148	144
- Key management personnel	2,518	2,411	-	-
	11,548	11,068	148	144

The directors and other members of key management have been granted with the following number of share options and share grants:

	GROUP AND COMPANY	
	Number of ESOS	
	2025 '000	2024 '000
Balance at beginning/end	15	15

	GROUP	
	Number of ESGS	
	2025 '000	2024 '000
Balance at beginning	-	-
Granted	-	193
Vested	-	(193)
Balance at end	-	-

The ESOS and ESGS were granted on the same terms and conditions as those offered to other employees of the Group, as disclosed in Note 32 to the financial statements.

29. FINANCIAL INSTRUMENTS

29.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as FVTPL, amortised cost ("AC") and FVOCI.

	Carrying amount	FVTPL	AC	FVOCI
	RM'000	RM'000	RM'000	RM'000
GROUP				
2025				
Financial assets				
Other investments	211,237	202,423	-	8,814
Trade and other receivables, excluding prepayments	47,569	-	47,569	-
Cash and bank balances	22,669	-	22,669	-
	281,475	202,423	70,238	8,814

	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
GROUP				
2025				
Financial liabilities				
Borrowings	1,223	-	1,223	-
Trade and other payables, excluding SST and GST payable	19,045	-	19,045	-
	20,268	-	20,268	-
2024				
Financial assets				
Other investments	174,017	166,240	-	7,777
Trade and other receivables, excluding prepayments	45,638	-	45,638	-
Cash and bank balances	24,638	-	24,638	-
	244,293	166,240	70,276	7,777
Financial liabilities				
Borrowings	3,291	-	3,291	-
Trade and other payables, excluding SST and GST payable	18,062	-	18,062	-
	21,353	-	21,353	-
COMPANY				
2025				
Financial assets				
Trade and other receivables	2	-	2	-
Other investments	65,509	65,509	-	-
Cash and bank balances	247	-	247	-
	65,758	65,509	249	-
Financial liability				
Trade and other payables	57	-	57	-
2024				
Financial assets				
Trade and other receivables	2	-	2	-
Other investments	57,465	57,465	-	-
Cash and bank balances	182	-	182	-
	57,649	57,465	184	-
Financial liabilities				
Trade and other payables	45	-	45	-

29.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

29.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables. The Company's exposure to credit risk arises principally from financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

29.3.1 Trade receivables

The Group remains credit terms to the customers that range between **30 to 180 days** (2024: 30 to 180 days). Credit terms extended to its customers is based on careful evaluation on the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts. In order to further minimise its exposure to credit risk, the Group requires deposits from the customers.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount as disclosed in Note 12 to the financial statements.

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows:

	Gross RM'000	Allowance for ECL RM'000	Net RM'000
GROUP			
2025			
Not past due	38,724	-	38,724
1 to 30 days past due	5,910	-	5,910
31 to 60 days past due	1,066	-	1,066
61 to 90 days past due	428	-	428
More than 90 days past due	185	-	185
	7,589	-	7,589
Individually impaired	9	(9)	-
	46,322	(9)	46,313
2024			
Not past due	34,555	-	34,555
1 to 30 days past due	6,159	-	6,159
31 to 60 days past due	2,292	-	2,292
61 to 90 days past due	780	-	780
More than 90 days past due	762	-	762
	9,993	-	9,993
Individually impaired	9	(9)	-
	44,557	(9)	44,548

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM7,589,271** (2024: RM9,993,642) that are past due but not impaired at the end of the reporting period as the management is of the view that these debts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has significant concentration of credit risk in the form of outstanding balance due from **2 customers** (2024: 2 customers) representing **30%** (2024: 29%) of the total trade receivables.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECL for trade receivables and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM'000	Allowance for ECL RM'000	Net RM'000
Credit risk rating			
GROUP			
2025			
Low risk	47,765	-	47,765
Individually impaired	9	(9)	-
	47,774	(9)	47,765
2024			
Low risk	44,603	-	44,603
Individually impaired	9	(9)	-
	44,612	(9)	44,603

In managing the credit risk of the trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for ECL of trade receivables and contract assets at an amount equal to lifetime ECL using a simplified approach. The ECL on trade receivables and contract assets are estimated based on past default experience and an analysis of the trade receivables' and contract assets' current financial position, adjusted for factors that are specific to the trade receivables and contract assets such as liquidation and bankruptcy. Forward looking information such as gross domestic products ("GDP") rate has been incorporated in determining the ECL.

