



TSA GROUP BERHAD

Registration No. 202201010003 (1455700-A)

CREATING SHARED AND LASTING VALUE

ANNUAL REPORT
2025

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VISION

To continuously provide customers with trusted products and services and be a leading total industrial supplier in Malaysia and the Region.

MISSION

- **COMMITMENT TO BUSINESS**
Sustainable growth in sales and earnings through innovative products development to meet customers' evolving needs.
- **COMMITMENT TO CUSTOMERS**
Act with integrity at all times, upholding our values and ethics, and building trust through long-term relationship.
- **COMMITMENT TO EMPLOYEES**
Equal access to career development opportunities under one "Big-Family" through performance excellence and reward.
- **COMMITMENT TO SHAREHOLDERS**
Value creation through resilience and best-in-class shareholders' returns.

VALUES

C

Wholeheartedly meet customers' needs and requirements.

A

Acknowledge importance of supply chain relationship.

R

Accountable to shareholders through best in class returns.

E

Respect the dignity and contribution of employees through empowerment.

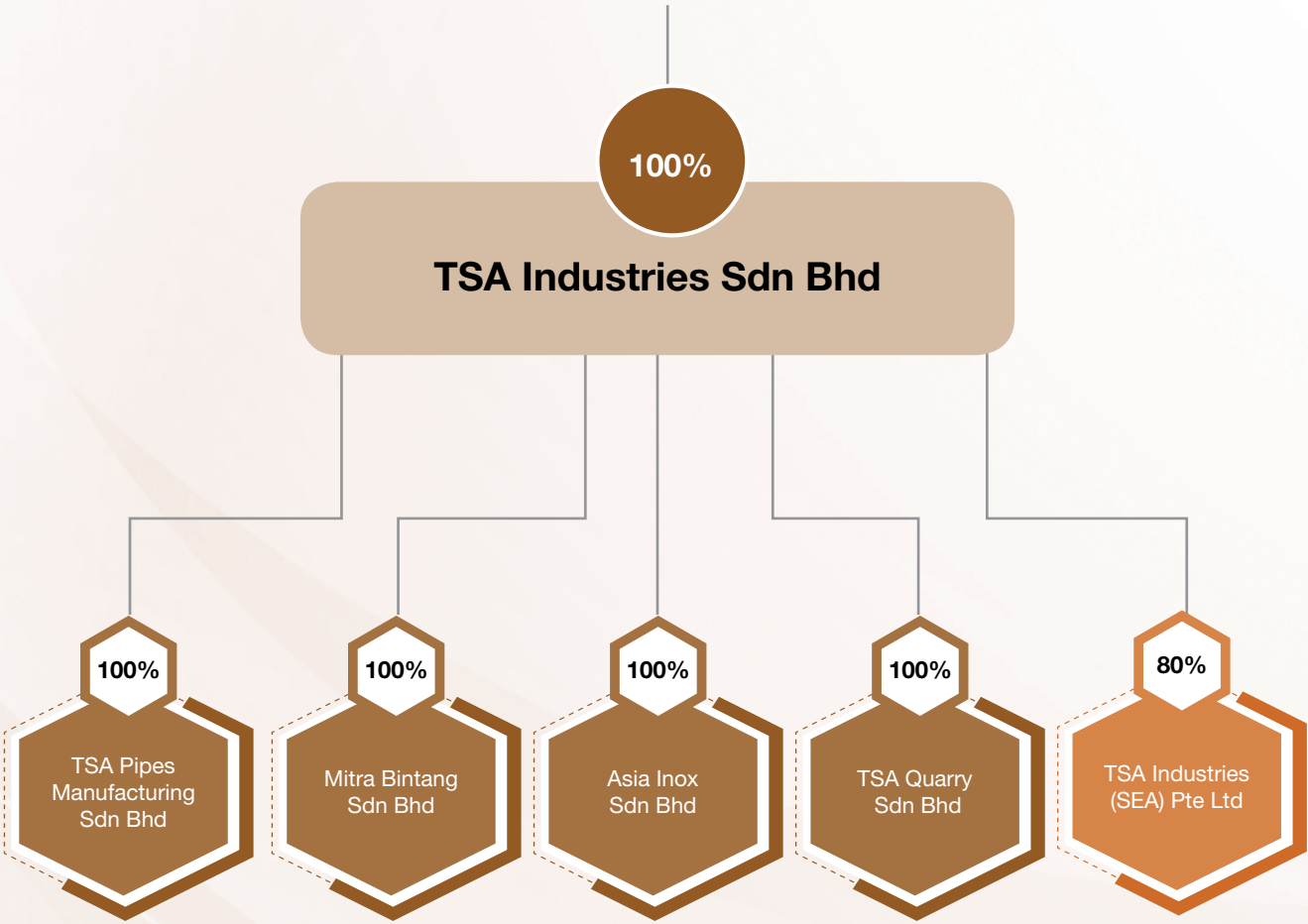
S

Recognise the concerns and needs of society.

**GROUP
STRUCTURE**
AS AT 1 APRIL 2026



TSA GROUP BERHAD



CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Hun Soon @ David Lim
Independent Non-Executive
Chairman

Chong Chin Look
**Karmjit Kaur A/P Sarban
Singh**
Shahira Binti Abdul Aziz
Independent Non-Executive
Directors

Chew Kuan Fah
Group Managing Director

Chew Yik Wai
Ng Kim Liang
Loh Pei Ling
Executive Directors

AUDIT COMMITTEE

Chong Chin Look
(Chairperson)

Karmjit Kaur A/P Sarban Singh

Shahira Binti Abdul Aziz

NOMINATING COMMITTEE

Shahira Binti Abdul Aziz
(Chairperson)

Chong Chin Look

Karmjit Kaur A/P Sarban Singh

REMUNERATION COMMITTEE

Karmjit Kaur A/P Sarban Singh
(Chairperson)

Chong Chin Look

Shahira Binti Abdul Aziz

RISK MANAGEMENT COMMITTEE

Karmjit Kaur A/P Sarban Singh
(Chairperson)

Chong Chin Look

Shahira Binti Abdul Aziz

COMPANY SECRETARIES

Goh Chooi Woan
(SSM PC NO. 201908000145)
(MAICSA 7056110)

Chiew En Yee
(SSM PC NO. 202308000846)
(MAICSA 7080964)

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : (603) 2788 9999

SPONSOR

UOB Kay Hian (M) Sdn Bhd
(formerly known as UOB Kay Hian
Securities (M) Sdn Bhd)
(199001003423 (194990-K))
Suite 19.03, 19th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : (603) 2147 1888

SHARE REGISTRAR

**Tricor Investor &
Issuing House Services Sdn Bhd**
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite,
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : (603) 2783 9299
Fax : (603) 2783 9222

PRINCIPAL BANKERS

Al Rajhi Banking & Investment
Corporation (Malaysia) Bhd
AmBank Islamic Berhad
Hong Leong Bank Berhad

REGISTERED OFFICE & HEAD OFFICE

Lot 3998, Jalan 6/2A
Taman Industri Selesa Jaya
43300 Balakong
Selangor
Tel : (603) 8962 2888
Fax : (603) 8962 1888

STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia
Securities Berhad**

Stock Name: TSA
Stock Code: 0297

KEY FINANCIAL HIGHLIGHTS

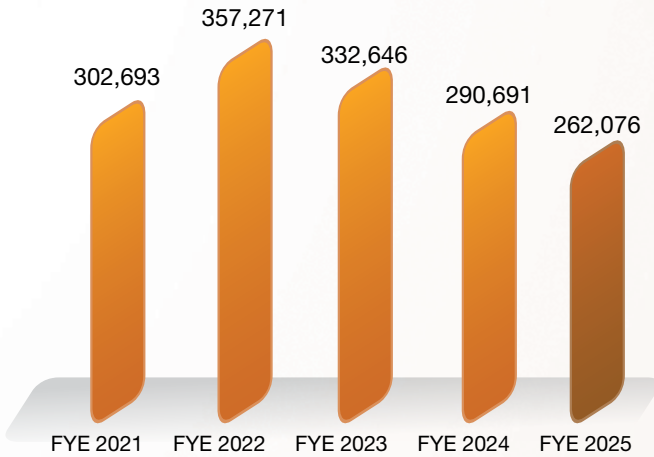
	FYE 2021 ⁽¹⁾ RM'000	FYE 2022 ⁽¹⁾ RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FYE 2025 RM'000
Revenue ⁽²⁾	302,693	357,271	332,646	290,691	262,076
Profit before taxation ⁽²⁾	52,552	50,126	24,150	24,181	23,547
Profit after taxation ⁽²⁾	40,284	40,659	17,107	17,660	16,148
Profit after taxation attributable to owner of the Company					
- continuing operations	39,459	39,848	16,327	17,484	16,062
- discontinued operations	(1,311)	(516)	-	-	-
Financial Position					
Total assets	260,653	241,366	223,011	279,857 ⁽³⁾	260,053
Total borrowings	69,416	64,746	60,291	71,595	44,169
Equity attributable to owners of the Company	123,007	147,729	139,682	181,764	185,015
Key Financial Ratio					
Gearing ratio (times)	0.56	0.44	0.43	0.39	0.24
Net assets per share attributable to owners of the Company (RM) ⁽⁴⁾	24.60	29.54	0.60	0.59	0.60
Basic and diluted earnings per share (sen)					
- continuing operations	789	797	41 ⁽⁵⁾	6 ⁽⁶⁾	5
- discontinued operations	(26)	(10)	-	-	-

Notes:

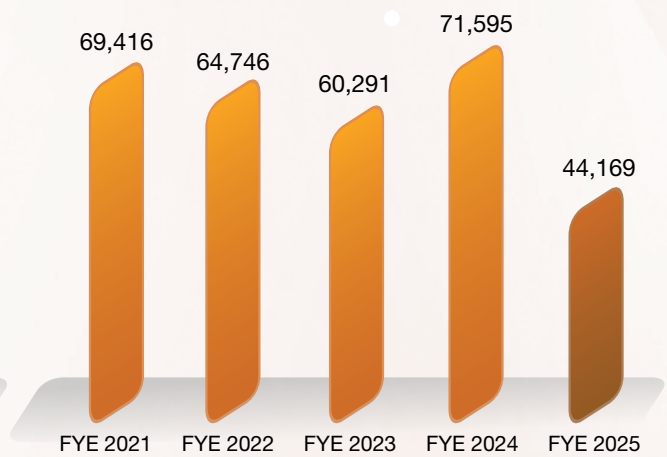
- (1) TSA Group Berhad was incorporated in Malaysia on 18 March 2022. The Company completed the acquisition, of the entire equity interest of TSA Industries Sdn Bhd on 31 October 2023. As a result of completion of the acquisition, TSA Industries Sdn Bhd, TSA Pipes Manufacturing Sdn Bhd, Mitra Bintang Sdn Bhd, TSA Industries (SEA) Pte Ltd and Asia Inox Sdn Bhd became subsidiaries of TSA Group Berhad. As such, the historical financial information of TSA Group Berhad for financial year ended ("FYE") 2021-2022 is presented based on the audited financial statement of TSA Industries Sdn Bhd and its subsidiaries.
- (2) The results are from continuing operation.
- (3) The figures have been restated to conform with the presentation of the FYE 2025.
- (4) The net assets per share attributable to owners of the Company for FYE 2021 - 2022 is calculated based on the equity attributable to the owner of the Company divided by number of shares issued by TSA Industries Sdn Bhd.
- (5) Basic earnings per share ("EPS") is computed based on weighted average number of ordinary shares of the Company after the completion of the acquisition of TSA Industries Sdn Bhd via issuance of 231,974,000 shares but before the issuance of new shares pursuant to the IPO of the Company.
- (6) Basic EPS is computed based on weighted average number of ordinary shares of the Company after the completion of the initial public offering ("IPO") of the Company on 2 February 2024 with the issuance of 77,325,000 new ordinary shares.

Key Financial Highlights
 (cont'd)

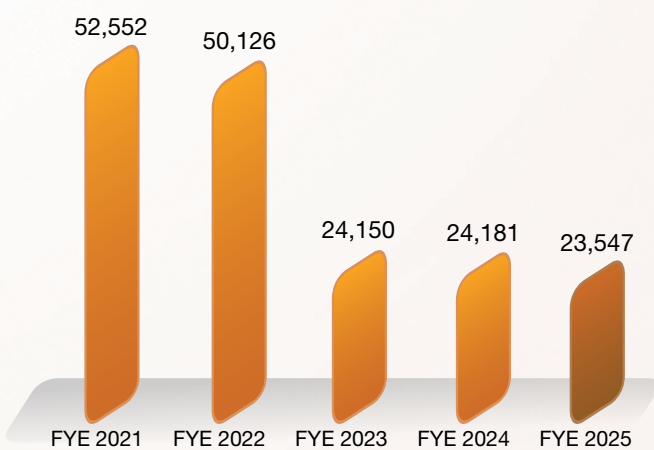
Revenue (RM'000)



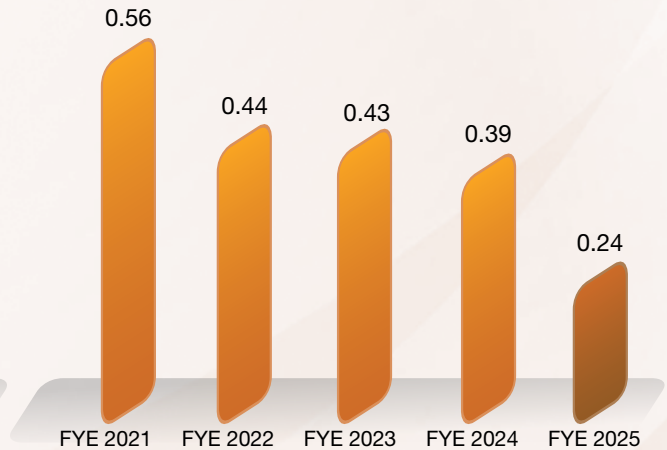
Total borrowings (RM'000)



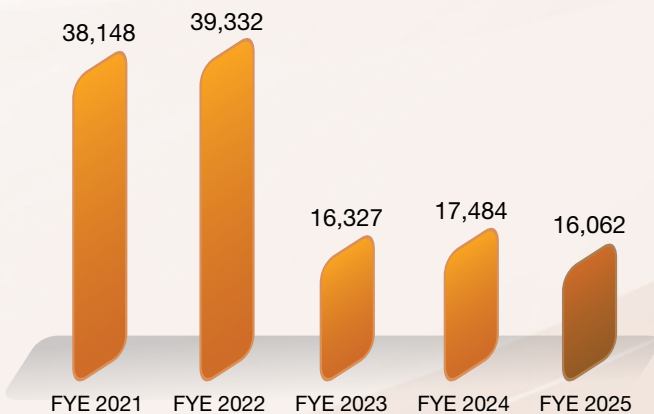
Profit before taxation (RM'000)



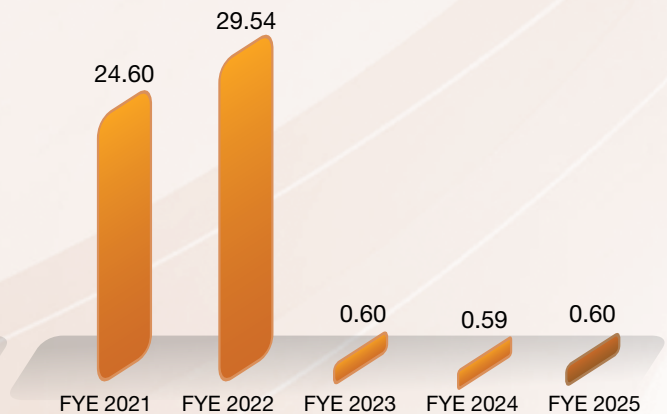
Gearing ratio (times)



Profit after taxation attributable to owner of the Company⁽¹⁾ (RM'000)



Net assets per share attributable to owners of the Company (RM)



Note : ⁽¹⁾ The results are from continuing and discontinued operations.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

TSA Group Berhad (“TSA” or the “Company”) is listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Company, together with its subsidiaries (collectively referred to as the “Group”), is principally involved in the trading of stainless steel and other metal products, hardware and other products, as well as the manufacturing of stainless steel pipes and processing stainless steel products.

The trading of stainless steel and other metal products, together with the manufacturing of stainless steel pipes, continues to be the Group’s core business activities and primary source of revenue. During the financial year under review, the Group has initiated a strategic diversification by venturing into the granite quarrying sector.

In line with this diversification strategy, the Group incorporated TSA Quarry Sdn Bhd (“TSA Quarry”) on 4 March 2025. On 1 August 2025, TSA Quarry has executed a Joint Operation and Sole Distribution Agreement with Asas Bumi Rezeki Sdn Bhd (“ABR”) for the joint operation and sole distribution of granite quarry products from a quarry site.

The Group’s operations are undertaken through the following companies:

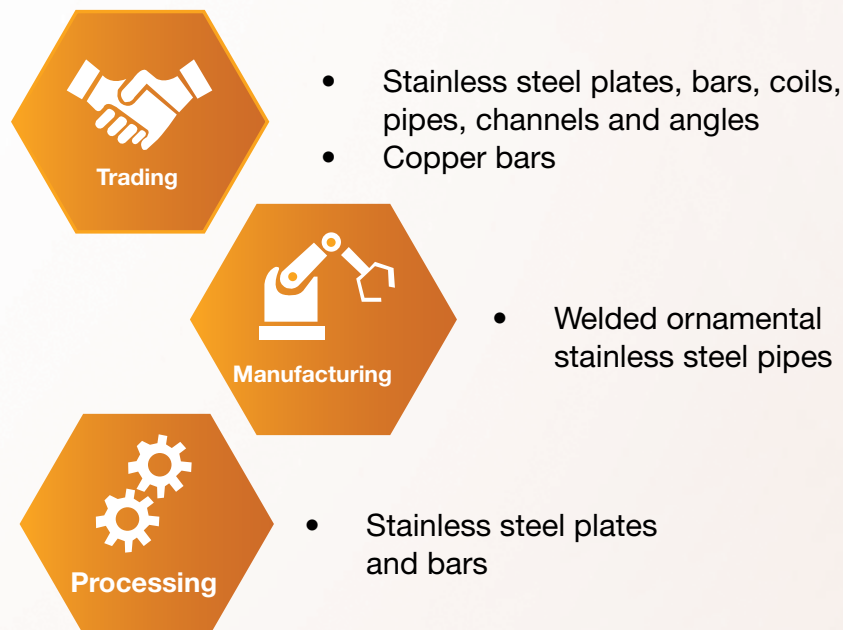
Company	Principal activities
TSA Group Berhad (“TSA”)	Investment holding
Mitra Bintang Sdn Bhd (“Mitra Bintang”)	Investment holding
TSA Industries Sdn Bhd (“TSA Industries”)	Investment holding, distribution and supply of ferrous and non-ferrous metal and other industrial hardware products, and manufacturing and processing of stainless steel pipes and other metal products
TSA Industries (SEA) Pte Ltd (“TSA Singapore”)	Distribution and supply of ferrous and non-ferrous metal and other industrial hardware products
TSA Pipes Manufacturing Sdn Bhd (“TSA Pipes”)	Dormant
Asia Inox Sdn Bhd (“Asia Inox”)	Dormant
TSA Quarry Sdn Bhd	Extraction, processing and supply of high quality armour rock, railway ballasts, aggregates, crushed stone and dimensions stone for construction, infrastructure and industrial applications

Our Group’s headquarter and manufacturing facilities are located in Selangor, and our main markets and operations are in Malaysia and Singapore. In FYE 2025, the Group exports its products to various international markets, including Australia, Brunei, New Zealand, France, Indonesia, Maldives, Thailand, and the United Kingdom.

Management Discussion and Analysis (cont'd)

BUSINESS OVERVIEW (CONT'D)

During the financial year under review, the Group's main business activities and key revenue streams comprised of the following:



- Trading of metal and other products

The trading of metal and other products remains the Group's largest revenue contributor. The products traded by the Group include the following:

Products	Descriptions
Rolled metal products	Plates, bars, and coils, mainly of stainless steel and also other metals such as copper, aluminium, brass, bronze, lead, and carbon steel
Pipes	Mainly stainless steel, but also include carbon steel, aluminium, bronze, brass, and copper
Channels and angles	Mainly stainless steel, but also include other metals such as aluminium, bronze, copper, brass, carbon steel and other metals
Hardware and others	Include amongst others, expanded metal, engineered plastics, household and industrial cleaning chemicals, ironmongeries, busbar components and switchboard components

- Manufacturing of stainless steel pipes

We manufacture welded ornamental stainless steel pipes with our in-house forming, welding and polishing lines at our facility. These ornamental pipes are primarily used for non-structural, decorative and architectural purposes such as those used for gates, railings, display stands, furniture, bathroom accessories, and car parts and accessories. The stainless steel pipes that we manufacture are available in various profiles, including round, square and rectangle, as well as their respective slotted profiles.

- Processing of stainless steel products

We also process purchased stainless steel bars and plates to meet customer's specifications through value-added processing activities such as slitting, polishing and perforation.

Management Discussion and Analysis (cont'd)

BUSINESS OVERVIEW (CONT'D)

OPERATIONS

The Group's revenue is primarily derived from stainless steel products, which are widely used across the manufacturing sector, including fabricated metal products and engineering activities involving the fabrication of parts, components, tools, equipment and machinery, as well as in the construction industry.

The stainless steel industry is dependent on demand from, among others, the manufacturing sector and the construction industry. Global economic conditions have a significant impact on both the demand, and the pricing of, stainless steel and other metal commodities. As such, the outlook of the stainless steel industry is closely linked to the performance and growth of these sectors.

In Malaysia, the stainless steel industry is also highly dependent on the import value of rolled stainless steel products. Any supply disruption or increase in the cost of procurement, including fluctuations in raw material prices and transportation charges, may negatively affect the industry.

Stainless steel rolled products, such as plates, sheets, coils and bars, are key input materials for the Group's trading and processing of stainless steel products, and the manufacturing of stainless steel pipes. These materials are generally regarded as commodities and their prices are subject to market price fluctuations. As a result, the Group's revenue and profit margins may be affected by volatility in the stainless steel prices, which may influence both customer demand and procurement costs.

The Group remains committed to expand its core business in the trading of stainless steel and other metal products, and the manufacturing of stainless steel pipes. The earthworks for the construction of the manufacturing facility in Semenyih have been completed and the main building construction works commenced in March 2026. The production of cold-rolled stainless steel coils is intended to support both our trading operations and our pipes manufacturing and processing activities.

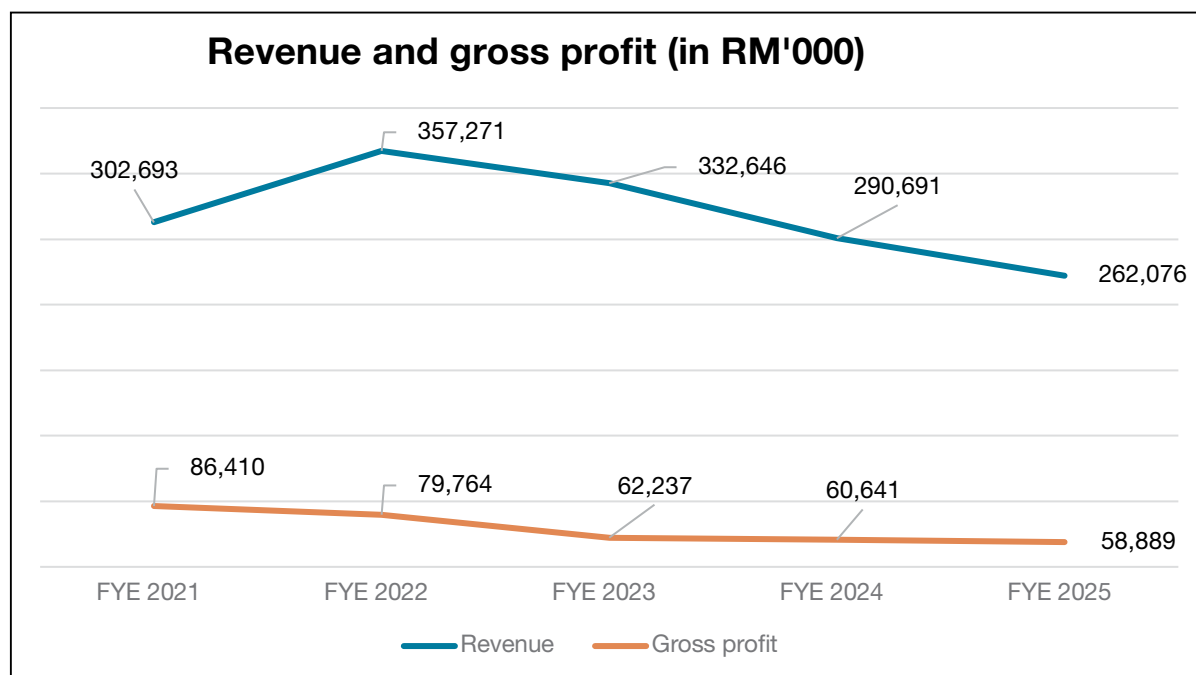
The Group's newly commenced quarry business is currently in the preliminary stage of operations and did not contribute to the Group's revenue during the financial year under review. The Group will continue to monitor market conditions and adjust its operational priorities accordingly. Whilst the Group acknowledges uncertainties remain; we will continue to adopt a prudent and flexible approach in navigating the evolving business environment.

Management Discussion and Analysis (cont'd)

BUSINESS OVERVIEW (CONT'D)

FINANCIAL REVIEW

The Group's financial performance over the past five (5) financial years is summarised as follows:



Key information in relation to the Group's financial performance for the financial years ended 31 December 2024 ("FYE 2024") and 31 December 2025 ("FYE 2025") is set out below:

Continuing operations	FYE 2024 (RM'000)	FYE 2025 (RM'000)	Variance (%)
Revenue	290,691	262,076	(9.8)
Gross profit	60,641	58,889	(2.9)
Profit before tax	24,181	23,547	(2.6)
Gross profit margin	20.9%	22.5%	1.6
Total assets	279,857 ⁽¹⁾	260,053	(7.1)
Borrowings	71,595	44,169	(38.3)
Debt / equity (%) ⁽²⁾	39.4%	23.9%	(15.5)

Note:

⁽¹⁾ The figures have been restated to conform with the presentation of the FYE 2025.

⁽²⁾ Calculated based on total interest-bearing borrowings excluding lease liabilities divided by total equity attributable to the owner of the company.

Management Discussion and Analysis (cont'd)

BUSINESS OVERVIEW (CONT'D)

In FYE 2025, the Group has recorded a revenue of RM262.1 million, representing a decrease of 9.8% as compared to RM290.7 million achieved in FYE 2024. The decline was primarily attributable to lower average selling prices and softer market demand, driven by a combination of factors including a slowdown in the industrial sector, particularly among parts, machinery and equipment manufacturers as well as heightened competition, and lower nickel prices.

The Group's gross profit decreased slightly from RM60.6 million in FYE 2024 to RM58.9 million in FYE 2025, representing a decline of 2.9%, in line with the lower revenue. On the contrary, there is an improvement to the gross profit margin, increasing from 20.9% in FYE 2024 to 22.5% in FYE 2025, representing a 1.6% increase. This was primarily driven by the Group's strategic inventory positioning and procurement timing, which enabled us to secure raw materials at competitive costs and maintain favourable pricing for our products.

The Group recorded a profit before tax of RM23.5 million in FYE 2025, representing a slight decrease of 2.6% compared with FYE 2024. The decline was primarily attributable to a reduction in gross profit of RM1.8 million and a decrease in other income of RM4.3 million, which included the absence of a one-off recovery of RM3.2 million from a legal case recognised in the prior financial year. In addition, higher administrative expenses of RM0.4 million further contributed to the decline. However, this impact was partially offset by a RM1.7 million reduction in impairment losses on financial assets, lower other expenses of RM2.3 million, lower finance costs of RM0.9 million, and a decrease of RM0.9 million in selling and distribution expenses.