Trade receivables are usually collectible and the Group does not have much material historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No ECL is provided for the low credit risk trade receivables during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

29.3.2 Financial guarantees

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries and a joint venture company up to a limit of **RM104,360,000** (2024: RM112,860,000), of which the amount utilised as at the end of the reporting period was **RM12,137,900** (2024: RM14,956,617), representing the credit risk exposure to the Company as at that date.

The Company monitors on an ongoing basis the results of the subsidiaries and a joint venture company and repayments made by the subsidiaries and a joint venture company. As at the end of the reporting period, there was no indication that any subsidiaries and a joint venture company would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

29.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual cash flows RM'000	Within one year RM'000	More than one year and less than five years RM'000
GROUP				
2025				
<i>Non-derivative financial liabilities</i>				
Borrowings	1,223	1,471	1,471	-
Lease liabilities	1,560	1,643	1,182	358
Trade and other payables, excluding SST and GST payable	19,045	19,045	19,045	-
Total undiscounted financial liabilities	21,828	22,159	21,698	358
2024				
<i>Non-derivative financial liabilities</i>				
Borrowings	3,291	3,456	2,357	1,099
Lease liabilities	1,832	1,913	1,382	531
Trade and other payables, excluding SST and GST payable	18,062	18,062	18,062	-
Total undiscounted financial liabilities	23,185	23,431	21,801	1,630
COMPANY				
2025				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	57	57	57	-
Financial guarantees *	-	12,138	12,138	-
Total undiscounted financial liabilities	57	12,195	12,195	-
2024				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	45	45	45	-
Financial guarantees *	-	14,957	14,957	-
Total undiscounted financial liabilities	45	15,002	15,002	-

* The financial guarantees are included for illustration purpose only as they have not crystallised as at the end of the reporting period.

29.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on their carrying amount as at the end of the reporting period are as follows:

	GROUP	
	2025	2024
	RM'000	RM'000
Floating rate instruments		
Financial liabilities	1,223	3,291

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have an insignificant impact to the Group's and the Company's profit before tax and equity. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

29.6 Foreign currency risk

The objectives of the Group's foreign exchange policy are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax and equity. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect.

	GROUP	
	2025	2024
	RM'000	RM'000
USD	1,266	1,328
SGD	184	255
Others	8	(6)
Decrease in profit before tax	1,458	1,577
Decrease in equity	1,108	1,199

29.7 Equity price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial assets designated at FVTPL and FVOCI will fluctuate because of changes in market prices. Equity price risk arises from the Group's other investments which are the equity securities quoted in both local and foreign countries and investment in unit trusts and short term funds.

Management of the Group monitors the quoted equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company. While for the investment in unit trusts and short term funds, the management of the Group monitors the unit trusts and short term funds and it can be redeemed at any time upon notice given to the financial institution.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the share prices of the quoted equity securities has been 5% higher, with all other variables held constant, the Group's profit before tax and equity would have been higher by the amount shown below, arising as a result of higher fair value gain on investment in quoted shares. A corresponding lower of share prices would have an equal but opposite effect.

	GROUP	
	2025	2024
	RM'000	RM'000
Increase in profit before tax and equity of FVTPL	386	193
Increase in equity of FVOCI	441	389

As at the end of the reporting period, if the prices of the unit trusts and short term funds has been 1% higher, with all other variables held constant, the Group's and the Company's profit before tax and equity would have been higher by the amount shown below, arising as a result of higher fair value gain on investment in unit trusts and short term funds. A corresponding lower of the prices of the unit trusts and short term funds would have an equal but opposite effect.

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Increase in profit before tax and equity	1,947	1,624	655	575

30. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and the Company's financial assets (other than other investments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liabilities is reasonable approximation of fair values due to the insignificant impact of discounting.

30.1 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1	Level 2	Level 3	Total	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP					
2025					
Financial asset					
Other investments	211,237	-	-	211,237	211,237
2024					
Financial asset					
Other investments	174,017	-	-	174,017	174,017

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
COMPANY					
2025					
Financial asset					
Other investments	65,509	-	-	65,509	65,509
2024					
Financial asset					
Other investments	57,465	-	-	57,465	57,465

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

30.2 **Non-financial assets that are measured at fair value**

The directors determine the recurring fair values of the Group's investment properties with reference to valuation reports by external independent professional valuers using the market comparison method.

Description of valuation techniques used and key inputs to valuation of investment properties:

Valuation techniques	Significant unobservable inputs	Range
2025		
Market comparison method	Difference in location, size, level, time, condition, tenure, facility and corner premium	-30% to 15%
2024		
Market comparison method	Difference in location, size, level, time, condition, tenure, facility and corner premium	-30% to 20%

Significant changes in any of the above inputs in isolation would result in significant changes in the fair value of investment properties.

Market comparison method

Under the market comparison method, the land and buildings are valued by reference to transactions of similar land and buildings in the surrounding with adjustments made for difference in location, size, level, time, condition, tenure, facility, corner premium and other relevant characteristics.

Details of the Group's investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
GROUP					
2025					
Financial asset					
Investment properties	-	-	29,870	29,870	29,870
2024					
Financial asset					
Investment properties	-	-	24,820	24,820	24,820

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Level 3 fair value of investment properties have been generally derived using the market comparison approach. Selling price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management policy is to maintain a strong capital base to support their business and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure. The Group and the Company monitor capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total borrowings	1,223	3,291	-	-
Less: Cash and bank balances	(22,669)	(24,638)	(247)	(182)
Net cash	(21,446)	(21,347)	(247)	(182)
Total equity	472,079	430,658	221,683	210,085
Gearing ratio	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾

⁽ⁱ⁾ N/A – Not applicable as net cash position

32. **EMPLOYEE SHARE OPTION SCHEME (“ESOS”) AND EMPLOYEE SHARE GRANT SCHEME (“ESGS”)**

The Company's ESOS and ESGS are governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 29 August 2017. The ESOS and ESGS will be in force for a maximum period of five years till 6 October 2022 and had been extended for a further five years which expiring on 6 October 2027.

The salient features of the ESOS and ESGS are as follows:

- (i) The total number of new ordinary shares which are available to be issued under the ESGS and ESOS shall not in aggregate exceed fifteen percent (15%) of the total issued and share capital (excluding treasury shares) of the Company at any point in time during the duration of the scheme.
- (ii) A person shall be eligible to participate in the ESGS and ESOS if, as at the date of offer, has attained the age of at least eighteen (18) years old; not be an undischarged bankrupt nor subject to any bankruptcy proceedings; is serving in a specific designation under an employment contract, whether on a permanent contract or for a fixed duration. Eligibility to participate in the scheme does not confer on an Eligible Person a claim or right to participate in the scheme unless the Scheme Committee has made an offer and the Eligible Person has accepted the offer in accordance with the terms of the offer and the scheme. The selection of any Eligible Person to participate in the scheme shall be at the discretion of the Scheme Committee.
- (iii) The aggregate maximum number of shares that may be allocated shall be determined by the Scheme Committee, on an annual basis, provided that the allocation to any individual Eligible Person who, either singly or collectively through persons connected with that Eligible person, holds twenty percent (20%) or more of the issued share capital of the Company, shall not exceed ten percent (10%) of the Maximum Shares Available.
- (iv) The options shall continue to be in force for a period of five (5) years thereafter, provided that the approval of Bursa securities for the listing of and quotation for the new shares to be issued; the approval of the shareholders of the Company; and the fulfilment of all conditions attached to the approvals.
- (v) The new ordinary shares to be allotted upon the exercise of the option will, upon allotment, rank *pari passu* in all respects with the then existing issued and fully paid-up shares of the Company, except that the new ordinary shares so allotted will not be entitled to any rights, dividends, allotments or other forms of distribution, the entitlement date of which is declared prior to the date of allotment of the ordinary shares and will be subject to all the provisions of the Constitution of the Company and the Listing Requirements relating to transfer, transmission and otherwise.