The Group's total assets decreased from RM279.9 million in FYE 2024 to RM260.1 million in FYE 2025, representing a decline of 7.1%, primarily due to the utilisation of IPO proceeds for capital expenditure on the Semenyih Manufacturing Premises and for working capital as well as a strategic reduction in inventory in line with sales. These decreases were partially offset by an increase in contract assets and intangible assets during the financial year under review.

The borrowings of the Group have declined significantly by 38.3%, from RM71.6 million in FYE 2024 to RM44.2 million in FYE 2025, mainly driven by lower inventory purchases and the utilisation of IPO proceeds for working capital, which reduced the Group's reliance on bank financing.

The debt-to-equity ratio has decreased by 15.5%, from 39.4% in FYE 2024 to 23.9% in FYE 2025. This improvement was mainly due to the significant reduction in borrowings during the year.

Capital expenditure

As part of the Group's business strategy and plan mentioned earlier, the capital expenditure for the establishment of the cold rolling line includes the acquisition and the construction cost of a new manufacturing premises in Semenyih. It also encompasses the cost to purchase, install, test and commission the stainless steel cold rolling line and the annealing furnace. The total estimated cost is approximately RM120 million, which will be financed through a combination of proceeds from the IPO, internally generated funds and bank borrowings.

The earthworks for the said manufacturing premises have been completed and the main building construction commenced in March 2026.

Management Discussion and Analysis (cont'd)

KEY RISKS TO THE GROUP

The Group manages its risks through structured risk management processes guided by the Group's Risk Management Framework. This framework encompasses the identification, assessment, evaluation, treatment, and ongoing monitoring of key risks faced by the Group.

Through the risk management processes, the Group has identified the following risks which deemed significant to our operations:

- **Fluctuations in stainless steel prices**

A sustained increase in the stainless steel market prices may reduce demand for stainless steel products. If our customers (i.e. fabricators, manufacturers, construction companies, etc.) unable to pass on these higher costs to their end customers, they may seek alternative materials, which could result in lower orders for our Group.

However, stainless steel possess desirable properties, including corrosion resistance and strength, making it difficult for our customers to find suitable substitutes for their applications.

To mitigate this risk, our Group has over the years, built a broad and diversified customer base across multiple industries and market segments, reducing reliance on any single customer group or industry. The Group also conducts ongoing market price monitoring to support effective procurement planning. Additionally, the Group continues to diversify its suppliers and sourcing regions to reduce our exposure to price volatility.

- **Increasing competition from existing and new competitors**

The relatively low barrier to entry in the stainless steel and metal products industry have led to growing competition, particularly from international players, including those from China, entering the local market. By offering more competitive pricing, these new entrants have been able to capture and expand their market share.

To mitigate this risk, the Group actively monitors the developments in metal products and market trends. The Group also continuously expands our customer base both domestically and internationally, while maintaining high product quality, fast delivery lead times, and excellent customer service. Competitive pricing strategies are implemented to strengthen the Group's market position and retain customer loyalty.

- **Foreign exchange risk**

The Group is exposed to foreign currency exchange gains or losses arising from timing differences between our billings, actual receipt of payments and conversion or translation of foreign currencies into Ringgit Malaysia ("RM"). In addition, the Group's subsidiary in Singapore records its assets, liabilities, revenue and earnings in Singapore Dollar ("SGD"), which are translated into RM for consolidation and financial reporting purposes.

The Group is also exposed to foreign exchange risk in relation to our purchases of materials denominated in foreign currencies. A significant portion of our purchases, including stainless steel and other metal products, are denominated in United States Dollar ("USD"). Fluctuations in exchange rates between the RM and foreign currencies, particularly USD and SGD, may have a material impact on our reported revenue, costs and profitability, as these are ultimately presented in RM in the consolidated financial statements. Unfavourable foreign exchange rate movements may also increase the cost of purchasing materials that are denominated in the affected foreign currencies.

To mitigate this risk, we closely monitor foreign exchange movements on an ongoing basis and implement appropriate hedging strategies where necessary to manage the exposure to foreign currency fluctuations. In addition, the Group maintains foreign currency bank accounts as part of a natural hedging approach to partially offset foreign currency inflows and outflows.

Management Discussion and Analysis (cont'd)

KEY RISKS TO THE GROUP (CONT'D)

- Increase in costs of operations

The Group faces the risk of rising operating costs, including higher utility costs, labour expenses and other operational overheads. In recent years, operating costs have increased due to factors such as higher electricity tariffs, increases in statutory minimum wages, and general cost inflation affecting logistics, materials and services.

To mitigate this risk, the Group continuously implements cost monitoring and optimisation measures across its operations. These include improving operational efficiency, optimising machinery scheduling to reduce electricity consumption, and closely monitoring overtime and shift arrangements to minimise unnecessary labour costs. Where commercially feasible, the Group also seeks to partially pass on cost increases to customers through appropriate pricing adjustments.

- Disruption in supply chain

The Group is exposed to the risk of supply chain disruptions as it imports a significant portion of its stainless steel products from overseas suppliers. Any interruption or disruption in the supply of stainless steel products could adversely affect the Group's operations, particularly given the longer lead times associated with imported materials.

External factors such as geopolitical tensions, logistical constraints, port congestion, and changes in trade policies, including tariffs and anti-dumping measures, may affect the availability, cost and delivery timelines of these materials. Prolonged or significant disruptions could impact production efficiency and the Group's ability to meet customer demand.

To mitigate this risk, the Group actively monitors and manages its supply chain to ensure sufficient availability of input materials to support operational requirements. The Group also monitors global market developments, trade regulations, and shipping conditions on an ongoing basis. In addition, the Group diversifies its supplier base across different regions and sources, undertakes prudent procurement planning by maintaining appropriate buffer stock levels, and where necessary, procures materials from local suppliers to ensure continuity of supply.

- Cybersecurity risk

The Group increasingly relies on information technology systems and digital platforms to support its business operations, including production planning, inventory management, procurement, sales, and financial reporting. As a result, the Group is exposed to cybersecurity risks such as unauthorised access, data breaches, malware attacks, ransomware, and other cyber incidents that may compromise the confidentiality, integrity or availability of its systems and data.

Such incidents may disrupt business operations, lead to loss of sensitive or proprietary information, result in financial losses, and potentially damage the Group's reputation. To mitigate this risk, the Group implements various information technology security measures, including access controls, firewalls, antivirus and endpoint protection systems, and regular data backups to safeguard its systems and information. The Group also conducts periodic monitoring and updates of its IT infrastructure to address emerging cybersecurity threats. In addition, employees are reminded to adhere to internal IT policies and good cybersecurity practices to reduce the risk of cyber incidents.

Management Discussion and Analysis (cont'd)

DIVIDEND

The Board of Directors (“Board”) has considered amongst others, the Group’s earnings, capital commitments, general financial conditions, distributable reserves, etc. in determining the dividend for the financial year ended 31 December 2025.

During the financial year, the Group declared total dividends of 5 cents per ordinary share. This comprises of a final dividend of 1 cent per ordinary share in respect of FYE 2024, amounting to RM3.1 million and paid on 26 March 2025, as well as four interim dividends of 1 cent per ordinary share each in respect of FYE 2025.

The interim total dividends declared in respect of FYE 2025 amount to 4 cents per ordinary shares, which were paid on 20 June 2025 (RM3.1 million), 24 September 2025 (RM3.1 million), 30 December 2025 (RM3.1 million), and 2 April 2026 (RM3.1 million). In total, the dividends declared and paid amounted to RM12.4 million.

FORWARD-LOOKING STATEMENT

OUTLOOK

Despite the challenging external environment, the Malaysian economy remained resilient in 2025, with Gross Domestic Product (“GDP”) recorded a growth of 5.2%⁽¹⁾, supported by strong domestic demand and favourable export performance, surpassing earlier forecast ranges.

Looking ahead, the Malaysian economy is projected to grow between 4.0% and 4.5% in 2026, underpinned by continued domestic demand, stable labour market conditions, and ongoing investment activities as outlined in Budget 2026. Within this, the construction sector is forecasted to grow by approximately 6.1% in 2026, supported by continued infrastructure projects and private sector investments. The manufacturing sector is expected to expand by around 3.0%, driven by stable domestic demand and a global technology upcycle that continue to drive export-oriented industries ⁽²⁾.

The stainless steel industry, which supplies intermediate inputs to both the construction industry and manufacturing sectors, remains a key component of the Group’s operations. Consequently, the performance of these sectors, together with broader economic conditions in Malaysia, continues to influence the Group’s business and financial results.

In addition to domestic developments, the Group remains attentive to global market factors that may affect the industry. Fluctuations in international trade policies, including the imposition and temporary suspension of reciprocal tariffs by the United States, and the ongoing geopolitical conflict between United States and Iran have significantly affected the commodity price and supply chain dynamics. These developments have adversely affected the demand, pricing, and procurement for stainless steel products.

The Board continues to monitor both domestic and global developments closely and assesses their potential impact on the Group’s operations, financial performance, and strategic direction. The Group remains focused on maintaining operational efficiency, enhancing customer relationships, and ensuring financial discipline to navigate the evolving business environment.

Sources:

⁽¹⁾ Press Release: Rousing Fourth Quarter Lifts 2025 Growth Beyond Expectations by Ministry of Finance, 13 February 2026.

⁽²⁾ Budget 2026, Economic Outlook 2026 by Ministry of Finance, 10 October 2025

Management Discussion and Analysis (cont'd)

PROSPECTS

Our Group remains committed to expanding our core business of trading in stainless steel and other metal products, and the manufacturing of stainless steel pipes. Various plans are in the pipeline to broaden our product range in order to better serve customer needs and capture new market opportunities.

The Group has also ventured into the granite quarrying business through the establishment of TSA Quarry in 2025. This new line of business is expected to complement our existing operations by providing additional revenue streams and strengthening our presence in the construction and infrastructure sectors. While the quarry business is still in the early stages of operation, the Group remains focused on developing its operational capabilities and leveraging sole distribution and joint operation.

The prospects of the stainless steel and quarry industries are closely tied to the performance of the manufacturing and construction sectors. Furthermore, global geopolitical and economic developments continue to influence demand, pricing and supply chain dynamics for stainless steel, other metal products and granite.

Amidst this backdrop, the Group remains vigilant in its management of risk and strategic planning. While we are optimistic about the opportunities ahead, including growth from both our core operations and the newly established quarry business, we recognise that uncertainties remain, particularly those outlined above. The Group will continue to adopt a cautious and flexible approach to navigate the evolving domestic and global business landscape.

BOARD OF DIRECTORS & KEY SENIOR MANAGEMENT



Board of directors :

1. Lim Hun Soon @ David Lim
2. Chew Kuan Fah
3. Chew Yik Wai
4. Ng Kim Liang
5. Loh Pei Ling
6. Chong Chin Look
7. Karmjit Kaur A/P Sarban Singh
8. Shahira Binti Abdul Aziz

Key Senior Management :

9. Tan Bee Hong
10. Lai Hoi Lian
11. Low Chan Kheun
12. Wong Foot Nam

Company Secretaries :

13. Goh Chooi Woan
14. Chiew En Yee

PROFILE OF DIRECTORS



LIM HUN SOON @ DAVID LIM

Independent Non-Executive Chairman

Malaysian | Male | Age 70

Membership of Board Committees:

None

No. of Board Meeting Attended:

7/7

Other Directorships

Listed Issuer

- Kawan Food Berhad
- Press Metal Aluminium Holdings Berhad
- Kossan Rubber Industries Berhad

Public Company

- Public Investment Bank Berhad
- Rockwills Trustee Berhad
- Malaysian Rating Corporation Berhad

Mr. Lim Hun Soon @ David Lim (“Mr. David Lim”), our Independent Non-Executive Chairman, was appointed to our Board on 4 November 2022.

Mr. David Lim graduated with a Bachelor of Arts in Economics from the University of Leeds in 1978. He is a professional member of:

- The Malaysian Institute of Accountants (MIA)
- The Malaysian Institute of Certified Public Accountants (MICPA)
- The Chartered Institute of Taxation in the United Kingdom
- The Institute of Chartered Accountants in England and Wales (ICAEW)

Mr. David Lim started his professional career in Peat Marwick Mitchell (now known as KPMG) in the United Kingdom in 1978. He returned to Malaysia in 1982 to continue his career with KPMG. In 1990, he was admitted as a partner of KPMG and later served in:

- KPMG’s Management Committee (1997 - 2001)
- KPMG’s Partnership Supervisory Council (2002 - 2010)

Through these roles, Mr. David Lim gained extensive knowledge from KPMG’s global network.

In 2006, Mr. David Lim played a key role in founding the Audit Committee Institute, Malaysia, a virtual global initiative sponsored by KPMG to support independent directors in enhancing board effectiveness.

Mr. David Lim was also an examiner for Company Law examinations conducted by MICPA for over 10 years. He served as:

- Chairman of the MICPA Code of Ethics Committee (2002 – 2004)
- Member of the MIA Code of Ethics Committee (2002 – 2004)

Mr. David Lim retired from KPMG in 2011.

In 2013, Mr. David Lim was appointed as a Council Member of ICAEW serving for a total of three terms till March 2019, being the maximum permitted tenure.

In 2024, Mr. David Lim was appointed as an Independent Non-Executive Director of Fairview International PLC, a company listed on the Main Market of the London Stock Exchange.

Profile of Directors
(cont'd)



Membership of Board Committees:

None

No. of Board Meeting Attended:

7/7

Other Directorships

Listed Issuer

Nil

Public Company

Nil

Mr. Chew Kuan Fah, our Group Managing Director, has served as a Director of the Company since its incorporation on 18 March 2022. He was subsequently re-designated to his current position on 18 October 2022 where he is responsible for developing strategic plans and overseeing the management, operations and sales of our Group.

Mr. Chew graduated with a Diploma in Electrical and Electronic Engineering from Maju Institute Technology, Malaysia in 1988.

Mr. Chew's career journey started as a Project Estimator cum Engineering Assistant at Radio & General Engineering Sdn Bhd in 1984, overseeing electrical contracts and project costings. He transitioned to Scott & English Sdn Bhd in 1987, initially as a Sales Representative and later as a Sales Product Specialist. His responsibilities included sales and marketing. In 1994, he joined KVC Industries Sdn Bhd as a Sales Manager and was promoted to Executive Director (non-board position) in 1996, overseeing sales and product management. He joined Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries Sdn Bhd) in 2002 as Sales and Marketing Director, becoming a board member in 2004 and the Managing Director in the same year.

Profile of Directors
(cont'd)



CHEW YIK WAI
Executive Director

Malaysian | Male | Age 63

**Membership of Board
Committees:**

None

**No. of Board Meeting
Attended:**

7/7

Other Directorships

Listed Issuer

Nil

Public Company

Nil

Mr. Chew Yik Wai, our Executive Director, was appointed to our Board on 18 October 2022. In his capacity, he is responsible for the overall operations of our Group relating to production, procurement and export markets.

Mr. Chew attended secondary education at Sekolah Menengah Dato' Onn, Kuala Lumpur.

Mr. Chew began his career as a storekeeper in 1979, progressing to Counter Sales Support in 1986, managing customer inquiries and invoicing. In 1994, he joined Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries Sdn Bhd) as a Purchasing Manager where he was responsible for conducting local and overseas market surveys on pricing and quality and providing market competitive analysis. In 1999, he was promoted to Director, Product Development and Marketing and was later redesignated as Executive Director, Marketing and Product Development (non-board position) in 2007, focusing on new product conception and marketing plan execution. He was redesignated as Executive Director (non-board position) in 2013 and was subsequently appointed to the board of TSA Industries Sdn Bhd in 2022.

Profile of Directors
(cont'd)



Membership of Board Committees:

None

No. of Board Meeting Attended:

7/7

Other Directorships

Listed Issuer

Nil

Public Company

Nil

Mr. Ng Kim Liang (“Mr. Eric”), our Executive Director, was appointed to our Board on 17 November 2022. He is responsible for overseeing the overall management and the day-to-day operations of the sales and marketing department of our Group. This involves guiding the sales team to achieve annual sales targets and formulating pricing and sales strategies of our Group.

Mr. Eric completed his secondary education at Sekolah Menengah Kebangsaan Kepong, Selangor in 1986.

Mr. Eric's career started in 1987 as a debt recovery and counter sales officer, progressing through various roles in sales, product sourcing, and business operations. After transitioning to Genware Engineering Hardware Supply in 1992, he climbed from Sales Executive to Manager. He continued his trajectory, joining Genware Engineering Hardware Supply Sdn Bhd in 1998, and later moving to Genware Industrial Supply Sdn Bhd in 2001 as a Manager. In the same year, he joined Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries Sdn Bhd) as Sales Manager, subsequently advancing to Director, Sales in 2009 where he oversaw the operations of sales and marketing department of TSA Industries Sdn Bhd. In 2022, he was appointed to the board of TSA Industries Sdn Bhd.



LOH PEI LING
Executive Director

Malaysian | Female | Age 54

Membership of Board Committees:

None

No. of Board Meeting Attended:

1/1 (attended all Board meeting held since appointment)

Other Directorships

Listed Issuer

Nil

Public Company

Nil

Ms. Loh Pei Ling (“Ms. Jane”), our Executive Director, was appointed to our Board on 1 September 2025. She oversees and manages the Group’s procurement department and is responsible for, among others, overseeing product quality control, stock planning and control, developing and maintaining relationships with vendors, as well as monitoring overseas shipments and customs clearance.

Ms. Jane obtained her Diploma in Computer Studies from Kajang Computer Training Centre, Malaysia in 1994.

Ms. Jane began her career in 1994 with KVC Electric (M) Sdn Bhd (now known as KVC Industrial Supplies Sdn Bhd), involved in the dealing of electrical goods, as Sales Support and was promoted to Senior Procurement Executive in 1999. During her tenure, she was responsible for planning overseas orders, liaising with overseas suppliers and forwarding agents, and monitoring the delivery and quality of supply.

In 2002, she was transferred to Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries Sdn Bhd) and was redesignated as Head of Purchasing, overseeing purchase orders, stock planning, and vendor relationships. She was promoted to Deputy General Manager, Procurement and Strategic Product Development in 2009, where her responsibilities included monitoring stock movement and ageing, and performing market competitiveness analysis on product pricing and quality. In 2013, she was promoted to General Manager, Procurement and Strategic Product Development, focusing on monitoring product quality control. In 2022, she was redesignated as General Manager & Head of Procurement, continuing to lead the Group’s procurement operations.

Profile of Directors
(cont'd)



Membership of Board Committees:

- Audit Committee (Chairperson)
- Nominating Committee (Member)
- Remuneration Committee (Member)
- Risk Management Committee (Member)

No. of Board Meeting Attended:

7/7

Other Directorships

Listed Issuer

- CEKD Berhad
- Lysaght Galvanized Steel Berhad

Public Company

Nil

Mr. Chong Chin Look, our Independent Non-Executive Director, was appointed to our Board on 17 November 2022.

Mr. Chong graduated with a Bachelor of Economics degree, majoring in Business Administration, from the University of Malaya in 1987.

Mr. Chong is also a member of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant with the Malaysian Institute of Accountants.

Mr. Chong began his career with KPMG Peat Marwick (now known as KPMG) as an Audit Assistant in 1987. He was later promoted to Audit Senior in 1990, where he gained experience in assurance, audit, taxation, and management consultancy. He left KPMG in 1992 to join Bonia Corporation Berhad (“Bonía”) Group of Companies as a Financial Controller, where he was responsible for the overall financial and corporate functions of Bonía and its subsidiaries.

In 1994, Mr. Chong was appointed as a Director of Bonía and assumed the position of Group Finance Director. He held the position of Financial Controller and Group Finance Director until his retirement in 2022.

In July 2022, Mr. Chong was appointed as a Non-Independent Non-Executive Director of Bonía, serving in this role until his resignation in September 2024.



Membership of Board Committees:

- Remuneration Committee (Chairperson)
- Risk Management Committee (Chairperson)
- Audit Committee (Member)
- Nominating Committee (Member)

No. of Board Meeting Attended:

7/7

Other Directorships

Listed Issuer
Three-A Resources Berhad

Public Company
Nil

Ms. Karmjit Kaur A/P Sarban Singh, our Independent Non-Executive Director, was appointed to our Board on 17 November 2022.

Ms. Karmjit holds a Bachelor of Arts from York University, Toronto, Canada.

Ms. Karmjit has more than 30 years' experience in the banking sector having worked in commercial and investment banks locally and for a short stint in Melbourne. She held various senior management positions and leadership roles including Senior Director of Affin Hwang Investment Bank (M) Berhad for about 13 years. Her experience covers risk assurance functions, change management and business transformation, and stakeholder engagement.

Ms. Karmjit is currently an ordinary member of Institute of Corporate Directors Malaysia.

Profile of Directors (cont'd)



Membership of Board Committees:

- Nominating Committee (Chairperson)
- Audit Committee (Member)
- Remuneration Committee (Member)
- Risk Management Committee (Member)

No. of Board Meeting Attended:

7/7

Other Directorships

Listed Issuer

Nil

Public Company

- Public Investment Bank Berhad
- Public Mutual Berhad

Cik Shahira Binti Abdul Aziz, our Independent Non-Executive Director, was appointed to our Board on 17 November 2022.

Cik Shahira graduated with a Bachelor of Science (Economics) in International Trade and Development with Honours from The London School of Economics and Political Science, University of London in 1990.

Cik Shahira has 27 years of work experience in the capital markets in Malaysia and the ASEAN region. Upon graduation, she joined Rashid Hussain Securities Sdn Bhd (“RHS”) and worked in the stockbroking industry for 12 years. She started as a Research Analyst and after 5 years joined the RHS sales team as a licensed Dealer’s Representative serving local institutional clients, for another 7 years. In 2003, she left to join Optishift Solutions Sdn Bhd.

Cik Shahira returned to the capital markets and joined Bumiwerks Asset Management Sdn Bhd in 2006. In 2007, she joined Corston-Smith Asset Management Sdn Bhd (“CSAM”) as a Corporate Planning and Client Services Manager, where she was responsible for the preparation of material information on the company for prospective clients. Her scope of responsibilities was later expanded to Director, Fund Management where she conducted company visits within the region and identified stock ideas from the ASEAN markets for clients’ portfolios. After leaving full-time employment in 2014, she was appointed as a Service Consultant with CSAM until 2017. She then resumed full-time employment with CSAM in 2017 as Director, Fund Management, and was appointed as Co-Chief Executive Officer of CSAM in 2019, overseeing broader operational and administrative matters until her departure in 2021.

Additional information:

Save as disclosed, none of the Directors have:

1. any family relationship with any Directors and/or major shareholders of the Company;
2. any conflict of interest with the Company;
3. any conviction for offences within the past 5 years other than traffic offences; and
4. any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

MS. TAN BEE HONG

Head of Finance

Malaysian | Female | Age 54

Qualification

Bachelor of Accounting (Honours),
University of Malaya, Malaysia
Member of the Malaysian Institute of
Accountants

Date first appointed to the Key Senior Management

21 October 2022

Working experience

Ms. Tan Bee Hong joined the Group in 2016 as Senior Manager, Finance and Accounts where she was responsible for the accounting and treasury functions. She was redesignated as Head of Finance in 2022. As the Head of Finance, Ms. Tan oversees and manages the Group's accounting and financial matters.

LAI HOI LIAN

Head of Human Resources

Malaysian | Female | Age 60

Qualification

Diploma in Accounting, Institute
Vermond, Malaysia

Date first appointed to the Key Senior Management

21 October 2022

Working experience

Ms. Lai Hoi Lian joined the Group in 2014 as Assistant Manager, Human Resources and was promoted to Manager within the same year where she was responsible for managing human resource matters. In 2022, she was redesignated as Head of Human Resources. As the Head of Human Resources, Ms. Lai oversees and manages the Group's human resource matters including talent acquisition processes, training, remuneration and employee relations.

Profile of Key Senior Management (cont'd)

LOW CHAN KHEUN

Head of Engineering Production & Services

Malaysian | Male | Age 67

Qualification

General Certificate of Education and Malaysia Certificate of Education

Date first appointed to the Key Senior Management

21 October 2022

Working experience

Mr. Low Chan Kheun joined the Group in 2005 as Manager, Production & Business Development and was later promoted to Senior Manager within the same year where he was responsible for managing the manufacturing processes and production line including the development and enforcement of procedures and ensuring continuous identification and implementation of cost, quality and process improvement initiatives in the manufacturing plant. He was re-designated as Head of Engineering Production and Services in 2022. As the Head of Engineering Production and Services, Mr. Low oversees and manages the Group's engineering, production and services including quality control of products.

WONG FOOT NAM

Head of Sales Administration & Logistics

Malaysian | Male | Age 63

Qualification

Form 3 education at Sekolah Menengah Jenis Kebangsaan Confucian, Kuala Lumpur

Date first appointed to the Key Senior Management

21 October 2022

Working experience

Mr. Wong Foot Nam joined the Group in 1994 as a Purchasing and Counter Sales Manager where he was responsible for walk-in sales. Since then, he has held various positions at the Group including Manager, Customer Support and Manager, Sales Admin cum Logistics where he was responsible for, among others, organising and performing preventive maintenance for machineries and equipment, monitoring stock movement, and solving problems relating to deliveries. In 2022, he was redesignated as Head of Sales Administration & Logistic. As the Head of Sales Administration & Logistic, Mr. Wong oversees customer support services of our Group including logistics.

Additional information:

None of the Key Senior Management has:-

1. any directorship in public companies and listed issuers;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest with the Company;
4. any conviction for offences within the past 5 years other than traffic offences; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

SUSTAINABILITY STATEMENT

INTRODUCTION

The Board of Directors (“Board”) of TSA Group Berhad (“TSA”) is pleased to present this Sustainability Statement (“Statement”), which outlines the Group (i.e. TSA and its subsidiaries)’s approaches to managing key sustainability matters critical to our business operations and stakeholders, encompassing Economic, Environmental, Social and Governance (“EESG”) aspects.

The Board recognises that management of EESG matters is integral to the long-term sustainability of the Group’s business, and accordingly allocates appropriate emphasis and resources to address relevant sustainability matters as set out in this Statement. Overall, the Group has adopted EESG practices with a focus on economic performance, environmental stewardship, responsible procurement practices, conducive working and safe working environment and product quality.

ABOUT THIS STATEMENT

This Statement has been prepared in accordance with the relevant requirements of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is also guided by the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits, as well as the Malaysian Code on Corporate Governance (2021 Edition) published by Bursa Securities.

In setting our sustainability goals and directions, we are guided by the United Nations’ Sustainable Development Goals (“SDGs”), a global framework adopted by all United Nations Member States, including Malaysia, in 2005. The SDGs aim to provide peace and prosperity for people and the planet, now and into the future, through global partnership.



Sustainability Statement
(cont'd)

ABOUT THIS STATEMENT (CONT'D)

We recognise that the achievement of Malaysia’s SDGs targets can only be realised through the collective efforts of both the private sector and the government. During the financial year, the Group reviewed the SDGs most relevant to its business and, after considering the prevailing business environment as well as the Group’s business direction and strategic goals, will continue to focus on four (4) SDGs identified in the previous financial year, as set out below:

3. GOOD HEALTH AND WELL-BEING	Goal 3:	Ensure healthy lives and promote well-being for all at all ages
4. QUALITY EDUCATION	Goal 4:	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
8. DECENT WORK AND ECONOMIC GROWTH	Goal 8:	Promote inclusive and sustainable economic growth, employment and decent work for all
11. SUSTAINABLE CITIES AND COMMUNITIES	Goal 11:	Make cities inclusive, safe, resilient and sustainable

SCOPE

Unless otherwise stated, this Statement covers the entire Group which comprises TSA Industries Sdn Bhd (“TSA Industries”) and its subsidiaries, namely TSA Pipes Manufacturing Sdn Bhd (“TSA Pipes”), Mitra Bintang Sdn Bhd (“Mitra Bintang”), Asia Inox Sdn Bhd (“Asia Inox”), TSA Industries (SEA) Pte Ltd (“TSA Singapore”), and TSA Quarry Sdn Bhd (“TSA Quarry”).

During the financial year under review, TSA Quarry, which was previously dormant, commenced its quarry operation in August 2025 following the execution of a Joint Operation and Sole Distribution Agreement of granite quarry products from a quarry site. Accordingly, beginning from this reporting cycle, the Statement has been expanded to include the sustainability data and information of TSA Quarry.

In the financial year ended (“FYE”) 2025, the principal activities and staff strength of our Group are as follows:

Company	Principal activities	Staff strength
TSA	Investment holding	12
TSA Industries	Investment holding, distribution and supply of ferrous and non-ferrous metal and other industrial hardware products, and manufacturing and processing of stainless steel pipes and other metal products	313
TSA Pipes	Dormant	–
Mitra Bintang	Investment holding	–
Asia Inox	Dormant	–
TSA Singapore	Distribution and supply of ferrous and non-ferrous metal and other industrial hardware products	20
TSA Quarry	Extraction, processing and supply of high quality armour rock, railway ballasts, aggregates, crushed stone and dimensions stone for construction, infrastructure and industrial applications	15

Sustainability Statement (cont'd)

ASSURANCE

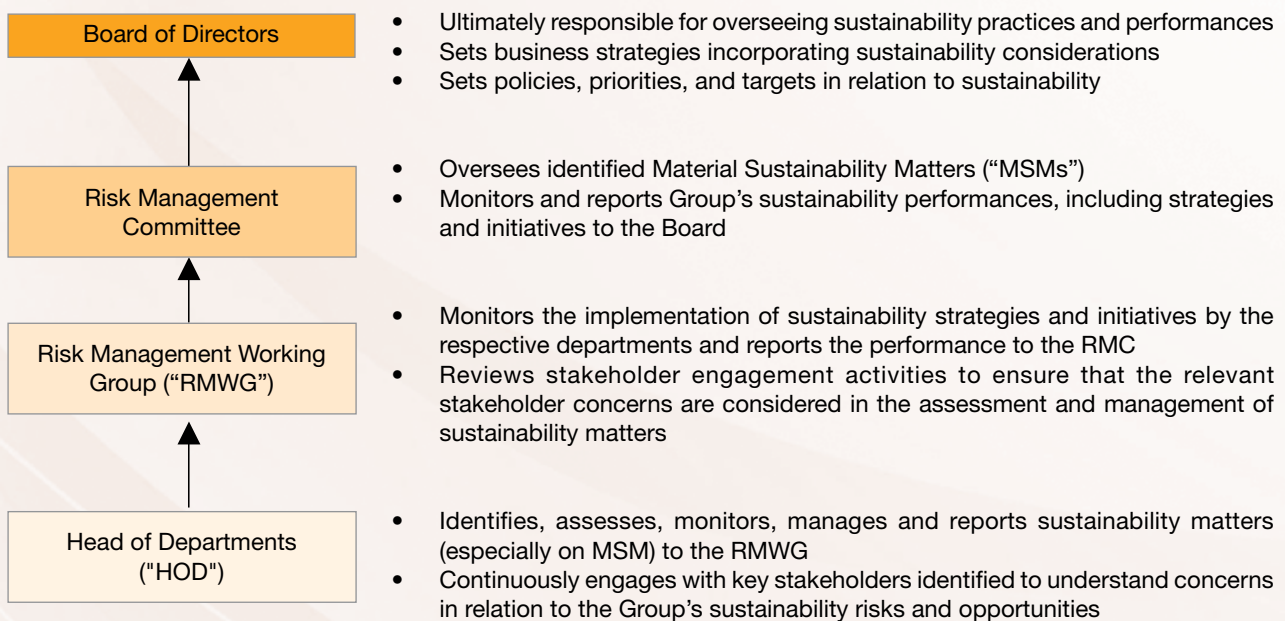
This Statement has not been subjected to internal review by the internal auditors, nor has external assurance been obtained. Nevertheless, the Group has undertaken appropriate measures to internally validate the accuracy and completeness of the data presented in this Statement.

SUSTAINABILITY GOVERNANCE

The sustainability governance structure is essential in guiding the Group's adoption of EESG principles towards becoming an EESG-driven organisation. The Group has implemented a set of governance frameworks and policies to manage sustainability matters. These policies will be reviewed periodically, and any updates or changes will be made in alignment with the Group's business direction and in compliance with relevant and applicable regulations.

GOVERNANCE STRUCTURE

The Group's sustainability governance structure is illustrated in the diagram below. The Board serves as the highest governing body, providing overall strategic direction and oversight of the Group's sustainability approach and initiatives. In discharging these responsibilities, the Board is supported by the Risk Management Committee ("RMC"), which assists in overseeing the Company's sustainability strategy and initiatives, as well as in embedding sustainability practices across business operations.



STAKEHOLDERS ENGAGEMENT

The Group recognises the importance of effective stakeholder engagement in adopting a more comprehensive, inclusive, and impactful approach toward identifying and addressing sustainability matters. Such engagement supports better-informed decision-making and long-term value creation for the Group.

To better understand the perspectives and expectations of our diverse stakeholders in relation to MSMs and business operations, the Group has established various stakeholder engagement channels. These engagements provide valuable insights into key sustainability issues and enable the Group to assess its business from multiple perspectives, thereby strengthening its ability to identify opportunities for improvement and growth.

Sustainability Statement
(cont'd)

STAKEHOLDERS ENGAGEMENT (CONT'D)

During the financial year under review, the Group reviewed the key stakeholders identified in the previous financial year, taking into consideration their influence on, and dependency on, the Group. No changes were made as the identified stakeholders remain relevant and appropriate.

The key stakeholders, together with the engagement methods, frequency of engagement and areas of focus/ objectives, are summarised as follows:

Stakeholder group	Engagement approach	Frequency	Engagement focus/ objectives
Board of Directors	<ul style="list-style-type: none"> Board meeting Resolution 	<ul style="list-style-type: none"> Periodic and as and when required 	<ul style="list-style-type: none"> Strategic directions Governance and compliance Company performance
Shareholders	<ul style="list-style-type: none"> Annual General Meeting (“AGM”) Resolution Shareholder’s meeting 	<ul style="list-style-type: none"> Annually Periodic and as and when required 	<ul style="list-style-type: none"> Financial performance Business plan
Employees	<ul style="list-style-type: none"> Key Performance Indicators (“KPI”) Annual appraisal 	<ul style="list-style-type: none"> Annually and as and when required 	<ul style="list-style-type: none"> Working environment Safety Training programmes Compensation and benefits
Customers	<ul style="list-style-type: none"> Survey form Periodic meeting 	<ul style="list-style-type: none"> Annually Periodic and as and when required 	<ul style="list-style-type: none"> Product quality Product pricing Service delivery Compliance
Suppliers	<ul style="list-style-type: none"> Survey form Periodic meeting 	<ul style="list-style-type: none"> Annually Periodic and as and when required 	<ul style="list-style-type: none"> Order quantity Payment term
Financiers/ bankers	<ul style="list-style-type: none"> Periodic meeting 	<ul style="list-style-type: none"> Periodic and as and when required 	<ul style="list-style-type: none"> Financial performance Payment review Sustainability
Regulators	<ul style="list-style-type: none"> Audit Meeting 	<ul style="list-style-type: none"> Annually As and when required 	<ul style="list-style-type: none"> Compliance

MATERIALITY ASSESSMENT PROCESS

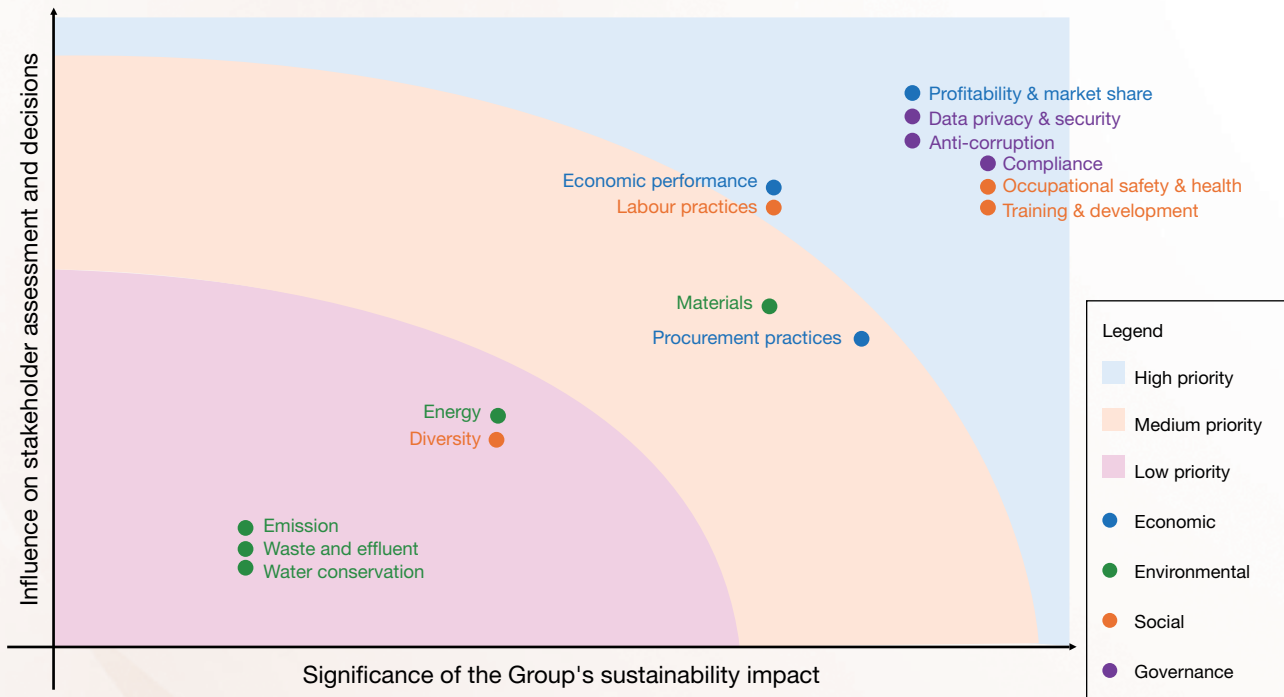
The materiality assessment process focuses on identifying the Group’s key sustainability matters (i.e. material sustainability matters or MSMs) based on the following criteria, as guided by Bursa Securities Sustainability Reporting Guide – 3rd Edition:

- if the sustainability matters reflect the Group’s significant EESG impact; and/ or
- if the sustainability matters substantively influence the assessments and decisions of stakeholders.

As the materiality assessment was last comprehensively conducted in FYE 2023 through a facilitated workshop, the Group undertook a limited review of the previous assessment results during the current reporting period. This review considered the evolving focus and priorities of each key stakeholder. Based on this review, the Group concluded that the identified MSMs, including their respective ratings, remained unchanged, as they continue to accurately reflect the Group’s most significant sustainability matters and remain aligned with business priorities and stakeholder expectations.

MATERIALITY ASSESSMENT PROCESS (CONT'D)

The following materiality matrix showed the MSMs of the Group:



MATERIAL SUSTAINABILITY MATTERS

ECONOMIC

Profitability and market share

The Group places significant emphasis on maintaining a strong and healthy financial position and performance as a key objective in its pursuit of long-term, sustainable value creation and the protection of financial value.

Profitability is critical as it provides the financial stability needed to navigate economic uncertainties, invest in growth opportunities, fund sustainable initiatives, and attract investors and capital for expansion, while market share, on the other hand, is equally important, as it strengthens competitive advantage through economies of scale, enhances brand recognition and trust, and supports the attraction and retention of talents.

Accordingly, profitability and market share remain to be one of the key focus areas for the Group. Management performs periodic performance reviews of the financial aspects, including profitability and market share, on a monthly, quarterly, and annual basis. Furthermore, brainstorming sessions are also frequently conducted to explore diverse perspectives in problem-solving, leading to a more holistic and informed decision-making.

The Group's financial performance is reported and discussed in detail in the Management Discussion and Analysis section of this Annual Report.

Sustainability Statement
(cont'd)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

ECONOMIC (CONT'D)

Economic performance

The Group's overall economic performance is critical to its long-term sustainability. To strengthen financial resilience and support sustainable growth, the Group has implemented and continues to pursue several key initiatives, including:

- continuously identifying opportunities in new segments and markets, including moving upstream, where relevant and feasible, to identify potential areas for growth, expansion and to increase market presence;
- conducting monthly sales team meetings to review performance, discuss strategies, and, where necessary, implement targeted action plans to improve performance deficits;
- engaging directly with overseas customers to gain deeper insights into customers' needs, strengthen customer relationships, deliver more customised and personalised customer experience, enable quicker response to problems and reduce intermediary fees;
- installing a Laser Welding machine on the Forming machine, to enhance pipe production speed and operational efficiency, without compromising on the quality; and
- diversifying income streams through strategic investment in the quarrying industry to broaden revenue sources and enhance financial resilience.

The Group's financial performance is reported and discussed in detail in the Management Discussion and Analysis section of this Annual Report.

Procurement practices

The Group's sustainability initiatives are underpinned by effective procurement practices that promote cost-efficiency through optimising resource utilisation and strengthening resilience across the supply chain. The Group's operations are supported by a reliable network of material suppliers and service providers, both of which play a critical role in ensuring the consistent delivery of quality products and services. To this end, the Group maintains a stringent supply chain management process to identify and manage key suppliers and service providers, ensuring they consistently meet the Group's operational and sustainability expectations.

Several key procurement controls practised by the Group include:

- the use of an approved vendor list, where prior to qualification, assessments are performed on the vendors to ensure they meet the Group's credit requirements;
- performance appraisals on vendors were performed periodically to assess the quality and timeliness of products and service deliveries;
- vendor assessment and selection based on multiple criteria, including cost competitiveness, service quality, track records, commitment towards environmentally and socially responsible business practices. Priorities are often given to vendors that practice good sustainability efforts in their products and services; and
- established payment control procedures requiring supporting documentation (e.g. Purchase Orders, Invoices or Proforma Invoices) and approval by authorised personnel.

In FYE 2025, the Company conducted performance appraisals on approximately 309 suppliers and service providers, compared to 310 in FYE 2024. All suppliers and service providers assessed in the last 3 years had fully complied with the Company's established performance benchmarks.

	FYE 2023	FYE 2024	FYE 2025
Number of suppliers and service providers underwent performance appraisal	290	310	309

Sustainability Statement (cont'd)

ENVIRONMENTAL

Protecting and preserving the environment is essential for sustaining the long-term health and well-being of the planet, its ecosystems, and human societies. Achieving this requires coordinated action among governments, international bodies, businesses, Non-Governmental Organizations (“NGO”), communities, individuals, and various other stakeholders.

The Group acknowledges its responsibility to manage environmental impacts responsibly and to support global climate action. The Group is committed to reducing its environmental footprint by promoting efficient resource use, reducing emissions and waste, and embedding environmentally responsible practices across its operations.

Materials

The availability of materials is crucial to the continuity and operational efficiency of the Group’s operations. Insufficient materials would increase production downtime, leading to a higher cost per unit, reduce overall production output and potentially cause delays in delivery to customers. Conversely, excessive inventory levels would increase inventory holding costs (e.g. storage space, utilities, insurances), result in ineffective use of financial resources due to capital being tied up in inventory, and heighten the risk of obsolescence and damage.

To operate effectively, inventory levels are monitored on an ongoing basis, with replenishment or reordering undertaken as necessary. These decisions take into consideration current stock levels, material lead times, and existing and anticipated customer orders.

In order to maintain an optimum level of input materials that meets the Group’s quality standard, the Group sources materials from both local and overseas suppliers. The proportion of our spending on local and overseas suppliers for the FYE 2025 remained the same as FYE 2024 as detailed below:

	FYE 2023	FYE 2024	FYE 2025
Local suppliers	14%	12%	12%
Overseas suppliers	86%	88%	88%

Energy

Fossil fuel-based energy sources are one of the main contributors to greenhouse gas (“GHG”) emissions. As energy consumption is significant to the Group’s operations, energy has been identified as a MSM of the Group. Accordingly, the energy-related disclosures below focus on the Group’s material energy consumption locations, namely the Malaysia Headquarters in Balakong and the Singapore Office.

Currently, the energy used in our business operations is fully supplied by Tenaga Nasional Berhad for the Malaysia Headquarters and SP Services Ltd for the Singapore Office. In order to minimise energy consumption and improve energy efficiency, we have employed the following initiatives:

- continuing to carry out production planning to optimise energy use;
- installing roof skylight and roof insulation at our manufacturing plant to improve natural lighting and thermal efficiency;
- installing power factors on factory machinery to enhance electrical efficiency;
- providing electric vehicle (“EV”) charging facilities at the Headquarters in Balakong;
- installing solar-powered street lighting at Headquarters in Balakong and the quarry site in Pantai Remis; and
- installing solar-powered CCTV at the quarry site in Pantai Remis.

During the financial year under review, the Group recorded a total electricity consumption of 3,230 MWh, covering the Malaysia Headquarters and Singapore Office, representing a 7% decrease compared to the last financial year. This improvement reflects the effectiveness of initiatives implemented and underscores the Group’s ongoing commitment to enhancing energy efficiency.

Sustainability Statement
(cont'd)

ENVIRONMENTAL (CONT'D)

	FYE 2023	FYE 2024	FYE 2025
Electricity consumption (MWh)	3,378	3,474	3,230

Emissions

Emissions, particularly GHG emissions, are a significant contributor to climate change and environmental degradation. Effective management of emissions is therefore essential; as such all stakeholders share a responsibility to manage and minimise emissions in support of a more sustainable environment.

To reduce the Group’s carbon footprint and minimise air pollution arising from our business operations, an air-trapped filtering system has been installed at our manufacturing plant.

The Group is currently in the process of collecting and consolidating data on its greenhouse gas emissions, measured in carbon dioxide (“CO2”) equivalent. This includes Scope 1 emissions (direct emissions from sources owned or controlled by the Group), Scope 2 emissions (indirect emissions associated with purchased energy), and Scope 3 emissions (other indirect emissions occurring across the Group’s value chain). The Group intends to disclose this information in the future Annual Reports as and when the data is ready.

During the financial year under review and the two (2) immediately preceding financial years, we have complied with the requirements of the Department of Environment (“DOE”), as evidenced by no penalties and/ or fines being imposed on the Group.

Waste and effluent

Waste and effluent generation are inherent challenges in industrial activities, particularly within the manufacturing sector. At TSA Group, we are dedicated to managing the waste generated by our operations in a responsible manner.

The Group does not produce scheduled waste and has implemented the following waste management initiatives:

- collect waste and effluent from the manufacturing process through the tray filtering system;
- sale of defective or scrap stainless steel products to third-party waste collector for recycling purposes; and
- encourage employees to reduce paper usage, including printing only when necessary and adopting double-sided printing practices.

The Group complies with the requirements of the DOE, which stipulates that biological oxygen demand (“BOD”) must remain below 20 parts per million (“PPM”). During the financial year under review and the two (2) immediately preceding financial years, we have achieved BOD levels of below 20 PPM, which is within the DOE’s requirements.

No penalties and/ or fines were imposed on the Group during the financial year under review and the two (2) immediately preceding financial years in relation to waste and effluent management.

Water Conservation

Water is a vital resource that underpins environmental health, human well-being, and economic prosperity. The Group’s water-related disclosures focus on its material water consumption business location, namely our Malaysia Headquarters in Balakong and the Singapore Office

Water is utilised across our operations, including in our manufacturing processes (such as cleaning and maintenance of factory premises and machinery) and at the office. The Group’s water supply is currently sourced from Air Selangor for the Malaysia Headquarters and SP Services Ltd for the Singapore Office.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

To promote responsible water usage and prevent wastage, the Group has implemented water conservation measures, including:

- installation of signage across premises to remind employees to conserve water;
- regular maintenance and inspection of water-related equipment to prevent leaks and inefficiencies; and
- ongoing monitoring of water usage to identify areas for improvement.

During the financial year under review, the Group recorded a total of 9.75 megalitres (“MI”) of water consumption, as compared to 7.30MI in the immediately preceding financial year, in our business operations covering the Malaysia Headquarters and Singapore Office.

	FYE 2023	FYE 2024	FYE 2025
Water consumption (MI)	7.26	7.30	9.75

SOCIAL

The Group recognises the dedication of our employees and believes that a talented workforce is a key driver of our success and long-term sustainability. As a responsible employer, we are committed to providing a safe and healthy workplace, promoting diversity and equal opportunities, and continuously upskilling our employees.

Occupational safety and health

The Group is committed to prioritising the well-being of its employees by providing a safe, secure, and conducive working environment to our employees, in line with the Group’s Code of Ethics and Conduct.

The Group understands and complies with all applicable laws and regulations related to safety and sanitation, such as the Occupational Safety and Health (Amendment) Act 2022, and strives towards a target of zero workplace accidents.

Apart from the above, other initiatives and actions taken to maintain and enhance the safety standards at the Group include:

- provided periodic health and safety training to relevant employees, including factory workers, to reinforce awareness of workplace safety requirements and emphasise the criticality and importance of safety at the workplace;
- established a Safety Committee which meets quarterly to discuss safety-related matters and, where required, develop and monitor the implementation of corrective action plans;
- employed a Qualified Safety Officer, whose primary responsibilities include identifying and assessing potential workplace risks and hazards, as well as enforcing safety policies and procedures. Additionally, the Safety Officer is tasked with conducting employee safety training, investigating accidents, incidents and near misses to identify root causes and implement corrective actions, etc.;
- provided appropriate personal protective equipment (“PPE”) to employees exposed to hazardous work conditions; and
- periodic safety audits are performed, and recommendations, if any, will be implemented on a timely basis.

During the financial year under review, the Group identified 75 employees whose roles required them to attend health and safety standards training. Of these, 58 employees (77%) successfully completed the required training during the year. The remaining employees continued to receive health and safety awareness through the monthly Safety Toolbox meetings.

The following table summarises the health and safety standards training provided to employees of the Group, including factory workers, for the last three (3) financial years:

	FYE 2023	FYE 2024	FYE 2025
Number of staff trained on health and safety standards	115	54	58

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

During the financial year under review, the health and safety training topics provided to our employees are summarised as follows:

- Noise Exposure Awareness Training;
- Chemical Spillage Training;
- Maintenance Training;
- Calibration Training;
- Safety Training;
- Convention Systematic Occupational Health Enhancement Level Program (SOHELP);
- Seminar Bekerja Selamat Di Tempat Tinggi;
- OSH National Convention & Exhibition (Workplace Self-Regulation Convention); and
- Forklift Training.

Further, the Group is pleased to report that there were no work-related fatalities and no lost time due to work-related injuries recorded during the financial year under review.

	FYE 2023	FYE 2024	FYE 2025
Work-related fatalities (cases)	0	0	0
Lost time incident rate (%) ⁽¹⁾	Not available	0	0

⁽¹⁾ TSA began to collect this data in FYE 2024.

Training and development

The Group recognises the importance of continuously upskilling our workforce to stay competitive, be prepared for and adapt to change, and foster innovation in support of sustainable long-term success. Accordingly, the Group offers a range of training and development programmes, including in-house training, on-the-job learning, and job-related skills development, aimed at enhancing employees' competencies and capabilities.

Training and development initiatives are tailored to the individual needs. The Group conducts annual employee performance appraisals to assess performance and identify the training needs for each employee, to support continuous improvement and career progression. Based on the appraisal outcomes, employees may request to attend the relevant training programmes, or any other training as recommended by their HOD, subject to the relevance and availability of the external training programs. In addition, structured orientation programmes are conducted for new employees to familiarise them with their roles, responsibilities, and relevant operational processes.

During the financial year under review, the total hours of training attended by our employees, segregated by employee category, are as follows:

Employee category	FYE 2024	FYE 2025
Senior Management	60 hours	101 hours
Middle Management	216 hours	793 hours
Executive	343 hours	777 hours
Non-Executive	265 hours	882 hours

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Further, the Group has committed to provide at least six (6) training programmes during the financial year under review, and we are pleased to report that a total of eighteen (18) training programmes were successfully conducted during the year.

The training topics provided to our employees in FYE 2025 are summarised as follows:

- Anti-Bribery & Anti-Corruption Training;
- Webinar Pendidikan Perburuhan: Permohonan Kebenaran Ketua Pengarah Di Bawah Akta Kerja 1955 dan Permohonan Perakuan Penginapan Di Bawah Akta 446;
- Press Fit SUS Pipe System Product Training;
- Mandatory Accreditation Programme (MAP);
- Enhancing Awareness for Better Practices (FOMEMA);
- Tax Talks & Fiscal Shocks: Budget 2026 for Business Leaders;
- Promoting Transparency and Efficiency in the FOMEMA Appeal Process;
- HR 2000 Quick Pay Year-End Webinar; and
- Pelaksanaan Sistem Taksif Sendiri (STSDS) melalui MyTax.

Labour practices

The Group is committed to fostering a positive, inclusive and ethical work environment by treating all employees fairly and with respect. The Group complies with, and advocates compliance with all applicable laws and regulations governing labour practices within its business operations, including those relating to foreign labour management and the Employment Act.

During the financial year under review, in line with regulatory requirements on workers' accommodation under the Workers' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446), the Group relocated all foreign workers to approved hostels to ensure a safe, clean and comfortable living environment. In addition, following the implementation of mandatory Employees Provident Fund ("EPF") contributions for foreign workers, the Group has complied with the regulatory requirements by making the necessary contributions on their behalf.

In line with the Group's Code of Ethics and Conduct, the Group adopts a zero-tolerance approach towards bullying, harassment, or any other form of inappropriate behaviour. The Group is dedicated to cultivating a workplace culture founded on openness, trust, and mutual respect.

During the financial year under review and the two (2) immediately preceding financial years, there were no substantiated complaints concerning human rights violations by the Group.

Diversity

The Group recognises the value of a diverse and inclusive workforce and is committed to providing equal opportunities for all employees. By embracing diversity across age groups, backgrounds, and perspectives, the Group strengthens its organisational resilience and decision-making capability.

The Group is committed to recruiting, developing, and promoting employees regardless of race, gender, language, religion, political or other opinions, caste, national or social origin, birthplace, union affiliation, health status, age, disability, or other distinguishing characteristics.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

The demographics of our directors and employees for the financial year under review and for the two (2) immediately preceding financial years are as follows:

- By age and gender:

Age	FYE 2023		FYE 2024		FYE 2025	
	Male	Female	Male	Female	Male	Female
Director						
> 50	71%	29%	71%	29%	62%	38%
41 – 50						
31 – 40						
≤ 30						
Senior Management						
> 50	40%	60%	40%	60%	50%	50%
41 – 50						
31 – 40						
≤ 30						
Middle Management						
> 50	22%	7%	21%	8%	31%	11%
41 – 50	31%	15%	35%	18%	29%	16%
31 – 40	9%	16%	2%	14%		11%
≤ 30				2%		2%
Executive						
> 50		5%	8%	7%	10%	5%
41 – 50	11%	22%	10%	18%	10%	18%
31 – 40	11%	18%	15%	15%	15%	15%
≤ 30	24%	9%	18%	9%	18%	9%
Non-Executive						
> 50	8%		8%		10%	
41 – 50	17%	3%	15%	3%	19%	5%
31 – 40	30%	4%	30%	5%	29%	5%
≤ 30	30%	8%	29%	10%	24%	8%

- Contractor/ temporary staff:

Contractors and/or temporary staff accounted for 33.3% of the Group's workforce during the year, representing a decrease of 1.2% from 34.5% in FYE 2024. The decline aligns with the Group's workforce strategy to reduce dependence on foreign labour, all of whom are engaged on a contractual basis.

	FYE 2023	FYE 2024	FYE 2025
Permanent employees (%)	61.4%	65.5%	66.7%
Contract/ temporary employees (%)	38.6%	34.5%	33.3%

Sustainability Statement
(cont'd)

SOCIAL (CONT'D)

- Employee turnover:

The staff turnover rate by employee category for the financial year under review and the two (2) immediately preceding financial years is presented below:

Employee category	FYE 2023	FYE 2024	FYE 2025
Senior Management			1%
Middle Management	2%	6%	6%
Executive	26%	13%	17%
Non-Executive	72%	81%	76%

Turnover remained high during the year due to the competitive nature of the job market within this segment, particularly among non-executive employees. However, non-executive positions are relatively easy to fill. To address these challenges, the Group conducts ongoing reviews of its compensation and benefits packages to enhance its ability to attract and retain talent. In addition, the Group is streamlining workforce requirements through increased adoption of technology and process automation.