ESOS

Movement of ESOS during the financial year

The following table illustrates the number and weighted average exercise prices (“WAEP”) of, and movements in, ESOS during the financial year:

Existing ESOS	Grant date	Exercise price RM	Number of ESOS			
			Balance at 1.1.2025	Exercised	Forfeited	Balance at 31.12.2025
I	21.7.2021	0.560	9,100	-	-	9,100
II	30.6.2022	0.465	27,841	-	-	27,841
III	20.10.2022	0.495	14,478	-	(500)	13,978

Existing ESOS	Grant date	Exercise price RM	Number of ESOS			
			Balance at 1.1.2024	Exercised	Forfeited	Balance at 31.12.2024
I	21.7.2021	0.560	9,100	-	-	9,100
II	30.6.2022	0.465	32,409	(3,388)	(1,180)	27,841
III	20.10.2022	0.495	15,978	(500)	(1,000)	14,478

The weighted average fair value of ESOS during the financial year is **RM0.17** (2024: RM0.18).

The weighted average share price at the date of the ESOS exercised during the financial year is **RM0.70** (2024: RM0.91).

Fair value of ESOS

The fair value of the ESOS granted were estimated at the grant date using the Black-Scholes Model, taking into account the terms and conditions upon which the ESOS were granted.

The following table lists the inputs to the Black-Scholes Model for the financial year ended 31 December:

Grant date	----- GROUP -----		
	21.7.2021	30.6.2022	20.10.2022
Fair value of ESOS at grant date (RM)	0.2491	0.1576	0.2111
Expected volatility (%)	72.93	23.30	30.27
Risk-free interest rate (% p.a.)	3.48	3.55	4.25
Expected dividend yield (%)	0	0	0
Expected life of option (days)	2,268	1,924	1,813
Share price (RM)	1.02	0.56	0.60
Exercise price (RM)	0.785	0.465	0.495

The expected life of the ESOS is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the ESOS is indicative of future trends, which may not necessarily be the actual outcome.

ESGS

Movement of ESGS during the financial year

The movements of the ESGS during the financial year is as follows:

Existing ESGS	Grant date	----- Number of ESGS -----			
		Balance at 1.1.2024	Granted	Vested	Balance at 31.12.2024
I	12.7.2024	-	254,600	(254,600)	-

The weighted average fair value of ESGS in the prior financial year was RM0.9173. The eligible persons will be awarded ordinary shares in the Company without any consideration payable by them.

**LIST OF PROPERTIES OWNED BY
PUBLIC PACKAGES HOLDINGS BERHAD AND ITS SUBSIDIARIES
AS AT 31 DECEMBER 2025**

Location	Title	Existing Use	Date of Last Revaluation	Age of Building (years)	Land area / Built-up area (sq.feet)	Carrying Amount as at 31.12.25 RM
PUBLIC PACKAGES SDN. BHD.						
Plot 72 Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 2.10.2047	Factory building	28.11.2007	36	22,509 / 11,516	869,110
Plot 96(A) Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 22.5.2050	Factory building	28.11.2007	36	32,356 / 5,688	1,118,976
Plot 96(B) Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 5.7.2054	Factory building	28.11.2007	29	16,985 / 9,979	409,577
Plot 67 Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 14.8.2047	Factory and office building	28.11.2007	37	44,083 / 94,249	1,996,289
Plot 116 Lintang Kampong Jawa Bayan Lepas Industrial Estate, Penang	Leasehold 18.10.2055	Factory and office building	28.11.2007	31	84,183 / 7,317	1,694,619
Block F95 Taman Pelangi, Prai (10 units)	Leasehold 22.4.2092	Hostel	28.11.2007	29	-/ 500 (per unit)	374,412