Other Social Initiatives

The Group remains committed to supporting local communities through initiatives in education, charitable donations, and social welfare. During the financial year under review, the Group invested a total of approximately RM17,000 in the community. These contributions encompassed donations, mainly for elderly care homes, centres supporting children with disabilities, health-related causes, and schools. A total of five (5) societal organisations and schools have benefited from the said donations/ sponsorship above.

In addition to external community support, the Group also prioritised employee welfare. During the year, subsidies for school uniforms and accessories were provided to employees' children, amounting to approximately RM10,000, and benefitting 29 recipients. This initiative underscores the Group's commitment to fostering both community development and employee well-being.

	FYE 2023 ⁽²⁾	FYE 2024	FYE 2025
Investment in Communities			
Total amount invested in the community (RM)	25,000	26,000	17,000
Beneficiaries of the investment in communities (estimated number)	34	33	34

⁽²⁾ FYE 2023 investment in communities' data have been restated to include the investment in communities where the beneficiaries are internal to TSA, aligning with FYE 2024 and FYE 2025 data.

Sustainability Statement (cont'd)

GOVERNANCE

Anti-corruption

Corruption undermines trust, weakens democratic institutions, impedes economic development, and exacerbates inequality, poverty, social division, and environmental challenges.

The Group is committed to conducting business ethically and with the highest standards of integrity. In view of the serious consequences of corrupt practices, the Group adopts a zero-tolerance approach to all forms of bribery and corruption involving the Group and its third parties.

In line with the Ministerial Guidelines on Adequate Procedures issued by the Prime Minister’s Department pursuant to subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission (“MACC”) Act 2009, we have established, amongst others, the following measures:

- an Anti-Bribery and Anti-Corruption Compliance and Monitoring Framework, which sets out, amongst others, the Group’s commitment, governance structure, roles and responsibilities of the governing parties, corruption risk assessment methodology, due diligence procedures, etc.;
- mandatory conflict of interest and anti-corruption declaration by all employees of the Group;
- periodic anti-bribery and anti-corruption training for all employees and relevant external stakeholders of the Group; and
- whistleblowing policies and procedures, where all stakeholders, ranging from employees to the public, can report in good faith and in confidence, any known or suspected misconduct, wrongdoings, bribery, corruption, fraud, waste, or abuse of the Group’s resources to the Chairperson of the Audit Committee.

In FYE 2025, all employees completed the anti-corruption declaration, and there were no confirmed incidents of corruption within or involving the Group during the financial year under review and the two (2) immediately preceding financial years.

As at 31 December 2025, 100% of our directors and employees had undergone anti-bribery and anti-corruption training, reflecting the Group’s continued commitment to ethical business practices and regulatory compliance.

Directors and employees who have received training on anti-corruption		
	Number	Percentage
Director	8/8	100%
Senior Management	4/4	100%
Middle Management	55/55	100%
Executive	60/60	100%
Non-Executive	241/241	100%

Data privacy and security

The Group recognises its responsibility to protect the business data and personal data of its stakeholders, including employees, customers, vendors, and other relevant parties. In the course of our business operations, the Group collects, uses, and processes data relating to customers and suppliers, which may include sensitive and confidential information such as pricing, specifications and corporate data.

The Group also manages its own proprietary and confidential information, including strategic plans, budgets, intellectual property, trade secrets, company policies, and Standard Operating Procedures (“SOP”). Any breach or leakage of such information could have adverse implications for the Group.

Sustainability Statement (cont'd)

GOVERNANCE (CONT'D)

Data privacy and information security have been identified as a MSM for the Group. To mitigate and, where possible, prevent the risk of data breaches or leakages, the Group has implemented the following internal controls:

- declarations by all employees to comply with the requirements of the Personal Data Protection Act (“PDPA”);
- incorporation of a non-disclosure agreement clause as part of the contractual terms with third parties;
- establishment of general Information Technology (“IT”) controls, including the installation of firewalls, anti-virus software, enforcement of password protection and access controls, etc.; and
- establishment of Information Technology (“IT”) Policy that sets out acceptable use guidelines and clearly defines the dos and don’ts with regard to the Group’s IT systems.

There were no reported cases of data breaches or information leakages across the Group’s operations during the financial year under review and the two (2) immediately preceding financial years.

Compliance

The Group is committed to complying with all applicable laws, rules and regulations governing its business operation, as set out in the Group’s Code of Ethics and Conduct. In addition to compliance with DOE requirements as mentioned above, the Group is also required to adhere to standards and regulatory requirements, including International Organization for Standardization (“ISO”) 9001:2015, SIRIM Product Certification, Certification of Standards Compliance from Construction Industry Development Board (“CIDB”), MACC Act 2009, Companies Act 2016, and other relevant laws.

The Group places high priority and importance on compliance with all applicable rules and regulations. We achieve that through the following measures:

- established policies and procedures (P&P) or SOP to guide employees in their daily operations;
- periodic training provided to employees, especially on changes or amendments to relevant laws and regulations;
- seek guidance or acquire advice from consultants, where necessary; and
- periodic ISO internal audit is being performed to assess compliance, with recommendations taken seriously and implemented accordingly.

During the financial year under review and the two (2) immediately preceding financial years, there were no recorded or known cases pertaining to confidential data or customer data breaches, and there were also no recorded or known cases of cyber-attacks detected.

CONCLUSION

In conclusion, sustainability is central to our business values and guides our actions and decisions. By integrating environmental stewardship, social responsibility, and ethical practices into our operations, we aim to create a positive impact that extends beyond financial success. Our commitment to sustainability reflects not just a corporate responsibility but a genuine belief in the interconnection of economic prosperity, environmental health, and social well-being. As we continue to innovate, collaborate, and adapt in a dynamic world, our dedication to sustainability stands as a testament to our enduring commitment to a better future for our planet, our communities, and generations to come.

Sustainability Statement
(cont'd)

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FYE 31/12/2025

TSA Group Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Procurement practices	Number of suppliers and service providers underwent performance appraisal	Number	309	—	No assurance
Materials	Proportion of spending on local suppliers	Percentage	12	—	No assurance
Materials	Proportion of spending on overseas suppliers	Percentage	88	—	No assurance
Energy	Total energy consumption	Megawatt-Hour	3,230	—	No assurance
Waste and effluent	Number of penalties and/or fines imposed in relation to waste and effluent management	Number	0	—	No assurance
Water Conservation	Total volume of water used	Megaliters	9.75	—	No assurance
Occupational safety and health	Number of employees trained on health and safety standard	Number	58	—	No assurance
Occupational safety and health	Number of work related fatalities	Number	0	—	No assurance
Occupational safety and health	Lost time incident rate	Percentage	0	—	No assurance
Training and development	Total hours of training by employee category - Senior Management	Hour	101	—	No assurance
Training and development	Total hours of training by employee category - Middle Management	Hour	793	—	No assurance
Training and development	Total hours of training by employee category - Executive	Hour	777	—	No assurance
Training and development	Total hours of training by employee category - Non Executive	Hour	882	—	No assurance
Labour practices	Substantiated complaints concerning human rights violations	Number	0	—	No assurance
Diversity	Directors by gender and age group - Male Director above 50 years old	Percentage	62	—	No assurance

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Sustainability Statement
(cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Directors by gender and age group - Female Director above 50 years old	Percentage	38	—	No assurance
Diversity	Directors by gender and age group - Male Director between 41-50 years old	Percentage	0	—	No assurance
Diversity	Directors by gender and age group - Female Director between 41-50 years old	Percentage	0	—	No assurance
Diversity	Directors by gender and age group - Male Director between 31-40 years old	Percentage	0	—	No assurance
Diversity	Directors by gender and age group - Female Director between 31-40 years old	Percentage	0	—	No assurance
Diversity	Directors by gender and age group - Male Director below 31 years old	Percentage	0	—	No assurance
Diversity	Directors by gender and age group - Female Director below 31 years old	Percentage	0	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Senior Management above 50 years old	Percentage	50	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Senior Management above 50 years old	Percentage	50	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Senior Management between 41-50 years old	Percentage	0	—	No assurance

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Sustainability Statement
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TSA Group Berhad
BMLR Transition Period
Date & Time: 2026-04-21_09:10:16
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Employees by gender and age group, for each employee category - Female Senior Management between 41-50 years old	Percentage	0	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Senior Management between 31-40 years old	Percentage	0	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Senior Management between 31-40 years old	Percentage	0	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Senior Management below 31 years old	Percentage	0	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Senior Management below 31 years old	Percentage	0	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Middle Management above 50 years old	Percentage	31	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Middle Management above 50 years old	Percentage	11	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Middle Management between 41-50 years old	Percentage	29	—	No assurance

Sustainability Statement
(cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Employees by gender and age group, for each employee category - Female Middle Management between 41-50 years old	Percentage	16	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Middle Management between 31-40 years old	Percentage	0	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Middle Management between 31-40 years old	Percentage	11	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Middle Management below 31 years old	Percentage	0	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Middle Management below 31 years old	Percentage	2	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Executive above 50 years old	Percentage	10	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Executive above 50 years old	Percentage	5	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Executive between 41-50 years old	Percentage	10	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Executive between 41-50 years old	Percentage	18	—	No assurance

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Sustainability Statement
(cont'd)

TSA Group Berhad
BMLR Transition Period

Date & Time: 2026-04-21_09:10:16
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Employees by gender and age group, for each employee category - Male Executive between 31-40 years old	Percentage	15	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Executive between 31-40 years old	Percentage	15	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Executive below 31 years old	Percentage	18	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Executive below 31 years old	Percentage	9	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Non-Executive above 50 years old	Percentage	10	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Non-Executive above 50 years old	Percentage	0	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Non-Executive between 41-50 years old	Percentage	19	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Non-Executive between 41-50 years old	Percentage	5	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Non-Executive between 31-40 years old	Percentage	29	—	No assurance

Sustainability Statement
(cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Employees by gender and age group, for each employee category - Female Non-Executive between 31-40 Years old	Percentage	5	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Male Non-Executive below 31 years old	Percentage	24	—	No assurance
Diversity	Employees by gender and age group, for each employee category - Female Non-Executive below 31 years old	Percentage	8	—	No assurance
Diversity	Employees that are contractors or temporary staff	Percentage	33	—	No assurance
Diversity	Employees turnover by employee category - Senior Management	Percentage	1	—	No assurance
Diversity	Employees turnover by employee category - Middle Management	Percentage	6	—	No assurance
Diversity	Employees turnover by employee category - Executive	Percentage	17	—	No assurance
Diversity	Employees turnover by employee category - Non-Executive	Percentage	76	—	No assurance
Anti-corruption	Employees who have received training on anti-bribery and corruption by employee category -Director	Percentage	100	—	No assurance
Anti-corruption	Employees who have received training on anti-bribery and corruption by employee category -Senior Management	Percentage	100	—	No assurance

Sustainability Statement
(cont'd)

TSA Group Berhad
BMLR Transition Period

Date & Time: 2026-04-21_09:10:16
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	Employees who have received training on anti-bribery and corruption by employee category -Middle Management	Percentage	100	—	No assurance
Anti-corruption	Employees who have received training on anti-bribery and corruption by employee category -Executive	Percentage	100	—	No assurance
Anti-corruption	Employees who have received training on anti-bribery and corruption by employee category - Non-Executive	Percentage	100	—	No assurance
Anti-corruption	Confirmed incidents of bribery and corruption	Number	0	—	No assurance
Data privacy and security	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement (“CGOS”) sets out the principal features of TSA Group Berhad (“TSA” or “the Company”) and its subsidiaries’ (collectively referred to as the “Group”) corporate governance approach, summary of corporate governance practices during the financial year ended 31 December 2025 (“FYE 2025”), as well as key focus areas and future priorities in relation to corporate governance, through the three (3) key corporate governance principles as promulgated in the Malaysian Code on Corporate Governance 2021 (“MCCG”) in:

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationships with stakeholders.

The Board of Directors (“Board”) acknowledges the importance of upholding high corporate governance standards and has applied a balanced approach towards conformance and delivering accountability through effective governance.

This CGOS is made pursuant to Rule 15.25(1) of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is guided by Guidance Note 11 of the Listing Requirements and the Corporate Governance Guide (4th edition) issued by Bursa Securities. This CGOS is complemented by a Corporate Governance Report (“CG Report”) prepared in accordance with the prescribed format under Rule 15.25(2) of the Listing Requirements to provide a detailed articulation on the application of the Group’s corporate governance practices vis-à-vis the MCCG. The CG Report for FYE 2025 is available on the Company’s website at <https://tsa.com.my/> as well as via an announcement on Bursa Securities’ website.

Apart from the CG Report FYE 2025, this CGOS should also be read in tandem with other statements in the Annual Report 2025 including the Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Statement.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board and Board practices

The Board is ultimately responsible and accountable for the Company’s performance and affairs. The Board sets short and long-term objectives and oversees the Company’s achievement of those objectives. Strategies and initiatives supporting these objectives incorporate elements that enable the long-term sustainability of the Company, taking into consideration environmental, social and governance aspects.

The Board has formalised a Board Charter, which sets out and demarcates roles and responsibilities of the Board, Board Committees and the fiduciary duties of individual Directors. Similarly, each Board Committee has formalised Terms of Reference, which outlined their obligations in assisting the Board to fulfil its stewardship responsibilities. The Board Charter and the Terms of References serve as the primary reference guiding the governance and conduct of the Board and its Board Committees, are reviewed periodically, and are available on the Company’s website at <https://tsa.com.my/>. They may be amended by the Board or the respective Board Committees from time-to-time to ensure they reflect and adapt to changing circumstances.

To govern the Group and the Company, the Board has set up policies including, among others:

- Code of Ethics and Conduct;
- Anti-Bribery and Anti-Corruption Compliance and Monitoring Framework;
- Anti-Money Laundering and Countering Financing of Terrorism Standard Operating Procedures;
- Whistleblowing Policies and Procedures;
- Corporate Disclosure and Communication Policies and Procedures;
- Directors and Senior Management’s Remuneration Policy and Procedures;
- Directors’ Fit and Proper Policy;
- Conflict of Interest Policy;
- Independent Director Tenure Policy;
- Risk Management Framework; and
- Related Party Transaction Policies and Procedures.

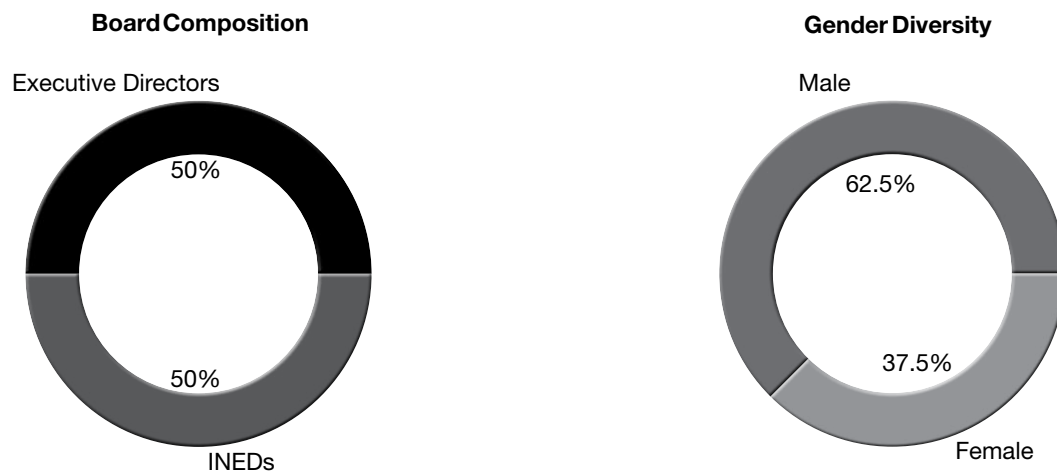
Corporate Governance Overview Statement (cont'd)

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

Board and Board practices (Cont'd)

The Board currently comprises eight (8) Directors, four (4) of which are Executive Directors and the remaining four (4) are Independent Non-Executive Directors (“INED”). Following the appointment of an additional female Director on 1 September 2025, the Board now has three (3) female Directors, representing 37.5% of the total Board composition. The Board has thus achieved compliance with the MCGG recommendation of having at least 30% women Directors. The Board remains committed to maintaining diversity, including gender diversity, to ensure a balanced mix of skills, experience, and perspectives in discharging its responsibilities.

Board Composition & Diversity Overview



The Board is chaired by Mr. Lim Hun Soon @ David Lim, an INED, who is responsible for ensuring the orderly conduct and effective functioning of the Board, including leading Board discussions, encouraging active participation, allowing dissenting views, and promoting constructive and respectful relations among Board members. To maintain checks and balances, the Chairman of the Board is not a member of any of the Board Committees.

The Group Managing Director, Mr. Chew Kuan Fah, oversees the management and development of the Company, and is responsible for implementing programmes to achieve the Company’s goals and vision for the future, in accordance with the Board- approved strategies and policies.

To preserve the value an INED brings to the Company, i.e. objectivity to the oversight function of the Board through independence in mind and independence in appearance, the Board has limited the tenure of an INED to a cumulative term of nine (9) years. The Board has adopted an Independent Director Tenure Policy whereby INED who has reached the threshold of 9 years’ tenure may continue to serve on the Board as a Non-Independent Director. During the financial year under review, none of the INED in the Company has served for nine (9) years.

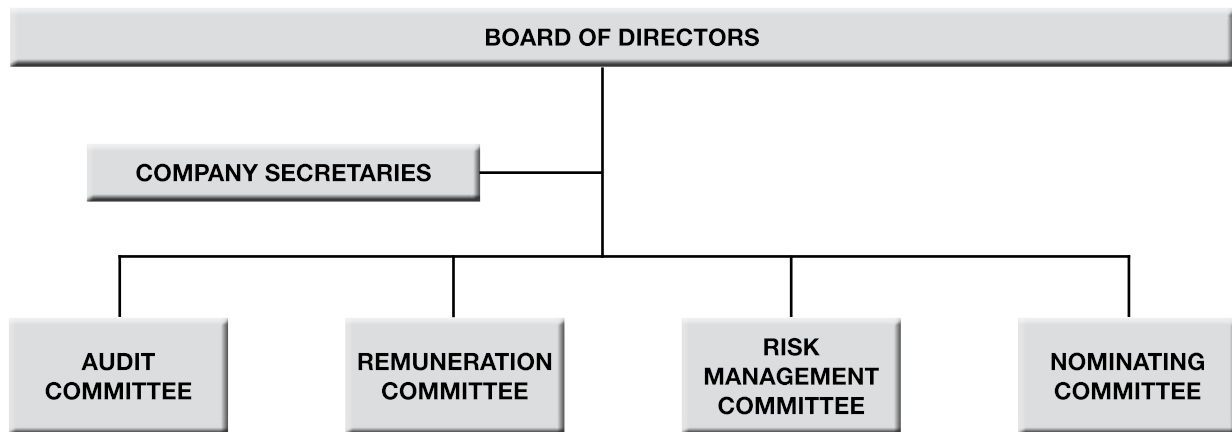
During the FYE 2025, the Board approved the separation of the Audit and Risk Management Committee into two distinct committees, namely the Audit Committee (“AC”) and the Risk Management Committee (“RMC”), with effect from 8 May 2025. The separation enhances the efficiency and effectiveness of each committee in discharging its respective duties and responsibilities, in line with the Board’s commitment to sound corporate governance under the MCGG.

Corporate Governance Overview Statement
(cont'd)

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

Board and Board practices (Cont'd)

The Board is currently supported by four (4) Board Committees: AC, Nominating Committee (“NC”), Remuneration Committee (“RC”) and RMC, each operating under clearly defined Terms of Reference. The existing governance structure is illustrated below:



Board Committees and the Key Responsibilities	
AC Oversees the integrity of financial reporting, disclosure, internal control systems, governance processes, compliance matters, related party transactions, conflicts of interest, and the internal and external audit functions.	NC Handles nomination and appointment of Directors, reviews Board composition, and ensures Directors are fit and proper with an appropriate mix of skills, experience, and independence.
RC Reviews and recommends remuneration frameworks and packages for Directors and Senior Management, aligning rewards with performance, responsibilities, and long-term Company interests.	RMC Identifies, reviews, and assesses key Group risks, recommending risk strategies, policies, and tolerance levels, ensuring risk management practices are embedded across the organisation, and promotes risk awareness and education at all levels.

Nominating Committee

The NC is comprised wholly of INED:

Name	Designation
Cik Shahira Binti Abdul Aziz	Chairperson
Mr. Chong Chin Look	Member
Ms. Karmjit Kaur A/P Sarban Singh	Member

The NC facilitates annual assessment of the Board, Board Committees, and individual Directors through various key criteria including skills, decision-making, contribution, time commitment, competencies, and sustainability awareness.

Apart from the annual assessment, the NC is also responsible for Director appointments, re-election and retirement pursuant to the Company’s Constitution, ensuring diversity and independence in the Board. To appoint the right person to the leadership team with the right skills, experience, and credibility (including Board mix), the NC is authorised to utilise independent sources such as the directors’ register, industry and professional associations, open advertisements, and independent search firms to source for potential candidates.

Corporate Governance Overview Statement (cont'd)

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

During the year under review, NC guided by its Term of Reference (“TOR”) has undertaken the following activities in the discharge of its duties:

Summary of NC activities during the FYE 2025

- (a) Annual assessment on the size, composition and effectiveness of the Board and Board Committees;
- (b) Reviewed the succession planning of the Board of Directors and Senior Management;
- (c) Assessed the tenure and independence of the INEDs, including their ability to exercise objective and independent judgement;
- (d) Reviewed the Fit and Proper Policy;
- (e) Reviewed the meeting attendance and time commitment of the Board and Board Committees’ members;
- (f) Assessed the performance of the Board Committees;
- (g) Reviewed and recommended of the re-election of retiring Directors pursuant to the Company’s Constitution;
- (h) Reviewed the Director training programmes; and
- (i) Recommended the appointment of an additional female Director to strengthen gender diversity and achieve compliance with the MCCG recommendation of at least 30% women Directors on the Board.

Remuneration Committee

The RC is comprised wholly of INED:

Name	Designation
Ms. Karmjit Kaur A/P Sarban Singh	Chairperson
Mr. Chong Chin Look	Member
Cik Shahira Binti Abdul Aziz	Member

The RC reviews and recommends remuneration policies and packages for Directors and Senior Management. The remuneration packages for Executive Directors and Senior Management are aligned with individual and Company’s performance, as well as market conditions, while the remuneration of INED is based on experience, level of responsibilities, attendance, and expertise.

The remuneration of Senior Management is disclosed on an aggregated and unnamed basis to protect confidentiality.

The detailed remuneration of individual directors for FYE 2025 is reported in the Corporate Governance Report accompanying this Annual Report.

Company Secretaries

The Board is supported by suitably qualified and competent Company Secretaries, responsible for providing sound governance advice, ensuring compliance with rules, and advocating corporate governance best practices. The Board appoints and may remove the Company Secretaries, considering performance, competency, and capability.

The Company Secretaries, together with the Board and Board Committees’ Chairman, set the agenda for each meeting. The notice of Board and Board Committees’ meetings is issued at least five (5) business days prior to Board and Board Committees’ meetings. The Board and Board Committees members are provided with Board Papers before the meetings. Furthermore, Directors are provided with the authority to request additional information necessary from the Management team to support informed decision-making.

The Company Secretaries acts as the Secretary of the Board and all Board Committees, supporting the documentation of the meeting discussions, comments, deliberations, and decisions made during the meetings. Upon conclusion of the meetings, the Company Secretaries ensure the timely circulation of the minutes to the respective Directors for comments and confirmation.

Corporate Governance Overview Statement
(cont'd)

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

Board and Board Committee meeting attendance

For the effective functioning of the Board, Directors are required to allocate sufficient time to prepare and attend Board and Board Committee meetings.

The meetings of the Board and Board Committees attended by the Directors for FYE 2025 are as follows:

Director	Board	ARMC [#]	AC	RC	RMC	NC
Mr. Lim Hun Soon @ David Lim (Independent Non-Executive Chairman)	7/7	-	-	-	-	-
Mr. Chew Kuan Fah (Group Managing Director)	7/7	-	-	-	-	-
Mr. Chew Yik Wai (Executive Director)	7/7	-	-	-	-	-
Mr. Ng Kim Liang (Executive Director)	7/7	-	-	-	-	-
Ms. Loh Pei Ling* (Executive Director) Appointed on 1 September 2025	1/1	-	-	-	-	-
Mr. Chong Chin Look (Independent Non-Executive Director)	7/7	3/3	3/3	2/2	2/2	2/2
Ms. Karmjit Kaur A/P Sarban Singh (Independent Non-Executive Director)	7/7	3/3	3/3	2/2	2/2	2/2
Cik Shahira Binti Abdul Aziz (Independent Non-Executive Director)	7/7	3/3	3/3	2/2	2/2	2/2

Notes:

■ : Board/Board Committee Chairman

■ : Member

* : Ms. Loh Pei Ling was appointed to the Board on 1 September 2025, and only one (1) Board meeting was held subsequent to her appointment.

: ARMC was separated into AC and the RMC with effect from 8 May 2025.

Corporate Governance Overview Statement
(cont'd)

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

Board Training

All Directors have completed both Mandatory Accreditation Programme (“MAP”) and MAP Part II, except for Ms. Loh Pei Ling who has not yet complete MAP Part II. During the course of the year, Directors also participated in other training programmes and seminars covering areas such as governance, sustainability, cyber security, and tax that include the following:

Name of Director	Course Title	Date
Mr. Lim Hun Soon @ David Lim	Dawn Raid and Merger Controls	20 January 2025
	Dawn Raid Deck Training	20 January 2025
	GenAI: What Boards Need to Know (Asia Pacific)	7 May 2025
	Anti-Bribery and Anti-Corruption	8 May 2025
	Enhancing Board Performance - Key Considerations	4 June 2025
	Introduction on Cyber Security	25 June 2025
	ESG Board Training - Climate Change Risks and Its Impact on Press Metal	28 July 2025
	Cyber Security Awareness & Technology	27 August 2025
	Virtual Talk on “Beyond Compliance”	10 September 2025
	Awareness Programme on Cyber Security and Anti-Bribery	10 October 2025
	Virtual Talk on Nature and Biodiversity for Financial Institution	22 October 2025
IFRS S1 and S2 Awareness	27 November 2025	
Mr. Chew Kuan Fah	Anti-Bribery and Anti-Corruption	8 May 2025
	TSA 2025 Sales Conferences UNITE	21 & 22 November 2025
Mr. Chew Yik Wai	Anti-Bribery and Anti-Corruption	8 May 2025
	TSA 2025 Sales Conferences UNITE	21 & 22 November 2025
Mr. Ng Kim Liang	Anti-Bribery and Anti-Corruption	8 May 2025
	TSA 2025 Sales Conferences UNITE	21 & 22 November 2025
Ms. Loh Pei Ling	Mandatory Accreditation Programme Part I	10 & 11 September 2025
	TSA 2025 Sales Conferences UNITE	21 & 22 November 2025
Mr. Chong Chin Look	Anti-Bribery and Anti-Corruption	8 May 2025
	LHDN - Transfer pricing & tax corporate governance seminar 2025	27 May 2025
	CGS International & ASEAN Malaysia 2025 - ASEAN Business Forum 2025 (From Vision to Reality: ASEAN Partnerships Fueling Sustainable Growth)	29 May 2025

Corporate Governance Overview Statement
(cont'd)

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

Board Training (Cont'd)

Name of Director	Course Title	Date
Ms. Karmjit Kaur A/P Sarban Singh	Anti-Bribery and Anti-Corruption	8 May 2025
	Leading for Longevity: The Board's Rols in Driving Innovation	10 July 2025
	ICDM BRMC Dialogue & Networking Governance in an Era of Trade Uncertainty: Navigating Tariff Risks and Opportunities	25 July 2025
	Rethinking Risk: Aligning Uncertainty with Opportunity	28 July 2025
	Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness	3 September 2025
	Live Board Simulation 2025 - Strengthening Boardroom Decision-Making in Times of Crisis	18 September 2025
	Board Candidacy Decoded: From Nomination and Interview to First Board Meeting	4 December 2025
Cik Shahira Binti Abdul Aziz	How & Why will the next American administration change globalisation & global finance	12 February 2025
	Special Lecture: How Global Events Will Affect the Outlook for the Financial Industry in 2025 (YBhg Tan Sri Andrew Sheng)	19 February 2025
	Tokenising Financial Assets: What Financial Leaders Needs to Know Today	29 April 2025
	Anti-Bribery and Anti-Corruption	8 May 2025
	E-Invoicing and its Impact on Directors	9 May 2025
	Balancing Risk & Business in Protecting Compliance Standards	4 June 2025
	AI's Next Wave - Chips, Code, and Localisation (Dr. Jack Lau)	20 June 2025
	Cybersecurity and AI: Friends or Foes?	2 July 2025
	Navigating Digital Disruption: How Can Boards in Financial Institutions Enhance Strategic Digital Governance	17 July 2025
	Beyond Compliance: Strategic ABC Governance in a Risk-Intensified Environment	10 September 2025
	Nature & Biodiversity for Financial Institutions	22 October 2025

Corporate Governance Overview Statement (cont'd)

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The AC is comprised solely of INED:

Name	Designation
Mr. Chong Chin Look	Chairperson
Ms. Karmjit Kaur A/P Sarban Singh	Member
Cik Shahira Binti Abdul Aziz	Member

Following the separation of the ARMC, the Company continues to recognise that objectivity is particularly imperative for the Chairperson of the AC, given the committee's specific role in providing independence and objective oversight over financial accounting and reporting, disclosure, internal control systems, accounting and reporting practices, governance processes, compliance matters, related party transactions and conflict of interest situations. Accordingly, the Chairperson of the AC is not the Chairman of the Board.

The AC Chairperson is a member of the professional accountancy body, which is in accordance with Rule 15.09(1)(c) of Listing Requirements, and all three (3) members are financially literate, able to understand matters under the purview of the AC and possess the necessary skills to discharge their duties effectively.

To avoid the ability to significantly influence the audit and preparation of the Company's financial statements, the AC has in the AC's terms of reference, formalised the policy which requires a former partner of the external audit firm (including those providing advisory services, tax consulting, and other similar services) to observe a cooling-off period of at least three (3) years before being able to be appointed to the AC.

Risk Management Committee

The RMC is comprised wholly of INED:

Name	Designation
Ms. Karmjit Kaur A/P Sarban Singh	Chairperson
Mr. Chong Chin Look	Member
Cik Shahira Binti Abdul Aziz	Member

The RMC is able to dedicate greater focus to matters relating to the identification, assessment and management of the Group's key risks. The RMC recommends appropriate risk management strategies, policies and risk tolerance levels, and ensures that risk management practices are effectively embedded throughout the Group. The RMC also promotes risk awareness across all levels of the organisation, in line with the Board's commitment to sound corporate governance and the principles of the MCCG.

Risk Management and Internal Control Framework

The Board is ultimately responsible for the adequacy and effectiveness of the Group's risk management and internal control framework. Subsequent to the separation of the ARMC, the Board is supported by the RMC and the AC in discharging its oversight responsibilities.

The RMC assists the Board in overseeing the Group's risk management matters, including the effectiveness of the overall risk management framework, as well as the identification, assessment, monitoring and mitigation of key risks affecting the Group. This includes reviewing the principal risk exposure in areas such as cybersecurity, anti-corruption, operations and financial risks, and ensuring that appropriate risk management strategies and policies are implemented.

The AC supports the Board in reviewing the adequacy and effectiveness of the Group's internal control system, including financial controls and the internal audit function, to ensure that appropriate controls and processes are in place and operating effectively.

Corporate Governance Overview Statement (cont'd)

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control Framework (Cont'd)

The Board reviews the adequacy and operating effectiveness of the Group's risk management and internal control framework on an annual basis, based on, among others, the work performed by the RMC and AC, assurance provided by the Group Managing Director and the Head of Finance, as well as input from the Internal and External Auditors and other relevant processes.

Further details of the Group's risk management and internal control framework and the Board's assessment of its adequacy and effectiveness are set out in the Statement on Risk Management and Internal Control, while the respective activities carried out by the RMC and AC during the financial year under review are disclosed in their respective AC Report in this Annual Report.

External Auditors

The External Auditors for the Company and the Group is Messrs. Crowe Malaysia PLT. Their primary role is to form an opinion on the financial statements of the Company, including accounting and other records relating to those financial statements and thereafter report to the Shareholders in Annual General Meeting ("AGM"). To ensure the effectiveness of the External Auditors, AC has assessed the suitability, objectivity, and independence of the External Auditors through the assessment form of the "Review of the Effectiveness of External Auditors and Internal Audit Function of the Company". Based on the annual assessment's result under the year of review, the AC is satisfied with the performance and independence of the External Auditors and has recommended to the Board of the re-appointment of Messrs. Crowe Malaysia PLT for Shareholders' approval at the forthcoming 4th AGM.

In assessing the independence of the External Auditors, the AC has also considered the nature and fees of any non-audit services provided by the External Auditors and/or their affiliates, which for FYE 2025, amounting to as follows:

	The Company RM'000	The Group RM'000
Audit services	60	231
Non-audit services:		
- external auditors	8	8
- A corporation affiliated to the external auditors	35	75
Total non-audit services	43	83
Total audit and non-audit services	103	314

The non-audit services were mainly for the services related to the tax compliance fees, review of the Statement of Risk Management and Internal Control, and professional fees for tax advisory services.

Internal Auditors

The Company's internal audit function is outsourced to Sterling Business Alignment Consulting Sdn Bhd, an independent professional firm. The firm has during the financial year under review, performed internal audits and follow-up audits to assess the effectiveness, adequacy, and integrity of the Company's internal control systems. The Internal Auditors have full and direct access to the AC, and the AC received reports on all internal audits conducted, including significant results and recommendations for improvement. The AC, through its Internal Auditors, monitored action plans and the status thereof on a regular basis.

Further details on the internal audit function are available in the AC Report, CG Report and the Statement on Risk Management and Internal Control of this Annual Report.

Corporate Governance Overview Statement (cont'd)

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

Engagement with Stakeholders

The Board understands the importance and need for communication with its stakeholders, such as the shareholders, employees, customers, business partners, and the general public. Various communication channels were established, including announcements on Bursa Securities' website, the Company's corporate website, general telephone number, fax number and email address as well as annual reports, press releases, quarterly results, and other information which are also available on the Company's corporate website.

Through these channels, relevant information such as the Company's commercial activities and financial performances, the Group's background and products, policies regarding how the Group's businesses are run, and sustainability information including environmental, social, and governance matters are communicated to the stakeholders. Furthermore, engagement channels which facilitate two-way communications are in place, such as through AGM, employee appraisal processes, and business meeting forums. These engagement/ communication strategies and channels are reviewed annually by the Board, considering amongst others, their adequacy and effectiveness.

Conduct of General Meetings

General meetings serve as a principal forum through which Shareholder dialogue is carried out, allowing Shareholders to review the Group's performance, and understand the Group's long-term strategic direction, as well as financial and non-financial information. In the 3rd AGM, the Company had despatched the notice to its Shareholders at least 28 days' notice before the AGM and to provide Shareholders sufficient time to read and understand the Annual Report, resolutions to be tabled and make the required attendance and voting arrangements.

With effect from 1 March 2025, pursuant to the amendments to the Listing Requirements, public listed companies are required to conduct general meetings in a physical or hybrid format. In line with this requirement and in support of enhanced corporate governance, transparency and Shareholder engagement through in-person interaction, the Company conducted its 3rd AGM physically at the Company's main office, thereby providing Shareholders with the opportunity to engage more directly with the Board and Management and to gain closer insight into the Company's business operations.

All the Board members attended the 3rd AGM to provide Shareholders with the opportunity to seek pertinent clarifications from the Directors and Senior Management. Shareholders were allowed to submit questions both prior to and during the AGM. The Board, together with the Head of Finance, External Auditors and Company Secretary were present to respond to all questions raised by the Shareholders, thereby facilitating transparent and meaningful engagement.

The minutes of the 3rd AGM were published on the corporate website on 2 July 2025 before the deadline of 30 business days after the general meeting.

This Corporate Governance Overview Statement together with the CG Report were approved by the Board on 15 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Rule 15.26(b) of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) requires the Board of Directors (“Board”) of a listed corporation to include in its Annual Report a statement about the state of risk management and internal control of the listed corporation as a group. Accordingly, the Board of TSA Group Berhad (“TSA” or “Company”) is pleased to provide the following statement which outlines the nature and scope of the risk management and internal control systems of TSA and its subsidiaries (“Group”) which have been in place for the financial year ended 31 December 2025 and up to the date of approval of this statement for inclusion in the Annual Report.

BOARD’S RESPONSIBILITY

The Board acknowledges its responsibility to maintain a sound and robust system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets and promote long-term success and sustainability. The Board is assisted by the Audit and Risk Management Committee (“ARMC”) until 7 May 2025 and thereafter by the Audit Committee (“AC”) and Risk Management Committee (“RMC”) from 8 May 2025 onwards, to oversee and monitor the effectiveness of the Group’s risk management and internal control system. Key risks identified and action plans to address the risks will be highlighted by the Risk Management Working Group (“RMWG”), a Management Committee, to the ARMC/ RMC at least on a yearly basis, where the ARMC/ RMC then reports the same to the Board.

The Board has received assurance from the Group Managing Director and Head of Finance that the Group’s risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control systems of the Group.

In view of the limitations inherent in any system of risk management and internal control, the Board is aware that the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group’s corporate objectives. Accordingly, the system can only provide reasonable, but not absolute, assurance against material misstatement or loss.

RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

Risk management and internal controls are regarded as an integral part of the Group’s business management processes. An effective system of internal control provides a reasonable assurance that assets of the Group are safeguarded against loss from unauthorised use or disposition and gives a proper account of the assets, and that all transactions are properly authorised and that they are recorded as necessary to enable the preparation of a true and fair view of the financial statements; while an effective risk management system helps the Group achieve its goals (including performance and profitability targets) by providing risk information to enable better decisions, both in the setting of Group strategy and in daily decision making as that strategy is executed.

The key elements of the Group’s risk management and internal control system are as follows:

- Organisation structure

The Group has established an organisational structure with formally defined lines of responsibility and delegation of authority, augmented by hierarchical reporting culminating in the Board. This clear chain of command enables each department to focus on the respective roles and responsibilities assigned to them and enhances operational efficiency and effectiveness whilst reducing overlaps.

- Code of Ethics and Conduct

The Group has a formalised Code of Ethics and Conduct to provide a behavioural framework which sets out and unifies the Group’s standards of integrity, acceptable conduct and behaviour. This moral and operational compass was communicated to all directors and employees of the Group for adherence and implementation. The Group also emphasises ethical behaviour and integrity through policies relating to anti-fraud, anti-bribery and corruption and conflict of interest.

Statement on Risk Management and Internal Control (cont'd)

RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE (CONT'D)

The key elements of the Group's risk management and internal control system are as follows (Cont'd):

- Policies and Procedures

The Group has established policies and procedures for the Group's core business functions, which are clearly communicated to all relevant parties. These policies and procedures, which serve as the operational backbone of the company by providing a consistent approach towards daily actions, incorporating risk mitigation and internal controls and regulatory compliance requirements, are reviewed and updated from time to time to adapt to the changing business environment.

- Business performance monitoring

The Group's business performance is monitored periodically, focusing on both financial and operational results. The Management team receives and periodically discusses its business performance, which includes action plans to address areas of concern, if required. The Board and ARM/ AC receive quarterly financial reports on the business performance, which include Management's action plans to address areas of concern, if any.

- Risk Management Framework

The Board has established a Risk Management Framework ("RMF") to guide the identification, assessment, evaluation, treatment and monitoring of key risks. The Group has identified key risk areas, including but not limited to operational, financial, regulatory compliance, information technology, cybersecurity, environmental, social and governance ("ESG"), and emerging global risks, which are continuously monitored and managed. The Group has also defined the Group's risk appetite, which is used as a guide by Management in identifying, evaluating and managing risks in line with the Group's strategic and business objectives. The RMF is designed to inculcate a risk management philosophy and culture into the day-to-day business activities as well as decision-making processes within the Group, with a view to supporting the overall business objectives of the Group. To ensure the effectiveness of its risk management practices, the RMF is reviewed periodically or at least once every three (3) years by the Management and reported to the Board for consideration and approval.

The risk management processes, which are carried out on an ongoing basis, are as follows:

- Risk identification

This process involves the identification of key risks that could have a material negative impact on TSA's ability to achieve its business goals. During this process, risks are considered from external sources such as regulatory and legal, economic, social and environmental, technological, customers, suppliers, etc., and also from internal sources such as corporate governance, financial, products and services, human capital, operations and information technology.

The key risks are identified through, but not limited to, the following methods:

- o brainstorming/ discussion groups;
- o reviewing process, systems design review, and systems analysis;
- o scenario analysis; and
- o strengths, weaknesses, opportunities and threats ("SWOT") analysis.

- Evaluation of controls

This process involves the identification of existing internal controls implemented to address the key risks identified. Controls include any existing management activities, standards, processes, procedures, practices or actions performed to manage the risk or to minimise the adverse effects of risk.

Statement on Risk Management and Internal Control (cont'd)

RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE (CONT'D)

The key elements of the Group's risk management and internal control system are as follows (Cont'd):

- Risk Management Framework (Cont'd)

The risk management processes, which are carried out on an ongoing basis, are as follows (Cont'd):

- Rating of risks

Risks identified are then assessed and ranked based on the likelihood of happening and the impact of the risk materialising, giving different risk ratings to each identified risk. This allows risks to be prioritised and resources to be effectively used in managing these key risks identified.

Both the likelihood and impact ratings are guided by the Risk Ratings Table, which provides a guideline for assigning likelihood and impact ratings. In rating the risks, Key Performance Indicators and Key Risk Indicators, where relevant, are also considered, to provide quantitative measurement and early warning signs of a risk crystallising. The likelihood and impact ratings are then plotted into a risk matrix to derive the final risk rating/ level.

- Risk response and treatment

The risk response and treatment process includes actions, measures and strategies undertaken by Management to bring key risks to an acceptable risk level or within the Group's risk appetite. The implementation of risk treatment plans is generally the responsibility of the risk owners and/ or risk delegates.

Risk treatment should be deployed based on the risk strategy of the Group in addressing different categories of risks, which often will also include the cost and benefit analysis. The types of risk treatment available are:

- o risk avoidance – avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
- o risk termination/ elimination – removing the risk source;
- o risk transfer – sharing the risk with another party or parties;
- o risk treatment/ reduction – reduce the likelihood or the consequences; and
- o risk tolerance/ acceptance – accept risk without risk treatment, but is subject to continuous monitoring and review.

- Risk monitoring and management

Key risks identified are monitored by risk owners and risk delegates to ensure that the risk ratings remain relevant and that controls in place remain effective and adequate amidst changing circumstances. Any changes will be reported and appropriate action plans will be devised with a view to realigning the risk rating to an acceptable level. Key Performance Indicators and Key Risk Indicators, where relevant, are also considered during the risk monitoring stage as a balanced scorecard, which allows the Group to pursue its goals whilst protecting itself against potential hazards.

The Group adopts a decentralised approach to risk management, whereby all employees take ownership and accountability for risks at their respective levels. The process of risk management and treatment is the responsibility of the Heads of Departments. The Group has also established a whistleblowing mechanism to enable employees and stakeholders to report concerns on unethical behaviour, fraud or non-compliance in a confidential manner. Where applicable, the Group maintains business continuity and disaster recovery plans to ensure the continuity of critical operations in the event of disruptions.

Statement on Risk Management and Internal Control (cont'd)

INTERNAL AUDIT (“IA”) FUNCTION

The Group has engaged Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), an independent professional firm, as its internal auditors. The internal auditors are primarily responsible for independently assessing and reporting to the Board, through the ARMC/ AC, the adequacy and integrity of the Group’s risk management and internal control system. The ARMC/ AC receives reports on all internal audits and follow-up audits conducted.

The internal auditor’s team is headed by Dr. So Hsien Ying, who has over 30 years of experience in corporate planning, business process improvement, risk management, internal audits, and internal control reviews. She is a Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of the Institute of Internal Auditors Malaysia (“IIAM”) and a member of the Malaysian Alliance of Corporate Directors.

The internal auditors adopt a risk-based approach when developing the IA plan, which addresses the core business processes of the Group based on their risk profile. Scheduled internal audits and follow-up audits were carried out by the internal auditors based on the IA plan presented to and approved by the AC. The IA work is guided by the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control – Integrated Framework.

The IA function has, during the FYE 2025, carried out work summarised as follows:

- Reviewed and tested the adequacy and operating effectiveness of controls associated with the following functions:
 - Credit Control and Collection (Singapore office)
 - Procurement (Singapore office)
 - Inventory Management and Logistics Management (Singapore office)
 - Finance and Accounts
 - Management Information System
 - Cybersecurity, Data Privacy and Protection
- Reported internal audit findings and made recommendations (in relation to the six areas covered above) to improve the internal control and risk management system to the AC/ARMC;
- Performed follow-up audit on the six areas covered above, assessing the status of implementation of the management actions against the deadline; and
- Reported the results of the follow-up audit (in relation to the areas covered above) to the AC/ARMC.

The total costs incurred for the IA function for the FYE 2025 amounted to RM59,500.

REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the Company’s external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (“AAPG 3”), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Company’s Annual Report for the financial year ended 31 December 2025, and reported to the Board that nothing has come to the attention that causes them to believe that the statement intended to be included in this Annual Report, in all material respects:

- i. has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (2025); or
- ii. is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system, including the assessment and opinion by the Board and Management.

Statement on Risk Management and Internal Control
(cont'd)

CONCLUSION

The Board is of the view that the Group's risk management and internal control systems during the financial year under review up to the date of approval of this statement are adequate and effective in all material aspects in safeguarding shareholders' investments, the Group's assets and the interests of customers, regulators and employees.

The Board is of the view that there were no material losses incurred by the Group during the FYE 2025 as a result of weaknesses in risk management and internal controls of the Group. No material control weaknesses that would result in material losses were identified during the financial year. Where areas for improvement were noted, appropriate remedial actions have been or are being implemented by Management. The Group continues to take the necessary measures to strengthen the risk management processes and internal control environment of the Group.

This Statement on Risk Management and Internal Control was approved by the Board on 15 April 2026.

AUDIT COMMITTEE REPORT

The Board of Directors (“Board”) is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December (“FYE”) 2025.

INTRODUCTION

In its continuous efforts to enhance the efficiency and effectiveness in discharging its duties and responsibilities, the Board approved the separation of the Audit and Risk Management Committee (“ARMC”) into two separate committees, namely the AC and the Risk Management Committee (“RMC”) in May 2025. Accordingly, this Report covers the activities of the ARMC up to 7 May 2025, and of the AC for the period from 8 May 2025 to 31 December 2025.

The ARMC and thereafter the AC assists the Board of TSA Group Berhad (“Company”) in fulfilling its duties and responsibilities with respect to the reliability and integrity of the Company’s financial accounting and reporting, disclosure, internal controls, accounting and reporting practices, governance structure, compliance and risk management of the Company and its subsidiaries.

The ARMC and AC are both guided by their respective written Terms of Reference (“TOR”), which provides amongst others, the authorities, duties and responsibilities of the ARMC and AC. The TOR of the AC (and previously the TOR of the ARMC) is made available on the Company’s website at <https://tsa.com.my/>.

The features of the Group’s risk management and internal control system are stated in the Statement of Risk Management and Internal Control of this Annual Report. This statement focuses on the ARMC and thereafter AC’s roles and responsibilities as an audit committee.

COMPOSITION AND MEETINGS

The ARMC is comprised solely of Independent Non-Executive Directors, aligned with Step Up Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”), where it is important for AC to be independent in order to exercise their judgement in an impartial manner in fulfilling the AC’s mandate.

In alignment with Practice 9.1 of the MCCG, the Chairman of the ARMC, i.e. Mr. Chong Chin Look, is distinct from the Chairman of the Board. He has been a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants (“MIA”) since 1992 and 1993, respectively.

The composition of the ARMC also complies with the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the ARMC’s TOR as follows:

- Composed of not fewer than three (3) members;
- All the ARMC members are Non-Executive Directors, with a majority of them being Independent Directors, and none of them are alternate Directors; and
- At least one (1) of the ARMC members is a member of the Malaysian Institute of Accountants or fulfils other requirements prescribed under the Listing Requirements.

All members of the ARMC possess financial literacy, competency and experience, enabling them to understand matters falling within the purview of the ARMC, including the financial reporting process. They have the necessary expertise to review the Group’s financial reporting process and information, ensuring that the financial reports accurately reflect our Group’s actual performance.

Although the ARMC, effective 8 May 2025, has been separated into two (2) committees, i.e. the AC and the RMC, the composition of the AC members remained the same as that of the ARMC.

Audit Committee Report
(cont'd)

COMPOSITION AND MEETINGS (CONT'D)

The details of the AC members and their attendance at the ARMC and AC meetings held during the FYE 2025 are as follows:

Name	Designation (in ARMC & AC)	Meetings attended	
		ARMC	AC
Mr. Chong Chin Look (Independent Non-Executive Director)	Chairman	3/3	3/3
Ms. Karmjit Kaur A/P Sarban Singh (Independent Non-Executive Director)	Member	3/3	3/3
Cik Shahira Binti Abdul Aziz (Independent Non-Executive Director)	Member	3/3	3/3

The Minutes of each ARMC/AC meeting were recorded and tabled for confirmation at the subsequent ARMC/ AC meeting, and thereafter tabled to the Board for notation in the Board Meeting of the same quarter. The ARMC/ AC Chairman also reports to the Board on activities undertaken at the ARMC/ AC meeting held in the same quarter, and also the key recommendations for the Board's consideration and decision, if any.

The ARMC (and subsequently the AC) has, during the financial year, held three (3) private sessions with the external auditors without the presence of the Management and Executive Board members. These sessions allowed the ARMC/ AC to discuss sensitive issues or concerns with the external auditors and obtain frank and honest feedback without potential influence or pressure from the Management. The matters discussed were the extent of cooperation provided by the Company, the quality of the financial management and reporting, and any other observations that they might have during the annual audit.

Further to the private sessions held, in order for the ARMC/ AC to discharge its work effectively, the ARMC/ AC also engages the Management and external auditors on a continuous basis, to keep abreast of matters and issues affecting the Group. Senior Management personnel (e.g. Head of Finance), the Internal Auditors, other Board members and selected employees may attend the ARMC/ AC meetings upon invitation of the ARMC/ AC to facilitate discussion of matters on the agenda which require their insights. Representatives of the external auditors also attend the scheduled meetings to table their annual audit plan, audit findings and the final draft financial statements.

The Nominating Committee has performed a review of the terms of office and the performance of the ARMC/ AC, including that of each individual ARMC/ AC member. The Board, with the concurrence of the Nominating Committee, has determined that the ARMC/ AC and its members have carried out their duties in accordance with their TOR.

SUMMARY OF WORKS OF THE ARMC/ AC DURING THE FYE 2025

The Chairman of the ARMC/ AC reports to the Board at each Board meeting on the activities carried out by the ARMC/ AC in the discharge of its duties and responsibilities. The major works undertaken by the ARMC/ AC during the FYE 2025, which focused on ensuring compliance with the latest requirements of the Malaysian Financial Reporting Standards and Listing Requirements, included the review and recommendation for the Board's approval of the following:

1. Financial Reporting

- Reviewed the draft Financial Statements of the Company and the Group for the FYE 2024;
- Reviewed the quarterly financial results of the Group, for the quarters ended 31 December 2024, 31 March 2025, 30 June 2025 and 30 September 2025;

Audit Committee Report
(cont'd)

SUMMARY OF WORKS OF THE ARMC/ AC DURING THE FYE 2025 (CONT'D)

2. External and Internal Audit

- The external auditors' Audit Review Memorandum for the Group, which outlined, amongst others, strategy, responsibilities, audit approach, areas of audit emphasis and the scope of work for the FYE 2025, and the external auditors' fees;
- The audit services and non-audit services provided by the external auditors and a corporation affiliated to the external auditors, and the fees paid/ payable for the respective types of services, were reviewed, and concluded that the auditors remained independent and, together with the Board, are satisfied with the services and performance of Messrs. Crowe Malaysia PLT ("Crowe"). The fees for FYE 2025 are:

	The Company RM'000	The Group RM'000
Audit services	60	231
Non-audit services:		
- external auditors	8	8
- A corporation affiliated to the external auditors	35	75
Total non-audit services	43	83
Total audit and non-audit services	103	314

The non-audit services are mainly for the services related to the tax compliance fees, review of the Statement of Risk Management and Internal Control, and professional fees for tax advisory services;

- Discussed with the external auditors, the assistance and cooperation given by the Group's and the Company's officers;
- Effectiveness of the external auditors and internal audit function, including recommending the re-appointment of the external auditors;
- Internal audit report and follow-up report, which covers findings, areas requiring improvements and recommendations provided by the internal auditors and Management's responses and action plans;

3. Related Party Transactions and Conflict of Interest

- Related Party Transactions ("RPT") and Recurrent RPT ("RRPT") entered into by the Company and/or its subsidiaries with any related parties;
- Conflict of interest or potential conflict of interests involving the directors and senior key management;

4. Other Matters

- Statements/ reports to be included as part of the Annual Report for the FYE 2024, including the ARMC Report, Statement on Risk Management and Internal Control, Additional Compliance Information, and List of Properties;
- Budget for the year 2025/2026, and subsequently the revised budget 2025;
- The overall adequacy and effectiveness of the system of internal controls;

Audit Committee Report
(cont'd)

SUMMARY OF WORKS OF THE ARMC/ AC DURING THE FYE 2025 (CONT'D)

4. Other Matters (Cont'd)

- Reviewed the Solvency Test prior to recommending the declaration of the interim dividends paid out to the Company's shareholders for the FYE 2025 to the Board for approval, having been satisfied that the Company will remain solvent after the distribution is made, pursuant to the Companies Act 2016;
- Reviewed the status and changes in material litigation, law and regulations, compliance with loan covenants and regulatory updates on the Group's businesses;
- Progress update on the establishment of the Semenyih Manufacturing Premises;
- To review the debtors and ageing list;
- Separation of the ARMC into two separate committees, namely, the AC and the RMC; and
- Renewal of sponsorship.

SUMMARY OF WORKS OF THE ARMC/ AC SUBSEQUENT TO THE FYE 2025

Subsequent to the FYE 2025, the AC has, and during the period from 1 January 2026 up to the date of this Report, undertaken the following activities:

1. Financial Reporting

- Reviewed the Draft Financial Statements of the Company and the Group for the FYE 2025 before recommending to the Board for approval;
- Reviewed the Quarterly financial results of the Group for the quarter ended 31 December 2025 before recommending to the Board for approval;

2. External and Internal Audit

- Reviewed the Effectiveness of the external auditors, including recommending the re-appointment of the external auditors;
- Reviewed the Internal audit follow-up report, which covers the status of implementation by the Group, of the recommendations of the internal auditors;

3. Related Party Transactions and Conflict of Interest

- Reviewed the RPT and RRPT entered into by the Company and/or its subsidiaries with any related parties;
- Reviewed the Conflict of Interest or potential conflict of interests involving the directors and senior management;

Audit Committee Report (cont'd)

SUMMARY OF WORKS OF THE ARMC/ AC SUBSEQUENT TO THE FYE 2025 (CONT'D)

4. Other Matters

- Reviewed the status and changes in material litigation, law and regulations, compliance with loan covenants and regulatory updates on the Group's businesses;
- Reviewed the AC Report, the Statement on Risk Management and Internal Control, Additional Compliance Information and List of Properties prior to recommending the same for the Board's approval for inclusion in our Company's FYE 2025 Annual Report;
- Reviewed the Solvency Test prior to recommending the declaration of the interim dividends paid out to the Company's shareholders for the FYE 2025 to the Board for approval, having been satisfied that the Company will remain solvent after the distribution is made, pursuant to the Companies Act 2016.