Location	Title	Existing Use	Date of Last Revaluation	Age of Building (years)	Land area / Built-up area (sq.feet)	Carrying Amount as at 31.12.25 RM
PUBLIC PACKAGES (NT) SDN. BHD.						
Lot 5632 Mukim 11 (Nibong Tebal) Seberang Perai Selatan, Penang	Freehold	Factory Building	28.11.2007	31	-/ 137,152	11,773,567
PPH PRINTING & PACKAGING (PENANG) SDN. BHD.						
Plot 482 Jalan Perusahaan Baru, Prai Industrial Estate, Penang	Leasehold 23.2.2049	Factory and office building	28.11.2007	36	43,738 / 38,474	1,375,380
A-1-3 Kelisa Apartment Lorong Kikik Satu, Taman Inderawasih, Seberang Perai	Freehold	Hostel	28.11.2007	33	-/ 726	57,600
Block F95 Taman Pelangi, Prai (10 units)	Leasehold 22.4.2092	Hostel	28.11.2007	29	-/ 500 (per unit)	374,412
Plot 468 Jalan Perusahaan Baru, Prai Industrial Estate, Penang	Leasehold 19.4.2049	Factory and office building	28.11.2007	36	93,329 / 77,727	3,154,017
PUBLIC PACKAGES (PRAI) SDN. BHD.						
Plot 60 P.T. No: 2941 Prai Industrial Estate Phase 4 Mukim 11 Seberang Perai Tengah, Penang	Leasehold 29.6.2052	Factory and office building	28.11.2007	31	261,361 / 140,924	8,841,432
PPH PRINTING & PACKAGING (KULIM) SDN. BHD.						
Plot 75 Kulim Industrial Estate Kulim, Kedah	Leasehold 21.9.2049	Factory and office building	28.11.2007	35	52,272 / 54,140	1,445,106

Location	Title	Existing Use	Date of Last Revaluation	Age of Building (years)	Land area / Built-up area (sq.feet)	Carrying Amount as at 31.12.25 RM
PUBLIC PACKAGES PROPERTIES SDN. BHD.						
Lot 5632 Mukim 11 (Nibong Tebal) Seberang Perai Selatan, Penang	Freehold	Rental	31.12.2025	-	511,877 / -	6,578,000
84 Lebuhraya Kapal, Perai, Penang	Freehold	Rental	31.12.2025	40	1,389 / 2,800	560,000
5-2-4 Edgumbe Court, Penang	Freehold	Rental	31.12.2025	36	- / 700	430,000
Unit SB15 Block A, No. 1 Persiaran Gurney, Penang	Freehold	Rental	31.12.2025	37	- / 1,815	1,300,000
Unit I-4-3 Taman Desa Relau, Penang	Freehold	Rental	31.12.2025	33	- / 700	280,000
Unit 368-2-04 Belisa Row Jalan Burma, Penang	Freehold	Rental	31.12.2025	30	- / 1,055	650,000
No. A-17-02, Verticas Residensi, off Jalan Ceylon, Kuala Lumpur	Freehold	Rental	31.12.2025	15	- / 2,111	1,650,000
Lot15 Jalan Utas 15/7 Section 15 40000 Shah Alam, Selangor	Leasehold 31.10.2070	Rental	31.12.2025	12	14,966 / 273	5,103,180
No.92A, Jalan Pisang Berangan, 11700 Glugor Penang	Leasehold 01.07.2117	Rental	31.12.2025	4	- / 3,800	2,600,000
No.92, Jalan Pisang Berangan, 11700 Glugor Penang	Leasehold 01.07.2117	Rental	31.12.2025	1	- / 3,800	2,600,000
PPH PLAZA SDN. BHD.						
Lot 742 Section 23 Bandar Georgetown Daerah Timur Laut, Penang	Freehold	Hotel	23.12.2002	-	39,107	47,024,294
Lot 741 & 743 Section 23 Bandar Georgetown Daerah Timur Laut, Penang	Freehold	Rental	31.12.2025	-	17,137	19,800,000
						122,059,971

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL as at 30 MARCH 2026

No. of shares	:	266,697,279 shares
Classes of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
No. of Shareholders	:	3,346