INTERNAL AUDIT ("IA") FUNCTION

The Group has engaged Sterling Business Alignment Consulting Sdn Bhd ("Sterling"), an independent professional firm, as its internal auditors. The internal auditors are primarily responsible for providing independent and objective assessments of the adequacy and effectiveness of the Group's risk management, internal control and governance processes established by the Management of the Group. Guided by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control - Integrated Framework, the internal auditors evaluated the effectiveness of the Group's internal control systems and reported directly to the ARMC/ AC.

Please refer to the Corporate Governance Report accompanying this Annual Report for details of the IA function, including the composition of the IA function, the name and qualifications of the person responsible for internal audit, and whether the internal auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The IA function has, during the FYE 2025 carried out work summarised as follows:

- Reviewed and tested the adequacy and operating effectiveness of controls associated with "credit control and collection (Singapore office)", "procurement (Singapore office)", "inventory management and logistics management (Singapore office)", "finance and accounts", "management information system" and "cybersecurity, data privacy and protection";
- Reported internal audit findings and made recommendations (in relation to the areas covered above) to improve the internal control and risk management system of the Group;
- Performed follow-up audit on observations that remained outstanding, by assessing the status of implementation of the management actions against the deadline; and
- Reported the results of the follow-up audit to the ARMC/ AC.

The total costs incurred for the IA function for the FYE 2025 amounted to RM59,500.

CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST SITUATION

The ARMC/ AC has obtained affirmation and declaration from the Directors that, apart from related party transactions, there was no conflict of interest or potential conflict of interest, such as involvement in any business similar to or competing with the Group.

This Report has been reviewed by the AC and approved by the Board for inclusion in this Annual Report on 15 April 2026.

OTHER CORPORATE DISCLOSURE

1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 2 February 2024 in conjunction with its Initial Public Offering ("IPO"), where the Company undertook, amongst others, a public issue of 77,325,000 new ordinary shares in the Company at an issue price of RM0.55 per share, raising gross proceeds of RM42.53 million. The details of utilisation of the said proceeds raised from the IPO amounting to RM42.53 million as at 31 March 2026 are as follows:

Utilisation of proceeds	Proposed utilisation RM '000	Actual utilisation as at 31 Mar 2026 RM '000	Balance unutilised RM '000	Estimated timeframe for utilisation from the date of the Listing
Capital expenditure for the establishment of Semenyih Manufacturing Premises	5,100	5,100	–	Within 24 months
Working capital	12,329	12,329	–	Within 36 months
Repayment of bank borrowings	20,000	20,000	–	Within 5 months
Estimated listing expenses	5,100	5,100	–	Within 1 month
Total	42,529	42,529	–	

2. AUDIT AND NON-AUDIT SERVICES

The audit services and non-audit services provided by external auditors and a corporation affiliated to the external auditors and fees paid/payable for the respective types of services for the financial year ended 31 December 2025 ("FYE 2025") are as follows:

	The Company RM'000	The Group RM'000
Audit services	60	231
Non-audit services ⁽¹⁾ :		
- external auditors	8	8
- A corporation affiliated to the external auditors	35	75
Total non-audit services	43	83
Total audit and non-audit services	103	314

Note: ⁽¹⁾ The non-audit services are mainly for the services related to the tax compliance fees, review of the Statement of Risk Management and Internal Control, and professional fees for tax advisory services.

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Company and/or its subsidiary involving Directors' and/or major shareholders' interest which were still subsisting as at the end of FYE 2025 or which were entered into since the end of the financial year or entered into since the end of the previous financial year.

Other Corporate Disclosure
(cont'd)

4. RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”)

There were no material recurrent related party transactions of a revenue or trading nature entered into by the Group during the financial year ended 31 December 2025 other than those disclosed as follows:-

Transacting parties	Nature of transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value made during the financial year 31 December 2025 RM'000
Genetec Technology Bhd. (“ Genetec ”) ⁽¹⁾	Sale of industrial hardware products to Genetec	Chen Khai Voon (“ CKV ”) and KVC Corporation Sdn Bhd (“ KVC Corp ”)	92
CLT Engineering Sdn. Bhd. (“ CLT ”) ⁽²⁾	Sale of industrial hardware products to CLT	CKV and KVC Corp	1
KVC Industrial Supplies Sdn. Bhd (“ KVC Industrial ”) ⁽³⁾	Sale of industrial hardware products to KVC Industrial	CKV, Sa Chee Peng, Synergy Cal Solutions Sdn Bhd, KVC Corp and KVC Properties Sdn Bhd	466
	Purchase of industrial hardware products from KVC Industrial		23
	TOTAL		582

Those recurrent related party transactions did not exceed the threshold prescribed under Rule 10.09(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Notes :

1. CKV was a major shareholder of Genetec. Following his disposal of Genetec’s shares in August 2024, he ceased to be a major shareholder of Genetec. In accordance with the 6 month cooling-off period, the RRPT remained reportable until February 2025.
2. CLT is subsidiary of Genetec, the RRPT reportable until February 2025.
3. CKV was a director and indirect shareholder of KVC Industrial. Following his resignation as director in May 2025 and the disposal of his indirect shareholding in KVC Industrial in Jun 2025, KVC Industrial ceased to be a related party of the Group. In accordance with the 6 month cooling-off period, the RRPT remained reportable until December 2025.

5. EMPLOYEE SHARE SCHEME

The Company did not establish any employee share scheme and does not have any subsisting employee share scheme during the FYE 2025.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

(a) **Group Total Income and Total Assets**

Total Income	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Revenue		262,076	290,691
Other income		2,701	7,026
Interest/Finance income		1,900	1,880
Total		266,677	299,597
Total Assets		260,053	279,857

(b) **Business Activities**

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Interest income		803	1,574
Total		803	1,574

(c) **Component of Financial Position**

(i) **Cash Component**

Islamic Account/Instruments	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Cash and bank balances (exclude cash in hand)		2,372	10,884
Cash in hand (to be placed under Islamic Account/Instruments only)		153	140
Money market instruments		29,921	20,072
Total Cash		32,446	31,096

Conventional Account/Instruments	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Cash and bank balances (exclude cash in hand)		21,122	39,459
Deposits with licensed bank		579	566
Total Cash		21,701	40,025

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

(c) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Current			
Commodity Financing		14,210	9,359
Other interest bearing debt	Onshore Foreign Currency Loan	–	738
Total Financing		14,210	10,097

Conventional Borrowing	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Current			
Hire purchase payables		237	262
Other interest bearing debt	Onshore Foreign Currency Loan	20,803	51,300
Term loans		1,220	1,219
Non-Current			
Hire purchase payables		629	461
Term loans		7,070	8,256
Total Debt		29,959	61,498

STATEMENT OF DIRECTORS' RESPONSIBILITY

Pursuant to the Companies Act 2016, the Directors are responsible for preparing the financial statements that give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of their results and cash flows for the financial year then ended.

In ensuring the preparation of the financial statements, the Directors have:

- adopted suitable and appropriate accounting policies and applied them consistently throughout the year;
- made judgments and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards have been complied with; and
- applied the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy on the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Directors are also having general responsibilities for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect other irregularities.

This statement is made in accordance with a resolution passed by the Board on 15 April 2026.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for the addition of quarry segment.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	16,148	11,385
Attributable to:-		
Owners of the Company	16,062	11,385
Non-controlling interest	86	-
	16,148	11,385

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2024 are as follows:-

	RM'000
Ordinary Share	
<u>In respect of the financial year ended 31 December 2024</u>	
A final dividend of 1 sen per ordinary share, paid on 26 March 2025	3,093
<u>In respect of the financial year ended 31 December 2025</u>	
An interim dividend of 1 sen per ordinary share, paid on 20 June 2025	3,093
An interim dividend of 1 sen per ordinary share, paid on 24 September 2025	3,093
An interim dividend of 1 sen per ordinary share, paid on 30 December 2025	3,093
	12,372

On 27 February 2026, the Company declared an interim dividend of 1 sen per ordinary share amounting to RM3,093,000 in respect of the current financial year, paid on 2 April 2026, to shareholders whose names appeared in the record of depositors on 16 March 2026. The financial statements for the current financial year do not reflect this interim dividend. Such a dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

Directors' Report
(cont'd)

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.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

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

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value 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 which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Lim Hun Soon @ David Lim
Chew Kuan Fah
Chew Yik Wai
Ng Kim Liang
Chong Chin Look
Karmjit Kaur A/P Sarban Singh
Shahira Binti Abdul Aziz
Loh Pei Ling (Appointed on 1.9.2025)

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

Lai Chun Wai

Directors' Report
(cont'd)

DIRECTORS' INTERESTS

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

	At 1.1.2025	Bought	Sold	At 31.12.2025
	← Number of Ordinary Shares →			
The Company				
<i>Direct Interests</i>				
Chew Kuan Fah	63,036,452	-	-	63,036,452
Chew Yik Wai	18,557,920	-	-	18,557,920
Ng Kim Liang	11,598,700	-	-	11,598,700
<i>Indirect Interests</i>				
Chew Kuan Fah *	16,562,944	-	-	16,562,944
Chew Yik Wai *	16,562,944	-	-	16,562,944
Ng Kim Liang *	16,562,944	-	-	16,562,944

* Deemed interested by virtue of their shareholdings in Barisan Jutawan Sdn. Bhd.

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

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with a company in which certain directors have substantial financial interests as disclosed in Note 33(b) to the financial statements.

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

DIRECTORS' REMUNERATION

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

	From the Company/ The Group RM'000
Fees	248
Salaries, bonuses and other benefits	2,673
Contributions to defined contribution benefits	287
	<hr/> 3,208 <hr/>

INDEMNITY AND INSURANCE COSTS

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

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

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

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 38 to the financial statements.

TSA GROUP BERHAD

(Registration No. 202201010003 (1455700-A))

Directors' Report
(cont'd)**AUDITORS**

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

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

	The Group RM'000	The Company RM'000
Audit fees	231	60
Non-audit fee	8	8
	<hr/>	<hr/>
	239	68

Signed in accordance with a resolution of the directors dated 15 April 2026.

Chew Kuan Fah**Chew Yik Wai**

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Chew Kuan Fah and Chew Yik Wai, being two of the directors of TSA Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 87 to 150 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 15 April 2026.

Chew Kuan Fah

Chew Yik Wai

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tan Bee Hong, being the officer primarily responsible for the financial management of TSA Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 87 to 150 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Bee Hong, NRIC Number: 720318-01-5874
at Kuala Lumpur
in the Federal Territory
on this 15 April 2026

Tan Bee Hong
MIA Membership: 25064

Before me

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TSA GROUP BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TSA Group Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 150.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

Recoverability of Trade Receivables Refer to Note 11 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The trade receivables of the Group amounting to approximately RM58 million, of which RM8.9 million are past due or exceeded credit terms granted by the Group.</p> <p>Management recognised the allowance for impairment losses on trade receivables based on specific known facts or customers' ability to pay. We focused on this area as determination of whether trade receivables are recoverable involves significant management judgement.</p>	<p>Our audit procedures included:-</p> <ul style="list-style-type: none"> • Obtained an understanding of:- <ul style="list-style-type: none"> • the Group's control over the receivable collection process; • how the Group identifies and assesses the impairment of receivables; and • how the Group makes the accounting estimates for impairment.

Key Audit Matters (Cont'd)

Recoverability of Trade Receivables (Cont'd) Refer to Note 11 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>Our audit procedures included:- (Cont'd)</p> <ul style="list-style-type: none"> • Reviewed the ageing analysis of trade receivables and tested its reliability. • Reviewed subsequent cash collections for major trade receivables and overdue amounts. • Made inquiries of management regarding the action plans to recover overdue amounts. • Compared and challenged management's view on the recoverability of overdue amounts to historical patterns of collection. • Examined other evidence including customer correspondences and repayment schedules. • Evaluated the reasonableness and adequacy of the allowance for impairment loss recognised for identified exposures. • Tested the adequacy of the Group's impairment of trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.
Valuation of Inventories Refer to Note 10 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The carrying amount of inventories held by the Group amounting to approximately RM67.2 million.</p> <p>We focused on this area as the assessment of net realisable value and the estimation of allowances for obsolete and slow-moving inventories are areas involved of significant judgement.</p> <p>Inventories are stated at the lower of cost or net realisable value. In determining net realisable value of the inventories, an estimation of the net realisable value is performed by management based on the most reliable evidence available as at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the financial year ended 31 December 2025.</p>	<p>Our audit procedures included:-</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's process for measuring the amount of inventories write down. • Reviewed the ageing analysis of inventories and tested its reliability. • Reviewed the net realisable value of inventories. • Evaluated the reasonableness and adequacy of the allowance for obsolete and slow-moving inventories.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Independent Auditors' Report
(cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the 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 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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 (Cont'd):-

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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 5 to the financial statements.

TSA GROUP BERHAD

(Registration No. 202201010003 (1455700-A))

Independent Auditors' Report
(cont'd)

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.

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

Kuala Lumpur

15 April 2026

Chua Wai Hong
02974/09/2027 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	–	–	120,000	120,000
Property, plant and equipment	6	52,727	39,946	31	15
Right-of-use assets	7	14,470	15,025	–	–
Deferred tax assets	8	640	1,195	–	–
Intangible asset	9	3,864	–	–	–
Contract asset	13	2,826	–	–	–
		74,527	56,166	120,031	120,015
CURRENT ASSETS					
Inventories	10	67,208	78,249	–	–
Trade receivables	11	57,985	66,993	–	–
Other receivables, deposits and prepayments	12	4,649	6,487	205	405
Contract asset	13	1,536	–	–	–
Amount owing by subsidiaries	14	–	–	36,530	18,953
Short-term investments	15	29,921	20,072	4,321	10,029
Derivative assets	16	–	842	–	–
Fixed deposit with a licensed bank	17	579	566	–	–
Cash and bank balances		23,648	50,482	903	13,545
		185,526	223,691	41,959	42,932
TOTAL ASSETS		260,053	279,857	161,990	162,947

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

TSA GROUP BERHAD

(Registration No. 202201010003 (1455700-A))

Statements of Financial Position
(cont'd)

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	160,732	160,732	160,732	160,732
Reserves	19	24,283	21,032	47	1,034
Equity attributable to owners of the Company		185,015	181,764	160,779	161,766
Non-controlling interest		2,656	2,778	–	–
TOTAL EQUITY		187,671	184,542	160,779	161,766
NON-CURRENT LIABILITIES					
Other payable	23	2,964	–	–	–
Lease liabilities	20	704	1,082	–	–
Borrowings	21	7,699	8,717	–	–
Deferred tax liabilities	8	1,688	1,802	–	–
		13,055	11,601	–	–
CURRENT LIABILITIES					
Trade payables	22	9,613	9,264	–	–
Other payables and accruals	23	9,537	8,325	1,196	1,094
Lease liabilities	20	1,367	1,355	–	–
Borrowings	21	36,470	62,878	–	–
Dividend payable	24	95	197	–	–
Current tax liabilities		1,663	1,695	15	87
Derivative liabilities	16	582	–	–	–
		59,327	83,714	1,211	1,181
TOTAL LIABILITIES		72,382	95,315	1,211	1,181
TOTAL EQUITY AND LIABILITIES		260,053	279,857	161,990	162,947

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
REVENUE	25	262,076	290,691	12,000	21,000
COST OF SALES		(203,187)	(230,050)	–	–
GROSS PROFIT		58,889	60,641	12,000	21,000
OTHER INCOME		4,601	8,906	4,906	4,642
		63,490	69,547	16,906	25,642
ADMINISTRATIVE EXPENSES		(20,063)	(19,645)	(5,385)	(5,514)
DISTRIBUTION EXPENSES		(11,875)	(12,795)	–	–
OTHER EXPENSES		(4,513)	(6,789)	(6)	(2)
FINANCE COSTS		(3,584)	(4,515)	–	(31)
NET REVERSAL OF IMPAIRMENT LOSSES/ (IMPAIRMENT LOSSES) ON FINANCIAL ASSETS	26	92	(1,622)	–	–
PROFIT BEFORE TAXATION	27	23,547	24,181	11,515	20,095
INCOME TAX EXPENSE	28	(7,399)	(6,521)	(130)	(150)
PROFIT AFTER TAXATION		16,148	17,660	11,385	19,945
OTHER COMPREHENSIVE EXPENSES					
<u>Items that Will be Reclassified</u> <u>Subsequently to Profit or Loss</u>					
Foreign currency translation differences		(549)	(837)	–	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		15,599	16,823	11,385	19,945

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

TSA GROUP BERHAD

(Registration No. 202201010003 (1455700-A))

Statements of Profit or Loss and Other Comprehensive Income
(cont'd)

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		16,062	17,484	11,385	19,945
Non-controlling interest		86	176	-	-
		16,148	17,660	11,385	19,945
TOTAL COMPREHENSIVE					
INCOME/(EXPENSES)					
ATTRIBUTABLE TO:-					
Owners of the Company		15,623	16,815	11,385	19,945
Non-controlling interest		(24)	8	-	-
		15,599	16,823	11,385	19,945
EARNINGS PER SHARE (SEN)					
Basic/Diluted	29	5.19	5.78		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Non-distributable		Distributable		Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Foreign Exchange Translation Reserve RM'000	Reorganisation Deficit RM'000	Retained Profits RM'000			
The Group							
Balance at 1.1.2024	120,000	1,414	(115,000)	133,268	139,682	3,247	142,929
Profit after taxation for the financial year	-	-	-	17,484	17,484	176	17,660
Other comprehensive expenses for the financial year:							
- Foreign currency translation differences	-	(669)	-	-	(669)	(168)	(837)
Total comprehensive (expenses)/income for the financial year	-	(669)	-	17,484	16,815	8	16,823
Issuance of shares pursuant to public issue	42,529	-	-	-	42,529	-	42,529
Share issuance expenses for the public issue	(1,797)	-	-	-	(1,797)	-	(1,797)
Dividends:							
- by the Company	-	-	-	(15,465)	(15,465)	-	(15,465)
- by a subsidiary to non-controlling interest	-	-	-	-	-	(477)	(477)
Total contributions by and distributions to owners	40,732	-	-	(15,465)	25,267	(477)	24,790
Balance at 31.12.2024	160,732	745	(115,000)	135,287	181,764	2,778	184,542

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

Statements of Changes in Equity
(cont'd)

Note	Non-distributable			Distributable			Total Equity RM'000
	Share Capital RM'000	Foreign Exchange Translation Reserve RM'000	Reorganisation Deficit RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	
The Group							
Balance at 1.1.2025	160,732	745	(115,000)	135,287	181,764	2,778	184,542
Profit after taxation for the financial year	-	-	-	16,062	16,062	86	16,148
Other comprehensive expenses for the financial year:							
- Foreign currency translation differences	-	(439)	-	-	(439)	(110)	(549)
Total comprehensive (expenses)/income for the financial year	-	(439)	-	16,062	15,623	(24)	15,599
Dividends:							
- by the Company	-	-	-	(12,372)	(12,372)	-	(12,372)
- by a subsidiary to non-controlling interest	-	-	-	-	-	(98)	(98)
Total distributions to owners	-	-	-	(12,372)	(12,372)	(98)	(12,470)
Balance at 31.12.2025	160,732	306	(115,000)	138,977	185,015	2,656	187,671

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

Statements of Changes in Equity
(cont'd)

	Note	Share Capital RM'000	(Accumulated Losses)/ Distributable Retained Profits RM'000	Total Equity RM'000
The Company				
Balance at 1.1.2024		120,000	(3,446)	116,554
Profit after taxation/Total comprehensive income for the financial year		–	19,945	19,945
Issuance of shares pursuant to public issue	18	42,529	–	42,529
Share issuance expenses for the public issue	18	(1,797)	–	(1,797)
Dividend	30	–	(15,465)	(15,465)
Total contributions by and distributions to owners		40,732	(15,465)	25,267
Balance at 31.12.2024/1.1.2025		160,732	1,034	161,766
Profit after taxation/Total comprehensive income for the financial year		–	11,385	11,385
Dividends	30	–	(12,372)	(12,372)
Balance at 31.12.2025		160,732	47	160,779

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		23,547	24,181	11,515	20,095
Adjustments for:					
Amortisation of intangible asset		351	–	–	–
Bad debts recovered		(2)	(87)	–	–
Depreciation of:					
- property, plant and equipment		2,102	1,854	6	2
- right-of-use assets		1,837	1,748	–	–
Fair value loss/(gain) on derivatives		1,424	(1,131)	–	–
Gain on disposal of property, plant and equipment		(147)	–	–	–
Interest expense		3,584	4,515	–	31
Interest income		(1,900)	(1,880)	(545)	(627)
Inventories written (back)/down		(1,547)	638	–	–
Impairment loss on trade receivables		459	1,641	–	–
Reversal of impairment losses on trade receivables		(551)	(19)	–	–
Unrealised (gain)/loss on foreign exchange		(1,724)	3,616	–	–
Operating profit before working capital changes		27,433	35,076	10,976	19,501
Decrease/(Increase) in inventories		12,111	(20,243)	–	–
Decrease in trade and other receivables		8,817	10,541	200	641
Increase in contract asset		(4,362)	–	–	–
Increase in amount owing by subsidiaries		–	–	(17,577)	(18,953)
Increase in trade and other payables		1,333	2,743	102	591
Decrease in amount owing to a subsidiary		–	–	–	(4,045)
CASH FROM/(FOR) OPERATIONS		45,332	28,117	(6,299)	(2,265)
Interest paid		(3,895)	(3,735)	–	–
Interest received		1,900	1,880	545	627
Income tax paid		(7,105)	(5,476)	(202)	(63)
Income tax refunded		117	137	–	–
NET CASH FROM/(FOR) OPERATING ACTIVITIES		36,349	20,923	(5,956)	(1,701)

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

Statements of Cash Flows
(cont'd)

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Purchase of property, plant and equipment	31(a)	(12,566)	(1,213)	(26)	(17)
Proceeds from disposal of property, plant and equipment		212	–	4	–
Increase in deposit pledged with financial institution		(13)	(13)	–	–
NET CASH FOR INVESTING ACTIVITIES		(12,367)	(1,226)	(22)	(17)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividends paid		(12,569)	(15,745)	(12,372)	(15,465)
Repayment of lease liabilities	31(b)	(1,646)	(1,559)	–	–
Net repayment of hire purchase payables	31(b)	(370)	(318)	–	–
Net repayment of term loans	31(b)	(1,177)	(1,172)	–	–
Net (repayment)/drawdown of onshore foreign currency loan	31(b)	(29,444)	13,911	–	–
Net drawdown of structured and trade commodity financing	31(b)	5,276	5,470	–	–
Net repayment of banker's acceptances	31(b)	–	(8,734)	–	–
Net repayment of other payable	31(b)	(650)	–	–	–
Payment of share issuance expenses		–	(1,797)	–	(1,797)
Proceeds from issuance of ordinary shares		–	42,529	–	42,529
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(40,580)	32,585	(12,372)	25,267
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(16,598)	52,282	(18,350)	23,549
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(387)	(481)	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		70,554	18,753	23,574	25
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31(d)	53,569	70,554	5,224	23,574

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office, which is also the principal place of business, is located at Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan.

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

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 15 April 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for the addition of quarry segment.

3. BASIS OF PREPARATION

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

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

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

3. BASIS OF PREPARATION (CONT'D)

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

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

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

MFRS 18 Presentation and Disclosure of Financial Statements

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in expected usage levels and technological development could affect the economic useful lives and residual values of these assets; therefore, future depreciation charges may be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Amortisation of Intangible Asset

The estimates for the residual value, useful life, and related amortisation charge for the intangible asset are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to market conditions. The Group anticipates that the residual value of its intangible asset will be insignificant. As a result, residual value is not taken into account in the computation of the amortisation amount. Changes in expected usage levels and technological development could affect the economic useful life and residual value of the intangible asset; therefore, future amortisation charge may be revised. The carrying amount of intangible asset measured at cost as at the reporting date is disclosed in Note 9 to the financial statements.

(c) Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Asset

The Group and the Company determine whether an item of its property, plant and equipment, right-of-use assets and intangible asset is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment, right-of-use assets and intangible asset as at the reporting date are disclosed in Note 6, Note 7 and Note 9 to the financial statements.

(d) Write-down of Inventories

Management periodically reviews damaged, obsolete, and slow-moving inventory. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

(e) Impairment of Trade Receivables and Contract Asset

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract asset. The contract asset is grouped with trade receivables for impairment assessment because it has substantially the same risk characteristics as the trade receivables for the same type of contract. The Group develops expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying values of trade receivables and contract asset. The carrying amounts of trade receivables and contract asset as at the reporting date are disclosed in Note 11 and Note 13 to the financial statements.

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about the risk of default (probability of default) and the expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Note 12 and Note 14 to the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax liabilities of the Group and of the Company as at the reporting date are RM1,663,100 (2024 - RM1,695,045) and RM14,812 (2024 - RM87,391) respectively.

(h) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences or unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences or unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 8 to the financial statements.

(i) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

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

(a) Classification between Investment Properties and Owner-occupied Properties

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

(b) Lease Terms

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

Notes to The Financial Statements
(cont'd)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

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

Financial Assets at Amortised Cost

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

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

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

Financial Liabilities at Amortised Cost

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

(c) Equity

Ordinary Shares

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

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair value at the reporting date with any fair value changes recognised in profit or loss.

(e) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for by applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the financial statements of the Group at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as reorganisation deficit. The reorganisation deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

4.4 INVESTMENTS IN SUBSIDIARIES

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

4.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost, including the estimated costs of dismantling and removing the items and restoring the site on which they are located.

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

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

Building	2%
Site equipment and infrastructure	20%
Factory and office equipment, furniture and fittings	10% - 20%
Motor vehicles	20%

Capital work-in-progress included in property, plant and equipment are not depreciated until such time when the assets are available for use.

4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

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

Notes to The Financial Statements
(cont'd)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

(b) Right-of-use Assets

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

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

(c) Lease Liabilities

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

4.7 INTANGIBLE ASSET

Intangible asset is initially measured at cost. Subsequent to the initial recognition, the intangible asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

The intangible asset is amortised using the straight-line method to allocate its depreciable amount over the following period:-

Operating and distributing rights 5 years

4.8 INVENTORIES

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

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	120,000	120,000

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
<i>Subsidiary of the Company</i>				
TSA Industries Sdn. Bhd. ("TSA Industries")	Malaysia	100	100	Investment holding, distribution and supply of ferrous and non-ferrous metal and other industrial hardware products and manufacturing and processing of stainless steel pipes and other metal products
<i>Subsidiaries of TSA Industries</i>				
Mitra Bintang Sdn. Bhd. ("Mitra Bintang")	Malaysia	100	100	Investment holding
TSA Quarry Sdn. Bhd. ("TSA Quarry")	Malaysia	100	-	Extraction, processing and supply of high-quality armour rock, railway ballasts, aggregates, crushed stone and dimensions stone for construction, infrastructure and industrial applications
TSA Pipes Manufacturing Sdn. Bhd.	Malaysia	100	100	Dormant
Asia Inox Sdn. Bhd.	Malaysia	100	100	Dormant
TSA Industries (SEA) Pte. Ltd. ("TSA Industries (SEA)") ^	Singapore	80	80	Distribution and supply of ferrous and non-ferrous metal and other industrial hardware products

^ This subsidiary was audited by other firm of chartered accountants.

Notes to The Financial Statements
(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) On 4 March 2025, TSA Industries incorporated a new subsidiary, TSA Quarry, and subscribed for 100 ordinary shares for cash consideration of RM100, representing 100% equity interest in TSA Quarry. On 18 April 2025, TSA Industries had further subscribed for 999,900 ordinary shares for cash consideration of RM999,900. The equity interest remains unchanged.