SUBSTANTIAL SHAREHOLDERS (Excluding Bare Trustees) as at 30 MARCH 2026

	Name	No. of Ordinary Shares Held			
		Direct Interest	%	Indirect Interest	%
1.	Fame Pack Holdings Sdn. Bhd.	108,558,408	40.71	-	-
2.	Multiple Accomplishments Sdn. Bhd.	17,548,763	6.58	-	-
3.	Koay Chiew Poh	10,445,251	3.92	118,002,407 *	44.25
4.	Ooi Siew Hong	739,726	0.28	118,002,407 *	44.25
5.	Koay Teng Liang	3,659,703	1.37	17,548,763 **	6.58
6.	Koay Teng Kheong	2,484,910	0.93	17,548,763 **	6.58
7.	Koay Teng Kwang	275,416	0.10	17,548,763 **	6.58

Note:

* Deemed interested by virtue of Section 8 of the Companies Act 2016 by virtue of shares held through Fame Pack Holdings Sdn. Bhd. and Koay Boon Pee Holding Sdn. Bhd..

** Deemed interested by virtue of Section 8 of the Companies Act 2016 by virtue of shares held through Multiple Accomplishments Sdn. Bhd..

DIRECTORS' SHAREHOLDINGS as at 30 MARCH 2026

	Name	No. of Ordinary Shares Held			
		Direct Interest	%	Indirect Interest	%
1.	Koay Chiew Poh	10,445,251	3.92	119,017,549 (a)	44.63
2.	Koay Chiew Kang	2,567,749	0.96	9,854,390 (b)	3.70
3.	Koay Teng Liang	3,659,703	1.37	17,559,763 (c)	6.58
4.	Koay Teng Kheong	2,484,910	0.93	17,559,763 (c)	6.58
5.	Koay Chue Beng	938,860	0.35	9,443,999 (d)	3.54
6.	Gooi Chye Soon	311,963	0.12	-	-
7.	Nurjannah Binti Ali	-	-	-	-
8.	Tang Boon Lee	11,519	0.01	-	-
9.	Dr. Sek Weng Yew	-	-	-	-
10.	Soon Poh Lean	-	-	-	-

Notes:

(a) Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Fame Pack Holdings Sdn. Bhd., Koay Boon Pee Holding Sdn. Bhd., his spouse and son respectively.

(b) Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Koay Boon Pee Holding Sdn. Bhd., his spouse and daughter respectively.

(c) Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016 by virtue of shares held through Multiple Accomplishments Sdn. Bhd. and his spouse respectively.

(d) Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Koay Boon Pee Holding Sdn. Bhd.

DISTRIBUTION OF SHAREHOLDERS as at 30 MARCH 2026

Holdings	No. of	%	No. of Shares	%
1 - 99	431	12.88	22,285	0.01
100 - 1,000	395	11.81	167,460	0.06
1,001 - 10,000	1,101	32.90	5,963,277	2.24
10,001 - 100,000	1,230	36.76	35,675,461	13.38
100,001 - 13,334,862 *	187	5.59	98,761,625	37.03
13,334,863 and above **	2	0.06	126,107,171	47.28
TOTAL	3,346	100.00	266,697,279	100.00

Remark: * Less than 5% of issued shares

** 5% and above of issued shares

THIRTY LARGEST SHAREHOLDERS as at 30 MARCH 2026

No.	Name	No. of Shares	%
1.	Fame Pack Holdings Sdn. Bhd.	108,558,408	40.71
2.	Multiple Accomplishments Sdn. Bhd.	17,548,763	6.58
3.	Koay Chiew Poh	10,445,251	3.92
4.	Koay Boon Pee Holding Sdn. Bhd.	9,443,999	3.54
5.	Tan Aik Choon	3,800,300	1.42
6.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lee Poh Kwee	2,665,000	1.00
7.	Lee Seow Chuan	2,519,900	0.94
8.	Koay Chiew Kang	1,911,753	0.72
9.	Koay Teng Liang	1,902,903	0.71
10.	Seik Thye Kong	1,900,000	0.71
11.	Koay Teng Kheong	1,790,910	0.67
12.	Koay Teng Liang	1,756,800	0.66
13.	Ooi Chin Hock	1,652,400	0.62
14.	Lee Keng Fah	1,647,100	0.62
15.	Loh Siew Hooi	1,579,000	0.59
16.	Lee Chee Beng	1,444,900	0.54
17.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An For Interactive Brokers (U.K.) Limited (Client)	1,406,900	0.53
18.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Gan Seong Liam	1,400,000	0.52
19.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Mary Tan @ Tan Hui Ngoh (STF)	1,392,300	0.52
20.	Lee Seow Chuan	1,320,000	0.50
21.	Do Hock Kwong	1,264,619	0.47
22.	Loh Chung Hai	1,186,000	0.45
23.	Tan Yau Lam	1,058,360	0.40
24.	Koay Chew Guan	999,951	0.37
25.	RHB Nominees (Asing) Sdn. Bhd. Pledged Securities Account For Robert Wing-Yee Snashall	991,200	0.37
26.	Raymond Ong Kee Chuen	950,000	0.36
27.	Koay Chue Beng	938,860	0.35
28.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Goalkey System Sdn. Bhd. (MY14 61)	873,000	0.33
29.	PM Nominees (Tempatan) Sdn. Bhd. Malpac Management Sdn. Bhd.	827,999	0.31
30.	Koay Chiew Lee	800,195	0.30
		<u>185,976,771</u>	<u>69.73</u>

PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.									
-										

PUBLIC PACKAGES HOLDINGS BERHAD
Registration No. 198701003743 (162413-K)
(Incorporated in Malaysia)

*I/We.....(*NRIC/Passport/CompanyNo.....)
 (Full Name in Block Letters)

of
 (Address)

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

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

*and/or

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

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 39th Annual General Meeting (“AGM”) of the Company will be held at Angier & Borden Level 4, Meeting Room, The Prestige Hotel of 8 Gat Lebuh Gereja, 10300 George Town, Penang on Friday, 22 May 2026 at 10.00 a.m. and at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To re-elect Mr. Koay Chiew Poh as a Director of the Company.		
2.	To re-elect Mr. Soon Poh Lean as a Director of the Company.		
3.	To re-elect Dr. Sek Weng Yew as a Director of the Company.		
4.	To approve the payment of Directors’ Fees to Non-Executive Directors.		
5.	To approve the payment of Directors’ Fees to Executive Directors.		
6.	To approve the payment of Directors’ Benefits to Non-Executive Directors.		
7.	To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company.		
8.	To authorise the Directors to allot and issue new shares in the Company.		

Please indicate with an “x” in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signed thisday of,2026.

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

Notes:

1. A proxy may but need not be a member of the Company.
2. A member shall be entitled to appoint up to a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
4. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
5. For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at Wisma Public Packages, Plot 67 Lintang Kampong Jawa, Bayan Lepas Industrial Estate, 11900 Bayan Lepas, Penang not less than 48 hours before the time for holding the meeting or any adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. Any completed proxy form transmitted by facsimile or electronic mail to the registered office of the Company will not be accepted.
6. In the case of a corporate member, the proxy form must be executed under the corporation’s common seal or under the hand of an officer or attorney duly authorised in which, it must be supported by a certified true copy of the relevant form or resolution appointing the officer or certified true copy of the power of attorney.
7. For the purpose of determining a member who shall be entitled to attend the 39th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 4 May 2026. Only a depositor whose name appears on the Record of Depositors as at 4 May 2026 shall be entitled to attend the 39th AGM or appoint proxies to attend and/or vote on his/her behalf.

* Strike out whichever is not applicable

Fold along this line

AFFIX
STAMP



PUBLIC PACKAGES HOLDINGS BERHAD

Registration No. 198701003743 (162413-K)

Wisma Public Packages,
Plot 67 Lintang Kampong Jawa,
Bayan Lepas Industrial Estate,
11900 Bayan Lepas, Penang.

Fold along this line



PUBLIC PACKAGES HOLDINGS BERHAD 198701003743(162413-K)

 Wisma Public Packages Lintang Kampung Jawa,
Bayan Lepas Industrial Park 11900 Penang, Malaysia.

 +604 6444 777  +604 6436 699

 solutions@pph.com.my / www.pph.com.my