(b) The non-controlling interest at the end of the reporting period comprises the following:-

	Effective Equity Interest		The Group	
	2025 %	2024 %	2025 RM'000	2024 RM'000
TSA Industries (SEA)	20	20	2,656	2,778

(c) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interest is as follows:-

	TSA Industries (SEA)	
	2025 RM'000	2024 RM'000
<u>At 31 December</u>		
Non-current assets	1,838	2,409
Current assets	24,373	28,359
Non-current liabilities	(559)	(753)
Current liabilities	(12,379)	(16,133)
Net assets	13,273	13,882
<u>Financial Year Ended 31 December</u>		
Revenue	30,704	42,889
Profit after taxation	430	879
Total comprehensive (expenses)/income	(119)	42
Total comprehensive (expenses)/income attributable to non-controlling interest	(24)	8
Dividends payable/paid to non-controlling interest	98	477
Net cash flows from operating activities	1,670	3,499
Net cash flows for investing activities	(166)	(264)
Net cash flows for financing activities	(1,976)	(2,450)

6. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2025 RM'000	Additions (Note 31(a)) RM'000	Disposals RM'000	Depreciation Charges (Note 27) RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2025 RM'000
The Group						
<i>Carrying Amount</i>						
Freehold land	5,649	-	-	-	-	5,649
Building	13,458	-	-	(416)	-	13,042
Site equipment and infrastructure	-	2,503	-	(116)	-	2,387
Factory and office equipment, furniture and fittings	4,162	1,268	-	(1,132)	(31)	4,267
Motor vehicles	838	1,305	(65)	(438)	(1)	1,639
Building under construction	#	-	-	-	-	#
Capital work-in-progress	15,839	9,904	-	-	-	25,743
	39,946	14,980	(65)	(2,102)	(32)	52,727

Note:-

- Amount less than RM1,000.

	At 1.1.2024 RM'000	Additions (Note 31(a)) RM'000	Disposals RM'000	Depreciation Charges (Note 27) RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2024 RM'000
The Group						
<i>Carrying Amount</i>						
Freehold land	5,649	-	-	-	-	5,649
Building	13,873	-	-	(415)	-	13,458
Factory and office equipment, furniture and fittings	4,094	1,200	-	(1,083)	(49)	4,162
Motor vehicles	764	443	-	(356)	(13)	838
Building under construction	#	-	-	-	-	#
Capital work-in-progress	15,839	-	-	-	-	15,839
	40,219	1,643	-	(1,854)	(62)	39,946

Note:-

- Amount less than RM1,000.

Notes to The Financial Statements
(cont'd)

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

	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Loss RM'000	Carrying Amount RM'000
The Group				
2025				
Freehold land	5,649	-	-	5,649
Building	20,757	(7,715)	-	13,042
Site equipment and infrastructure	2,503	(116)	-	2,387
Factory and office equipment, furniture and fittings	21,966	(17,699)	-	4,267
Motor vehicles	7,671	(6,032)	-	1,639
Building under construction	235	-	(235)	#
Capital work-in-progress	25,743	-	-	25,743
	84,524	(31,562)	(235)	52,727
2024				
Freehold land	5,649	-	-	5,649
Building	20,757	(7,299)	-	13,458
Factory and office equipment, furniture and fittings	20,755	(16,593)	-	4,162
Motor vehicles	7,107	(6,269)	-	838
Building under construction	235	-	(235)	#
Capital work-in-progress	15,839	-	-	15,839
	70,342	(30,161)	(235)	39,946

Note:-

- Amount less than RM1,000.

- (a) In the previous financial year, the freehold land and building of the Group have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21(c) to the financial statements.
- (b) Included in the property, plant and equipment of the Group were motor vehicles held under hire purchase arrangements with a total carrying amount of RM1,062,104 (2024 - RM730,024). These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 21 to the financial statements.

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

	At 1.1.2025 RM'000	Additions (Note 31(a)) RM'000	Disposals RM'000	Depreciation Charges (Note 27) RM'000	At 31.12.2025 RM'000
The Company					
<i>Carrying Amount</i>					
Office equipment, furniture and fittings	15	26	(4)	(6)	31

	At 1.1.2024 RM'000	Additions (Note 31(a)) RM'000	Depreciation Charges (Note 27) RM'000	At 31.12.2024 RM'000
The Company				
<i>Carrying Amount</i>				
Office equipment, furniture and fittings	–	17	(2)	15

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
The Company			
2025			
Office equipment, furniture and fittings	37	(6)	31
2024			
Office equipment, furniture and fittings	17	(2)	15

7. RIGHT-OF-USE ASSETS

	At 1.1.2025 RM'000	Additions (Note 31(a)) RM'000	Depreciation Charges (Note 27) RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2025 RM'000
The Group					
<i>Carrying Amount</i>					
Leasehold industrial land	12,654	–	(186)	–	12,468
Premises	2,371	1,299	(1,651)	(17)	2,002
	15,025	1,299	(1,837)	(17)	14,470

Notes to The Financial Statements
 (cont'd)

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

	At 1.1.2024 RM'000	Additions (Note 31(a)) RM'000	Depreciation Charges (Note 27) RM'000	Foreign Exchange Adjustments RM'000	At 31.12.2024 RM'000
The Group					
<i>Carrying Amount</i>					
Leasehold industrial land	12,838	–	(184)	–	12,654
Premises	2,782	1,237	(1,564)	(84)	2,371
	15,620	1,237	(1,748)	(84)	15,025

The Group leases various premises of which the leasing activities are summarised below:-

- (a) Leasehold industrial land The lease is for a period of 99 (2024 - 99) years. The leasehold industrial land of the Group has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21(b) to the financial statements.
- (b) Premises The Group has leased a number of premises that run between 2 to 5 (2024 - 2 to 5) years, with options to renew the leases after that date. Lease payments are subject to revision upon renewal to reflect current market rentals.

The Group and the Company also have leases with terms of 12 months or less and leases of low value assets. The Group and the Company have applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

8. DEFERRED TAX ASSETS/(LIABILITIES)

	At 1.1.2025 RM'000	Recognised in Profit or Loss (Note 28) RM'000	Exchange Difference RM'000	At 31.12.2025 RM'000
The Group				
2025				
<i>Deferred Tax Assets</i>				
Contract liability *	–	105	–	105
Property, plant and equipment, Lease liabilities Provisions	21	(11)	(5)	5
	1,174	(644)	–	530
	1,195	(550)	(5)	640
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment, Right-of-use assets	(1,802)	107	7	(1,688)

* Being interest taxed in advance which will be received over time from a contract with customer (Note 13).

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	At 1.1.2024 RM'000	Recognised in Profit or Loss (Note 28) RM'000	Exchange Difference RM'000	At 31.12.2024 RM'000
The Group				
2024				
<i>Deferred Tax Assets</i>				
Property, plant and equipment, Lease liabilities	467	(431)	(15)	21
Provisions	604	570	–	1,174
	1,071	139	(15)	1,195
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment, Right-of-use assets	(1,733)	(87)	18	(1,802)

The deferred tax assets have been recognised by certain subsidiaries on the basis of their previous history of recording profits and to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

9. INTANGIBLE ASSET

	The Group	
	2025 RM'000	2024 RM'000
Cost:-		
At 1 January	–	–
Addition during the financial year	4,215	–
At 31 December	4,215	–
Accumulated amortisation:-		
At 1 January	–	–
Amortisation during the financial year (Note 27)	(351)	–
At 31 December	(351)	–
	3,864	–

The intangible asset is in respect of exclusive rights granted to the Group by a third party to operate as the joint operator and sole distributor of a quarry site for a period of 5 years. Its amortisation charge is recognised in profit or loss under the “Cost of Sales” line item.

Notes to The Financial Statements
(cont'd)

10. INVENTORIES

	The Group	
	2025 RM'000	2024 RM'000 (Restated)
Raw materials	12,546	24,328
Packaging material	333	423
Work-in-progress	1,952	1,042
Finished goods	45,962	46,575
Goods-in-transit	6,415	5,881
	67,208	78,249
Recognised in profit or loss:-		
Inventories recognised as cost of sales	190,254	218,347
Amount written down to net realisable value	-	638
Reversal of inventories previously written down	(1,547)	-

11. TRADE RECEIVABLES

	The Group	
	2025 RM'000	2024 RM'000 (Restated)
Third parties	60,260	68,922
Related party	-	569
	60,260	69,491
Allowance for impairment losses (Note 36.1(b)(iii))	(2,275)	(2,498)
	57,985	66,993

The Group's normal trade credit terms range from 30 to 120 (2024 - 30 to 120) days. Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000
Other receivables:-				
Third parties	10,664	10,368	-	-
Advances to suppliers	912	1,426	-	-
	11,576	11,794	-	-
Allowance for impairment losses (Note 36.1(b)(iii))	(10,368)	(10,368)	-	-
	1,208	1,426	-	-
Deposits	1,435	1,208	1	1
Prepayments	2,006	3,853	204	404
	4,649	6,487	205	405

Included in other receivables of the Group is an advance payment of RM10.368 million (2024 - RM10.368 million) made to certain suppliers upon TSA Industries entered into agreements with the suppliers to purchase steam coal. However, the suppliers had subsequently failed to fulfil its obligations in delivering the coal pursuant to the agreements. Accordingly, an allowance for impairment loss has been fully made in the financial statements due to the uncertainty in recovering the amount.

13. CONTRACT ASSET

	The Group	
	2025 RM'000	2024 RM'000
At 1 January	-	-
Performance obligations performed	4,848	-
Transfer to trade receivables	(600)	-
Interest charged to	114	-
At 31 December	4,362	-
Represented by:-		
Fishing tools contract	4,362	-
Analysed by:-		
Current assets	1,536	-
Non-current assets	2,826	-
	4,362	-

The contract asset primarily relates to the Group's right to consideration for goods delivered but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues invoices in accordance with the contract with customer.

Notes to The Financial Statements
(cont'd)

14. AMOUNT OWING BY SUBSIDIARIES

The amount owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing are to be settled in cash.

15. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Money market funds, at fair value (Note 31(d))	29,921	20,072	4,321	10,029

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable with one (1) day notice at known amounts of cash and are subject to an insignificant risk of changes in value.

16. DERIVATIVE (LIABILITIES)/ASSETS

	Contract/Notional Amount		The Group	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Forward currency contracts	27,026	25,152	(582)	842

The Group classified derivative financial instruments as financial assets or liabilities at fair value through profit or loss. None of the derivatives are designated as hedges as the Group does not apply hedge accounting.

Forward currency contracts are used to hedge the Group's purchases denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates of the forward currency contracts range between 2 to 96 (2024 - 9 to 59) days after the end of the reporting period.

17. FIXED DEPOSIT WITH A LICENSED BANK

The fixed deposit with a licensed bank of the Group at the end of the reporting period bore an effective interest rate of 2.00% (2024 - 2.25%) per annum. The fixed deposit has a maturity period of 365 (2024 - 365) days.

The fixed deposit with a licensed bank of the Group at the end of the previous reporting period has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21(c) to the financial statements.

18. SHARE CAPITAL

	The Group/The Company			
	2025 Number of Shares ('000)	2024	2025 RM'000	2024 RM'000
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	309,300	231,975	160,732	120,000
Issuance of new ordinary shares pursuant to public issue	–	77,325	–	42,529
Share issuance expenses	–	–	–	(1,797)
At 31 December	309,300	309,300	160,732	160,732

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) In the previous financial year, the Company increased its issued and paid-up share capital from RM120,000,250.20 to RM162,529,000.20 (before deducting share issuance expenses of RM1,796,747) by way of issuance of 77,325,000 new ordinary shares at an issue price of RM0.55 each pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

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

19. RESERVES

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Foreign exchange translation reserve	(a)	306	745	–	–
Reorganisation deficit	(b)	(115,000)	(115,000)	–	–
Retained profits		138,977	135,287	47	1,034
		24,283	21,032	47	1,034

- (a) The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.
- (b) The reorganisation deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries upon internal restructuring exercise.

Notes to The Financial Statements
(cont'd)

20. LEASE LIABILITIES

	The Group	
	2025 RM'000	2024 RM'000
At 1 January	2,437	2,845
Additions (Notes 7 and 31(b))	1,299	1,237
Interest expense recognised in profit or loss (Note 27)	151	138
Repayment of principal	(1,646)	(1,559)
Repayment of interest expense	(151)	(138)
Foreign exchange adjustments	(19)	(86)
At 31 December	2,071	2,437
Analysed by:-		
Current liabilities	1,367	1,355
Non-current liabilities	704	1,082
	2,071	2,437

21. BORROWINGS

	The Group	
	2025 RM'000	2024 RM'000
Non-current		
Term loan 1	6,416	7,517
Term loan 2	654	739
Hire purchase payables	629	461
	7,699	8,717
Current		
Term loan 1	1,132	1,138
Term loan 2	88	81
Onshore foreign currency loan	20,803	52,038
Structured and trade commodity financing	14,210	9,359
Hire purchase payables	237	262
	36,470	62,878
	44,169	71,595

21. BORROWINGS (CONT'D)

- (a) At the end of the reporting period, the effective interest rates of the Group's borrowings are summarised below:-

	The Group	
	2025	2024
	%	%
Term loan 1	4.99	5.19
Term loan 2	7.14	7.39
Hire purchase payables	5.01 - 6.34	3.77 - 6.34
Onshore foreign currency loan	4.70 - 5.20	5.55 - 6.05
Structured and trade commodity financing	4.95 - 5.56	5.87 - 6.61

- (b) The borrowings are secured by:-
- (i) A legal charge over a piece of leasehold industrial land of TSA Industries;
 - (ii) Assignment of life assurance policies of a director; and
 - (iii) Corporate guarantee of the Company.
- (c) At the end of the previous reporting period, the borrowings were secured by:-
- (i) A lien holder caveat over a building of Mitra Bintang;
 - (ii) A legal charge over a piece of leasehold industrial land of TSA Industries;
 - (iii) The fixed deposits of TSA Industries;
 - (iv) Assignment of life assurance policies of a director;
 - (v) Corporate guarantee of the Company and a related party; and
 - (vi) Joint and several guarantee of a director of the Company and a third party.
- (d) The major covenants of the borrowings are as follows:-
- (i) Tangible net worth of TSA Industries shall not fall below RM100,000,000 for certain borrowings from a financial institution.
 - (ii) Gearing ratio of TSA Industries shall not exceed:-
 - (a) 1.2 times for certain borrowings from a financial institution; and
 - (b) 1.5 times for certain borrowings from a financial institution.
 - (iii) Advances to related companies and directors of TSA Industries shall be capped at RM27,400,000 for certain borrowings from a financial institution.

The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

22. TRADE PAYABLES

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

Notes to The Financial Statements
 (cont'd)

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Other payable:-				
Third party	2,964	-	-	-
Current				
Other payables:-				
Third parties	2,205	700	31	33
Advances received from customers	665	1,004	-	-
Sales and services tax payable	387	-	-	-
Goods and services tax payable	159	212	-	-
	3,416	1,916	31	33
Deposits	232	82	-	-
Accruals	5,889	6,327	1,165	1,061
	9,537	8,325	1,196	1,094
	12,501	8,325	1,196	1,094

Included in the other payables of the Group is an amount of RM3,612,660 (2024 - Nil) which represents deferred financing liability for acquisition of exclusive rights granted to the Group by a third party to operate as the joint operator and sole distributor of a quarry site.

24. DIVIDEND PAYABLE

This represents the dividend payable to a non-controlling interest for shares held in TSA Industries (SEA) amounting to RM94,716 (2024 - RM197,268).

25. REVENUE

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Sale of goods	262,076	290,691	-	-
Revenue from Other Sources				
Dividend income from a subsidiary	-	-	12,000	21,000
	262,076	290,691	12,000	21,000

25. REVENUE (CONT'D)

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 34.2 to the financial statements.
- (b) The Group has applied the practical expedient for not adjusting the sales price for the effects of a significant financing component when the period between the transfer of the promised goods or services to the customer and payment by the customer is 1 year or less.
- (c) Revenue from the sale of goods is recognised at a point in time when goods have been delivered and accepted by customers, net of discount or when the goods have reached the destination set by the customers.
- (d) The information of the revenue from other sources is summarised below:-

Dividend income

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

26. NET (REVERSAL OF IMPAIRMENT LOSSES)/IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2025	2024
	RM'000	RM'000
Impairment losses (Note 36.1(b)(iii)):		
- trade receivables	459	1,641
Reversal of impairment losses (Note 36.1(b)(iii)):		
- trade receivables	(551)	(19)
	(92)	1,622

27. PROFIT BEFORE TAXATION

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- auditors of the Company	196	188	60	60
- other auditors	35	23	-	-
- non-audit fees:				
- auditors of the Company	8	8	8	8
- local affiliates of auditors of the Company	75	153	35	15
Directors' remuneration (Note 32)	3,713	3,676	3,208	2,998

Notes to The Financial Statements
 (cont'd)

27. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-				
Material Expenses/(Income)				
Amortisation of intangible asset	351	-	-	-
Depreciation of:				
- property, plant and equipment	2,102	1,854	6	2
- right-of-use assets	1,837	1,748	-	-
Inventories written (back)/down	(1,547)	638	-	-
Initial Public Offering ("IPO") expenses	-	246	-	246
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- a subsidiary	-	-	-	31
- hire purchase payables	60	53	-	-
- onshore foreign currency loan	1,916	3,091	-	-
- structured and trade commodity financing	732	598	-	-
- term loans	466	537	-	-
- banker's acceptances	137	58	-	-
- other payable	122	-	-	-
- others	-	40	-	-
Interest expense on lease liabilities	151	138	-	-
Lease expenses:				
- short-term leases	1,079	225	5	5
- variable lease payments	613	618	-	-
Staff costs (including other key management personnel as disclosed in Note 32)				
- wages, salaries and others	20,697	20,871	1,099	1,025
- defined contribution plan	1,835	1,810	133	123
Tribute	750	-	-	-
(Gain)/Loss on foreign exchange:				
- realised	(754)	(2,057)	-	-
- unrealised	(1,724)	3,616	-	-
Fair value loss/(gain) on derivatives	1,424	(1,131)	-	-
Gain on disposal of property, plant and equipment	(147)	-	-	-
Interest income on financial assets measured at amortised cost	(910)	(1,808)	(113)	(598)
Interest income on financial assets measured at fair value through profit or loss	(990)	(72)	(432)	(29)
Management fees	-	-	(4,361)	(4,015)
Compensation of loss (Note 37.1)	-	(3,264)	-	-

28. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense:				
Malaysia:				
- for the financial year	6,505	6,795	82	150
- under/(over)provision in the previous financial year	380	(124)	48	-
	6,885	6,671	130	150
Overseas:				
- for the financial year	27	30	-	-
- under/(over)provision in the previous financial year	44	(128)	-	-
	71	(98)	-	-
	6,956	6,573	130	150
Deferred tax (Note 8):				
- origination and reversal of temporary differences	496	(187)	-	-
- (over)/underprovision in the previous financial year	(53)	135	-	-
	443	(52)	-	-
	7,399	6,521	130	150

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation	23,547	24,181	11,515	20,095
Tax at the statutory tax rate of 24% (2024 - 24%)	5,651	5,803	2,764	4,823
Tax effects of:-				
Tax-exempt income	(51)	(77)	(2,880)	(5,047)
Non-taxable income	(306)	(526)	(96)	-
Non-deductible expenses	1,766	1,498	294	374
Differential in tax rates of foreign subsidiary	(32)	(60)	-	-
Under/(Over)provision of current tax in the previous financial year	424	(252)	48	-
(Over)/Underprovision of deferred taxation in the previous financial year	(53)	135	-	-
	7,399	6,521	130	150

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

Notes to The Financial Statements
(cont'd)

29. EARNINGS PER SHARE

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

	The Group	
	2025	2024
Profit after taxation attributable to owners of the Company (RM'000)	16,062	17,484
Weighted average number of ordinary shares in issue ('000):		
Ordinary shares at 1 January	309,300	231,975
Effect of new ordinary shares issued pursuant to:		
- public issue	-	70,353
Weighted average number of ordinary shares in issue	309,300	302,328
Basic earnings per share (sen)	5.19	5.78

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares as at the end of the reporting period.

30. DIVIDENDS

	The Group/The Company	
	2025	2024
	RM'000	RM'000
<u>In respect of the financial year 31 December 2024</u>		
An interim dividend of 5 sen per ordinary share, paid on 27 December 2024	-	15,465
A final dividend of 1 sen per ordinary share, paid on 26 March 2025	3,093	-
<u>In respect of the financial year 31 December 2025</u>		
An interim dividend of 1 sen per ordinary share, paid on 20 June 2025	3,093	-
An interim dividend of 1 sen per ordinary share, paid on 24 September 2025	3,093	-
An interim dividend of 1 sen per ordinary share, paid on 30 December 2025	3,093	-
	12,372	15,465

Subsequent to the end of the financial year, the Company has declared an interim dividend of 1 sen per ordinary share amounting to RM3,093,000 in respect of the current financial year, paid on 2 April 2026. The financial statements for the current financial year do not reflect this interim dividend. Such a dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

31. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, Plant and Equipment				
Cost of property, plant and equipment purchased (Note 6)	14,980	1,643	26	17
Less: Acquired through hire purchase arrangements	(531)	(430)	-	-
Less: Prepayments made in the previous financial year	(1,883)	-	-	-
	12,566	1,213	26	17
Right-of-use Assets				
Cost of right-of-use assets acquired (Note 7)	1,299	1,237	-	-
Less: Addition of lease liabilities (Note 31(b))	(1,299)	(1,237)	-	-
	-	-	-	-

Notes to The Financial Statements
(cont'd)

31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease Liabilities (Note 20) RM'000	Hire Purchase Payables (Note 21) RM'000	Onshore Foreign Currency Loan (Note 21) RM'000	Structured and Trade Commodity Financing (Note 21) RM'000	Term Loans Acceptances (Note 21) RM'000	Banker's Acceptances (Note 21) RM'000	Other Payable (Note 23) RM'000	Total RM'000
The Group								
2025								
At 1 January	2,437	723	52,038	9,359	9,475	-	-	74,032
<u>Changes in Financing</u>								
<u>Cash Flows</u>								
Proceeds from drawdown	-	-	77,386	35,320	-	7,422	-	120,128
Repayment of principal	(1,646)	(370)	(106,830)	(30,044)	(1,177)	(7,422)	(650)	(148,139)
<u>Other Changes</u>	(1,646)	(370)	(29,444)	5,276	(1,177)	-	(650)	(28,011)
Foreign exchange adjustments	(19)	(18)	(1,791)	(425)	-	-	-	(2,253)
Acquired through hire purchase arrangements	-	531	-	-	-	-	-	531
Acquisition of new intangible asset (Note 9)	-	-	-	-	-	-	4,215	4,215
Acquisition of new leases (Notes 20 and 31(a))	1,299	-	-	-	-	-	-	1,299
Interest expense prepaid/ (accrued)	-	-	363	(13)	-	-	-	350
Interest expense recognised in profit or loss	151	60	1,916	732	466	137	122	3,584
Repayment of interests	(151)	(60)	(2,279)	(719)	(474)	(137)	(75)	(3,895)
	1,280	513	(1,791)	(425)	(8)	-	4,262	3,831
At 31 December	2,071	866	20,803	14,210	8,290	-	3,612	49,852

31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Lease Liabilities (Note 20) RM'000	Hire Purchase Payables (Note 21) RM'000	Onshore Foreign Currency Loan (Note 21) RM'000	Structured and Trade Commodity Financing (Note 21) RM'000	Term Loans Acceptances (Note 21) RM'000	Banker's Acceptances (Note 21) RM'000	Total RM'000
The Group							
2024							
At 1 January	2,845	627	36,292	3,986	10,652	8,734	63,136
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown Repayment of principal	(1,559)	(318)	129,339 (115,428)	26,878 (21,408)	— (1,172)	6,132 (14,866)	162,349 (154,751)
<u>Other Changes</u>	(1,559)	(318)	13,911	5,470	(1,172)	(8,734)	7,598
Foreign exchange adjustments Acquired through hire purchase arrangements	(86)	(16)	1,836	(98)	—	—	1,636
Acquisition of new leases (Notes 20 and 31(a))	—	430	—	—	—	—	430
Interest expense accrued Interest expense recognised in profit or loss	1,237	—	(564)	(221)	—	—	1,237 (785)
Repayment of interests	138 (138)	53 (53)	3,091 (2,528)	598 (376)	537 (542)	58 (58)	4,475 (3,695)
	1,151	414	1,835	(97)	(5)	—	3,298
At 31 December	2,437	723	52,038	9,359	9,475	—	74,032

Notes to The Financial Statements
 (cont'd)

31. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows (Cont'd):-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Payment of short-term leases	1,079	225	5	5
Variable lease payments not included in the measurement of lease liabilities	613	618	–	–
Interest paid on lease liabilities	151	138	–	–
Payment of lease liabilities	1,646	1,559	–	–
	3,489	2,540	5	5

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed deposit with a licensed bank	579	566	–	–
Cash and bank balances	23,648	50,482	903	13,545
Short-term investments (Note 15)	29,921	20,072	4,321	10,029
	54,148	71,120	5,224	23,574
Less: Fixed deposit pledged to a licensed bank (Note 17)	–	(566)	–	–
Less: Fixed deposit with tenure exceeding 3 months (Note 17)	(579)	–	–	–
	53,569	70,554	5,224	23,574

32. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	248	233	248	233
- salaries, bonuses and other benefits	2,673	2,522	2,673	2,503
	2,921	2,755	2,921	2,736
Defined contribution benefits	287	264	287	262
	3,208	3,019	3,208	2,998

32. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Directors (Cont'd)				
<u>Director of the Subsidiary</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	451	598	-	-
Defined contribution benefits	54	59	-	-
	505	657	-	-
Total directors' remuneration (Note 27)	3,713	3,676	3,208	2,998

In the previous financial year, the estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM4,269.

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(b) Other Key Management Personnel				
Short-term employee benefits	892	1,000	406	377
Defined contribution benefits	101	113	47	44
	993	1,113	453	421

33. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

Notes to The Financial Statements
(cont'd)

33. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the statements of cash flows and Note 27 to the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subsidiaries:				
Dividend income	-	-	(12,000)	(21,000)
Interest charged by	-	-	-	31
Management fees	-	-	(4,361)	(4,015)
Related party:				
Sales to	(406)	(860)	-	-
Purchases from	11	16	-	-
Rental expense	-	18	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Notes 11 and 14 to the financial statements.

34. OPERATING SEGMENTS

34.1 BUSINESS SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 2 main reportable segments as follows:-

- Trading and manufacturing - Manufacturing of welded stainless-steel pipes; and trading in stainless steel and other metal products.
- Quarry - Extraction, processing and supply of high-quality armour rock, railway ballasts, aggregates, crushed stone and dimensions stone for construction, infrastructure and industrial applications.
- All other segments - involved in the business of property management and investment, provision of management and accounting services and group-level corporate services and treasury functions.
 - (a) The chief operating decision makers assesses the performance of the reportable segments based on their operating income before unallocated corporate expenses and finance costs. The accounting policies of the reportable segments are the same as the Group's accounting policies.
 - (b) Each reportable segment assets is measured based on all assets of the segment other than tax-related assets.
 - (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

34. OPERATING SEGMENTS (CONT'D)

34.1 BUSINESS SEGMENTS (CONT'D)

2025	Trading and manufacturing RM'000	Quarry RM'000	All Other Segments RM'000	Consolidation Adjustments RM'000	The Group RM'000
Revenue					
External revenue	262,076	–	–	–	262,076
Inter-segment revenue	3,722	–	14,429	(18,151)	–
Total revenue	265,798	–	14,429	(18,151)	262,076
Results					
Segment profit/(loss)	31,019	(4,196)	12,951	(12,643)	27,131
Finance costs	(3,550)	(187)	(103)	256	(3,584)
Profit/(Loss) before taxation	27,469	(4,383)	12,848	(12,387)	23,547
Other Information					
Depreciation and amortisation	5,718	489	8	(1,925)	4,290
Fair value loss on derivatives	1,424	–	–	–	1,424
Impairment of trade receivables	459	–	–	–	459
Interest expenses	3,550	187	103	(256)	3,584
Tribute	750	–	–	–	750
Gain on disposal of property, plant and equipment	(147)	–	–	–	(147)
Inventories written back	(1,547)	–	–	–	(1,547)
Interest income	(945)	–	(132)	167	(910)
Interest income on other investments	(558)	–	(432)	–	(990)
Reversal of impairment of trade receivables	(551)	–	–	–	(551)
Unrealised (gain)/loss on foreign exchange	(1,725)	1	–	–	(1,724)
Assets					
Segment assets	253,595	7,639	180,191	(182,012)	259,413
Unallocated assets:- - deferred tax assets					640
Consolidated total assets					260,053
Additions to non-current assets other than financial instruments and deferred tax assets					
Property, plant and equipment	11,631	2,599	26	724	14,980
Intangible asset	–	4,215	–	–	4,215
Right-of-use assets	4,400	78	–	(3,179)	1,299

Notes to The Financial Statements
 (cont'd)

34. OPERATING SEGMENTS (CONT'D)
34.1 BUSINESS SEGMENTS (CONT'D)

2025	Trading and manufacturing RM'000	Quarry RM'000	All Other Segments RM'000	Consolidation Adjustments RM'000	The Group RM'000
Liabilities					
Segment liabilities	110,760	11,022	2,851	(55,602)	69,031
Unallocated liabilities:-					1,688
- deferred tax liabilities					1,663
- current tax liabilities					1,663
Consolidated total liabilities					72,382
2024	Trading and manufacturing RM'000	All Other Segments RM'000	Consolidation Adjustments RM'000	The Group RM'000	
Revenue					
External revenue		290,691	-	-	290,691
Inter-segment revenue		6,972	23,415	(30,387)	-
Total revenue					290,691
Results					
Segment profit/(loss)		30,362	21,624	(23,290)	28,696
Finance costs		(4,599)	(214)	298	(4,515)
Profit/(Loss) before taxation					24,181
Other Information					
Depreciation and amortisation		5,439	3	(1,840)	3,602
Impairment of trade receivables		1,641	-	-	1,641
Interest expenses		4,599	214	(298)	4,515
Inventories written down		638	-	-	638
Unrealised loss on foreign exchange		3,616	-	-	3,616
Fair value gain on derivatives		(1,131)	-	-	(1,131)
Interest income		(1,415)	(607)	214	(1,808)
Interest income on other investments		(43)	(29)	-	(72)
Reversal of impairment of trade receivables		(19)	-	-	(19)

34. OPERATING SEGMENTS (CONT'D)

34.1 BUSINESS SEGMENTS (CONT'D)

2024 (Restated)	Trading and manufacturing RM'000	All Other Segments RM'000	Consolidation Adjustments RM'000	The Group RM'000
Assets				
Segment assets	258,069	181,642	(161,049)	278,662
Unallocated assets:-				
- deferred tax assets				1,195
Consolidated total assets				<u>279,857</u>
<u>Additions to non-current assets other than financial instruments and deferred tax assets</u>				
Property, plant and equipment	1,616	27	-	1,643
Right-of-use assets	1,237	-	-	1,237
Liabilities				
Segment liabilities	123,206	4,246	(35,634)	91,818
Unallocated liabilities:-				
- deferred tax liabilities				1,802
- current tax liabilities				1,695
Consolidated total liabilities				<u>95,315</u>

34.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	The Group	
	2025 RM'000	2024 RM'000
Revenue		
Malaysia	226,363	239,058
Singapore	28,200	39,876
Indonesia	2,478	2,976
Thailand	1,332	1,206
Bangladesh	-	5,003
Others	3,703	2,572
	<u>262,076</u>	<u>290,691</u>

34. OPERATING SEGMENTS (CONT'D)

34.2 GEOGRAPHICAL INFORMATION (CONT'D)

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	The Group	
	2025	2024
	RM'000	RM'000
Non-current Assets		
Malaysia	72,159	52,767
Singapore	1,728	2,204
	<hr/>	<hr/>
	73,887	54,971

34.3 MAJOR CUSTOMERS

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

35. CAPITAL COMMITMENTS

	Note	The Group	
		2025	2024
		RM'000	RM'000
Purchase of machineries	(a)	11,687	12,880
Purchase of machineries	(b)	3,289	3,625
Contracted consultant		318	308
Contracted contractor		1,999	9,400
		<hr/>	<hr/>
		17,293	26,213

- (a) On 20 December 2021, TSA Industries entered into a Sale Contract to acquire certain machineries for a total consideration of approximately USD5,291,000 (equivalent to RM22,067,000).
- (b) On 3 January 2023, TSA Industries entered into a contract to acquire certain machineries for a total consideration of approximately USD2,025,000 (equivalent to RM8,918,000).

36. FINANCIAL INSTRUMENTS

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

36.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currency of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
2025					
<u>Financial Assets</u>					
Trade receivables	101	10,278	–	47,606	57,985
Other receivables	–	–	–	296	296
Short-term investments	–	–	–	29,921	29,921
Fixed deposit with a licensed bank	–	–	–	579	579
Cash and bank balances	1,964	8,970	25	12,689	23,648
	2,065	19,248	25	91,091	112,429
<u>Financial Liabilities</u>					
Trade payables	4,513	101	–	4,999	9,613
Other payables and accruals	–	365	–	10,693	11,058
Dividend payable	–	95	–	–	95
Hire purchase payables	–	498	–	368	866
Onshore foreign currency loan	20,803	–	–	–	20,803
Structured and trade commodity financing	14,210	–	–	–	14,210
Term loans	–	–	–	8,290	8,290
Derivative liabilities	582	–	–	–	582
	40,108	1,059	–	24,350	65,517

Notes to The Financial Statements
(cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
2025 (Cont'd)					
Net financial (liabilities)/ assets	(38,043)	18,189	25	66,741	46,912
Less: Net financial assets denominated in the respective entities' functional currencies	–	(10,909)	–	(66,741)	(77,650)
Add: Forward foreign currency contracts (contracted notional principal)	27,026	–	–	–	27,026
Currency Exposure	(11,017)	7,280	25	–	(3,712)
2024 (Restated)					
<u>Financial Assets</u>					
Trade receivables	457	13,643	–	52,893	66,993
Short-term investments	–	–	–	20,072	20,072
Derivative assets	842	–	–	–	842
Fixed deposit with a licensed bank	–	–	–	566	566
Cash and bank balances	1,622	13,509	36	35,315	50,482
	2,921	27,152	36	108,846	138,955
<u>Financial Liabilities</u>					
Trade payables	2,999	624	–	5,641	9,264
Other payables and accruals	–	436	–	6,591	7,027
Dividend payable	–	197	–	–	197
Hire purchase payables	–	202	–	521	723
Onshore foreign currency loan	52,038	–	–	–	52,038
Structured and trade commodity financing	9,359	–	–	–	9,359
Term loans	–	–	–	9,475	9,475
	64,396	1,459	–	22,228	88,083

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Ringgit Malaysia RM'000	Total RM'000
2024 (Restated) (Cont'd)					
Net financial (liabilities)/ assets	(61,475)	25,693	36	86,618	50,872
Less: Net financial assets denominated in the respective entities' functional currencies	-	(14,417)	-	(86,618)	(101,035)
Add: Forward foreign currency contracts (contracted notional principal)	25,152	-	-	-	25,152
Currency Exposure	(36,323)	11,276	36	-	(25,011)

Foreign Currency Risk Sensitivity Analysis

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

		The Group	
		2025	2024
		RM'000	RM'000
		(Restated)	
Effects on Profit After Taxation/ Effects on Equity			
USD/RM	- strengthened by 5%	(419)	(1,380)
	- weakened by 5%	419	1,380
SGD/RM	- strengthened by 5%	277	428
	- weakened by 5%	(277)	(428)
OTHERS/RM	- strengthened by 5%	1	1
	- weakened by 5%	(1)	(1)

There is no impact on the Company's equity.

Notes to The Financial Statements
(cont'd)**36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(ii) Interest Rate Risk**

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

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

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 21 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate borrowings at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to serve its loans on an individual basis.

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amount owing by 1 (2024 - 1) customer which constituted approximately 10% (2024 - 13%) of its trade receivables and contract assets, net of loss allowance.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiary of approximately RM43,303,000 (2024 - RM66,395,000), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost and contract asset are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

Trade Receivables and Contract Asset

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables and contract asset.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract asset have been grouped based on shared credit risk characteristics and the days past due. The contract asset relates to unbilled goods delivered and has substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract asset.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 12 (2024 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

Notes to The Financial Statements
(cont'd)**36. FINANCIAL INSTRUMENTS (CONT'D)****36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Asset (Cont'd)*Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Sales made are generally accompanied by letters of credit or advance payments and therefore, there is minimal exposure to credit risk. Furthermore, outstanding trade receivables are largely collected within the credit term.

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

The Group	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
<u>Trade Receivables</u>			
Balance at 1.1.2024	127	825	952
Additions (Note 26)	534	1,107	1,641
Reversals (Note 26)	-	(19)	(19)
Written offs	-	(31)	(31)
Foreign exchange differences	(7)	(38)	(45)
<hr/>			
Balance at 31.12.2024/ 1.1.2025	654	1,844	2,498
Additions (Note 26)	-	459	459
Reversals (Note 26)	(509)	(42)	(551)
Written offs	-	(86)	(86)
Foreign exchange differences	(1)	(44)	(45)
<hr/>			
Balance at 31.12.2025	144	2,131	2,275

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Asset (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract asset are as follows:-

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
2025				
Current (not past due)	49,095	–	(24)	49,071
1 to 30 days past due	3,538	–	(18)	3,520
31 to 60 days past due	1,081	–	(16)	1,065
61 to 90 days past due	460	–	(17)	443
91 to 120 days past due	489	–	(14)	475
More than 120 days past due	3,466	–	(55)	3,411
Credit impaired	2,131	(2,131)	–	–
Trade receivables	60,260	(2,131)	(144)	57,985
Contract asset	4,362	–	–	4,362
	64,622	(2,131)	(144)	62,347
2024				
Current (not past due)	57,164	–	(77)	57,087
1 to 30 days past due	4,808	–	(49)	4,759
31 to 60 days past due	2,354	–	(51)	2,303
61 to 90 days past due	1,257	–	(31)	1,226
91 to 120 days past due	926	–	(23)	903
More than 120 days past due	1,138	–	(423)	715
Credit impaired	1,844	(1,844)	–	–
Trade receivables	69,491	(1,844)	(654)	66,993

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

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Asset (Cont'd)

Allowance for Impairment Losses (Cont'd)

Trade receivables and contract asset that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has been no significant change in the gross amounts of trade receivables and contract asset that has impacted the allowance for impairment losses.

The Group believes that no impairment allowance is necessary in respect of its contract asset because the probability of default was negligible.

Other Receivables

The Group applies the 3-stage general approach to measure expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

	The Group	
	2025	2024
	RM'000	RM'000
At 1 January/31 December	10,368	10,368

The allowance for impairment losses (determined on an individual basis) relates to credit impaired other receivables that are in significant financial difficulties and have defaulted on payments. No impairment losses are provided for the remaining other receivables because there have been no significant changes in their credit quality and the amounts are considered recoverable but with slower repayment records.

There has been no significant change in the gross amounts of other receivables that has impacted the allowance for impairment losses.

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposit with a Licensed Bank, Cash and Bank Balances

The Group and the Company consider the licensed banks to be of low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and is therefore not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances. The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. This is because the Company is able to determine the timing of payments and the loans and advances are to be in default when the subsidiaries are unable to pay when demanded.

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the balances were not recoverable.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to a subsidiary are financial guarantee contracts.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiary's financial strength to reduce the risk of loss.

The Company considers that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties to which the financial guarantee contracts were issued. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

Notes to The Financial Statements
(cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed based on the rates at the end of the reporting period):-

The Group	Effective/ Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	More than 5 Years RM'000
2025						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	9,613	9,613	9,613	-	-
Other payables and accruals	Nil - 6.64	11,058	11,720	8,345	3,375	-
Dividend payable	-	95	95	95	-	-
Lease liabilities	5.00 - 6.89	2,071	2,186	1,456	730	-
Hire purchase payables	2.65 - 3.39	866	1,003	275	728	-
Onshore foreign currency loan	4.70 - 5.20	20,803	20,803	20,803	-	-
Structured and trade commodity financing	4.95 - 5.56	14,210	14,210	14,210	-	-
Term loans	ECOF + 1.25 & BLR + 0.50	8,290	9,730	1,584	5,787	2,359
		67,006	69,360	56,381	10,620	2,359
<u>Derivative Financial Liabilities</u>						
Forward currency contracts (gross settled):	-	582				
- gross payments	-	-	27,026	27,026	-	-
- gross receipts	-	-	(26,444)	(26,444)	-	-
		67,588	69,942	56,963	10,620	2,359

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed based on the rates at the end of the reporting period) (Cont'd):-

The Group	Effective/ Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	More than 5 Years RM'000
2024 (Restated)						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	9,264	9,264	9,264	-	-
Other payables and accruals	-	7,027	7,027	7,027	-	-
Dividend payable	-	197	197	197	-	-
Lease liabilities	5.00 - 6.89	2,437	2,596	1,463	1,133	-
Hire purchase payables	1.98 - 3.39	723	838	309	529	-
Onshore foreign currency loan	5.55 - 6.05	52,038	52,038	52,038	-	-
Structured and trade commodity financing	5.87 - 6.61	9,359	9,359	9,359	-	-
Term loans	ECOF + 1.25 & BLR + 0.50	9,475	11,437	1,655	6,050	3,732
		90,520	92,756	81,312	7,712	3,732

Notes to The Financial Statements
(cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:-

	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
The Company			
2025			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	1,196	1,196	1,196
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	–	43,303*	43,303
	1,196	44,499	44,499
2024			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	1,094	1,094	1,094
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	–	66,395*	66,395
	1,094	67,489	67,489

* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiary at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

36. FINANCIAL INSTRUMENTS (CONT'D)

36.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period are as follows:-

	The Group	
	2025 RM'000	2024 RM'000
Lease liabilities (Note 20)	2,071	2,437
Hire purchase payables (Note 21)	866	723
Onshore foreign currency loan (Note 21)	20,803	52,038
Structured and trade commodity financing (Note 21)	14,210	9,359
Term loans (Note 21)	8,290	9,475
	46,240	74,032
Less: Cash and cash equivalents (Note 31(d))	(53,569)	(70,554)
(Net cash)/Net debt	(7,329)	3,478
Total equity	187,671	184,542
Debt-to-equity ratio	*	0.02

* Not applicable as the Group's cash and cash equivalents exceed its borrowings.

There were no changes in the approach to capital management during the financial year.

Notes to The Financial Statements
 (cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)
36.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments (Note 15)	29,921	20,072	4,321	10,029
Derivative assets (Note 16)	–	842	–	–
	29,921	20,914	4,321	10,029
<u>Amortised Cost</u>				
Trade receivables (Note 11)	57,985	66,993	–	–
Other receivables (Note 12)	296	–	–	–
Amount owing by subsidiaries (Note 14)	–	–	36,530	18,953
Fixed deposit with a licensed bank (Note 17)	579	566	–	–
Cash and bank balances	23,648	50,482	903	13,545
	82,508	118,041	37,433	32,498
Financial Liabilities				
<u>Fair Value Through Profit or Loss</u>				
Derivative liabilities (Note 16)	582	–	–	–
<u>Amortised Cost</u>				
Trade payables (Note 22)	9,613	9,264	–	–
Other payables and accruals (Note 23)	11,058	7,027	1,196	1,094
Dividend payable (Note 24)	95	197	–	–
Hire purchase payables (Note 21)	866	723	–	–
Onshore foreign currency loan (Note 21)	20,803	52,038	–	–
Structured and trade commodity financing (Note 21)	14,210	9,359	–	–
Term loans (Note 21)	8,290	9,475	–	–
	64,935	88,083	1,196	1,094

36. FINANCIAL INSTRUMENTS (CONT'D)

36.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	990	1,203	432	29
<hr/>				
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	94	(1,535)	-	-
<hr/>				
Financial Liabilities				
<u>Fair Value Through Profit or Loss</u>				
Losses recognised in profit or loss by:				
- mandatorily required by MFRS 9	(1,424)	-	-	-
<hr/>				

Notes to The Financial Statements
(cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2025								
<u>Financial Assets</u>								
Short-term investments:								
- money market funds	-	29,921	-	-	-	-	29,921	29,921
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	8,290	-	8,290	8,290
Hire purchase payables	-	-	-	-	866	-	866	866
Derivative liabilities:								
- forward currency contracts	-	582	-	-	-	-	582	582
2024								
<u>Financial Assets</u>								
Short-term investments:								
- money market funds	-	20,072	-	-	-	-	20,072	20,072
Derivative assets:								
- forward currency contracts	-	842	-	-	-	-	842	842
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	9,475	-	9,475	9,475
Hire purchase payables	-	-	-	-	723	-	723	723

36. FINANCIAL INSTRUMENTS (CONT'D)

36.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2025								
<u>Financial Assets</u>								
Short-term investments: - money market funds	-	4,321	-	-	-	-	4,321	4,321
2024								
<u>Financial Assets</u>								
Short-term investments: - money market funds	-	10,029	-	-	-	-	10,029	10,029

Notes to The Financial Statements
(cont'd)

36 FINANCIAL INSTRUMENTS (CONT'D)

36.5 FAIR VALUE INFORMATION (CONT'D)

Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

- (a) The fair value of money market funds is based on the fund managers' statements at the reporting date.
- (b) The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).
- (c) There were no transfers between level 1 and level 2 during the financial year.

Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (a) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (b) The fair values of the hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	2025	2024
Hire purchase payables	5.01% - 6.34%	3.77% - 6.34%

37. MATERIAL LITIGATIONS

37.1 TSA Industries ("Plaintiff") -v- 5 individuals ("1st to 5th Defendants") and a financial institution ("6th Defendant")

A subsidiary, TSA Industries has initiated legal proceedings in 2017 to claim against 5 individuals (1st to 5th Defendants) and a financial institution (6th Defendant) for the unauthorised transfers of monies for the sum of approximately RM31.8 million from a TSA Industries' bank account.

On 9 December 2022, the decision of the civil suit was given by the High Court, among others:

- (a) to dismiss TSA Industries' claim against the 6th Defendant with a cost of RM150,000 to be paid by TSA Industries; and
- (b) to award a judgement sum of RM31.8 million to be paid by the 1st to 5th Defendants to TSA Industries.

Based on decision of civil suit in (a) above, TSA Industries filed an appeal to the Court of Appeal against the High Court's dismissal of the claim in relation to the 6th Defendant on 27 December 2022. On 17 September 2025, this case was dismissed with a cost of RM30,000 and TSA Industries has 30 days to apply for leave to appeal to Federal Court. TSA Industries has filed the appeal to Federal Court on 16 October 2025. On 26 January 2026, TSA Industries filed a Notice of Discontinuance with a cost of RM5,000. Accordingly, the suit has been discontinued.

37. MATERIAL LITIGATIONS (CONT'D)

37.1 TSA Industries (“Plaintiff”) -v- 5 individuals (“1st to 5th Defendants”) and a financial institution (“6th Defendant”) (Cont'd)

Based on decision of civil suit in (b) above, an originating summons was filed by TSA Industries on 28 November 2023 against the 2nd Defendant, 4th Defendant and 4 of the banks where they maintained accounts with for, amongst others, a declaratory order that monies held in the accounts bearing the name of the 2nd Defendant either solely and/or jointly at the 4 defendant banks shall not be vested with the Director General of Insolvency by virtue of the illegality of the monies, and recovery of the monies held by the Director General of Insolvency due to the bankruptcy status of the 2nd Defendant.

On 16 January 2024, the Judge directed TSA Industries to file an application in the Bankruptcy Court for leave to commence an action against the 2nd Defendant in the High Court as he is an undischarged bankrupt. TSA Industries' originating summons application was put on hold pending its leave application in the Bankruptcy Court.

On 6 March 2024, the leave application was obtained from the Bankruptcy Court to commence action against the 2nd Defendant. On 25 March 2024, the Court gave direction that all Defendants to file their Affidavit in Reply on or before 8 April 2024 while TSA Industries to file Affidavit in Reply on or before 22 April 2024. On 27 May 2024, the Court has allowed TSA Industries' application for the Director General of Insolvency to return TSA Industries' money in 2nd Defendant's and 4th Defendant's bank accounts to TSA Industries.

As at the date of this report, TSA Industries has recovered an aggregate sum of RM3,264,427.93 from defendants' bank accounts pursuant to the court order. With this, all the funds in the Defendants' banks have been recovered.

37.2 TSA Industries (“Plaintiff”) -v- The Owners and/or Other Persons Interested in the Ship or Vessel “MSR No 1” (IMO NO.: 9141742) of Port of Panama (“Vessel”) (“Defendant”)

TSA Industries purchased one set of reconditioned annealing furnace from an overseas supplier in Hong Kong at a price of USD1,127,760.50 (approximately RM5,300,000) (“Purchase Price”).

On 13 September 2022, 23 packages of cargo containing pieces of the annealing furnace (“Cargo”) were shipped on board the Vessel from Shanghai to Port Klang. While on voyage from Shanghai to Port Klang, the Vessel encountered turbulent weather conditions and 8 packages fell overboard into the sea while 15 packages remained on board with varied degree of damages of the packages. The Vessel arrived at Port Klang with the damaged packages.

On 3 October 2022, the High Court of Kuala Lumpur (“High Court”) issued the Writ in rem and a Warrant of Arrest for the Vessel. The arrest was effected on 4 October 2022 by the Sheriff of the High Court at the territorial waters of Malaysia at Port Klang. The arrest was on the basis that, as the carrier and bailee of the Cargo, the Defendant had failed to ensure that the Cargo is received by TSA Industries in a good, workable condition and was fit for its function and purpose.

On 31 January 2023, the Vessel was released from arrest after security for the claim amounting to USD1,240,536.55 (being the value of the cargo lost and costs of RM400,000) was paid into Court. On 3 April 2023, the Admiralty Judge dismissed the Defendant's application to strike out the claim and to set aside the arrest.

On 10 February 2026, the High Court dismissed TSA Industries' claim and the Vessel's counterclaim. Following the dismissal of both TSA Industries' claim and the Vessel's counterclaim, the Court awarded costs of RM100,000 to TSA Industries and RM40,000 to the Vessel. On 12 February 2026, TSA Industries filed an appeal in the Court of Appeal (“Appeal”) and on 11 March 2026, TSA Industries filed an application for Stay of Execution (“Stay Application”) in the Suit.

In respect of the Stay Application, the next case management is fixed on 4 May 2026 for the Court to review the filing of the aforesaid affidavits.

Notes to The Financial Statements
(cont'd)

37. MATERIAL LITIGATIONS (CONT'D)

37.2 TSA Industries (“Plaintiff”) -v- The Owners and/or Other Persons Interested in the Ship or Vessel “MSR No 1” (IMO NO.: 9141742) of Port of Panama (“Vessel”) (“Defendant”) (Cont'd)

In respect of the Appeal, the next case management is fixed on 13 May 2026.

TSA Industries does not anticipate any material losses if it fails to win the legal suit because the seller has agreed to replace another set of equipment with the same function and configuration at no cost to TSA Industries.

TSA Industries has made a claim from its insurer. TSA Industries and the seller have agreed that any amount received by TSA Industries from the insurance claim, less the legal fees and other costs, will be paid to the seller.

38. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the financial year ended 31 December 2025, the ongoing geopolitical conflict between United States and Iran has led to significant volatility in the global commodity markets and disruptions to international shipping routes. This development has resulted in a significant increase in global oil prices and heightened volatility in the broader economic environment.

The Group is currently assessing the potential financial and operational impact of these developments on its operations, supply chain, and cost structure. At this juncture, it is not practicable to reasonably estimate the full financial effect of this event.

As this event occurred after the reporting period and does not provide evidence of conditions that existed as at 31 December 2025, no adjustments have been made to the financial statements in respect of this matter.

39. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM'000	As Restated RM'000
Consolidated Statement of Financial Position (Extract):-		
Inventories	73,130	78,249
Trade receivables	66,424	66,993
Other receivables, deposits and prepayments	8,990	6,487
Amount owing by a related party	569	-
Trade payables	6,648	9,264
Consolidated Cash Flows (Extract):-		
Increase in inventories	(15,124)	(20,243)
Decrease in trade and other receivables	8,355	10,541
Increase in amount owing by a related party	(317)	-
Increase in trade and other payables	127	2,743

LIST OF PROPERTIES OWNED BY OUR GROUP

AS AT 31.12.2025

1	Description Location Land Area Built up area Tenure Net book value as at 31/12/2025 Date of acquisition Age of building	Industrial premises comprising of a single storey factory annexed with a 3 storey office building, single storey warehouse and ancillary buildings Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor 218,077 sq ft 147,072 sq ft Freehold RM18,691,423 10.05.2004 17 years
2	Description Location Land Area Tenure Net book value as at 31/12/2025 Date of acquisition Age of building	Vacant land H.S (D) 37423, PT 1125, Mukim Ulu Semenyih, Daerah Ulu Langat, Negeri Selangor 435,615 sq ft Leasehold for 99 years expiring on 7 August 2093 RM12,468,409 7.10.2022 -

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2026

SHARE CAPITAL

No. of Shares Issued : 309,300,000 Ordinary Shares
Class of Shares : Ordinary Shares
Voting Rights : One vote per Ordinary Share on a poll

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	1	0.11	10	0.00
100 – 1,000	283	32.80	120,700	0.04
1,001 – 10,000	340	39.40	1,577,300	0.51
10,001 – 100,000	167	19.35	6,043,200	1.95
100,001 to less than 5% of issued shares	68	7.88	108,787,406	35.17
5% and above of issued shares	4	0.46	192,771,384	62.33
TOTAL	863	100.00	309,300,000	100.00

DIRECTORS' SHAREHOLDINGS

Name	Direct	No. of Shares		%
		%	Indirect	
Chew Kuan Fah	63,036,452	20.38	10,562,944 ⁽¹⁾	3.42
Chew Yik Wai	18,557,920	6.00	10,562,944 ⁽¹⁾	3.42
Ng Kim Liang	11,598,700	3.70	10,562,944 ⁽¹⁾	3.42

Notes:

⁽¹⁾ Deemed interested by virtue of their direct shareholdings in Barisan Jutawan Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

Analysis of Shareholdings
(cont'd)

SUBSTANTIAL SHAREHOLDERS

Name	Direct	No. of Shares		%
		%	Indirect	
KVC Properties Sdn Bhd	116,218,974	37.60	–	–
Chen Khai Voon	12,000,000	3.88	116,218,974 ⁽¹⁾	37.60
Chew Kuan Fah	63,036,452	20.38	10,562,944 ⁽²⁾	3.42
Chew Yik Wai	18,557,920	6.00	10,562,944 ⁽²⁾	3.42
Ng Kim Liang	11,598,700	3.70	10,562,944 ⁽²⁾	3.42
KVC Corporation Sdn Bhd	–	–	116,218,974 ⁽³⁾	37.60
Synergy Cal Solutions Sdn Bhd	–	–	116,218,974 ⁽³⁾	37.60
Sa Chee Peng	–	–	116,218,974 ⁽⁴⁾	37.60

Notes:

- ⁽¹⁾ Deemed interested by virtue of his indirect shareholding in KVC Properties Sdn Bhd via KVC Corporation Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
- ⁽²⁾ Deemed interested by virtue of their direct shareholdings in Barisan Jutawan Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
- ⁽³⁾ Deemed interested by virtue of their direct shareholdings in KVC Properties Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
- ⁽⁴⁾ Deemed interested by virtue of his indirect shareholding in KVC Properties Sdn Bhd via Synergy Cal Solutions Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

TOP THIRTY (30) SHAREHOLDERS

(Without aggregating securities from different securities accounts belonging to the same Registered Holder)

No.	Name	No. of Shares	%
(1)	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD PLEDGED SECURITIES ACCOUNT FOR KVC PROPERTIES SDN BHD	92,790,000	30.00
(2)	CHEW KUAN FAH	57,994,490	18.75
(3)	KVC PROPERTIES SDN BHD	23,428,974	7.60
(4)	CHEW YIK WAI	18,557,920	6.00
(5)	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN LEE HEONG	15,410,400	4.98
(6)	NG KIM LIANG	11,598,700	3.70
(7)	BARISAN JUTAWAN SDN BHD	10,562,944	3.42
(8)	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KONG JOO	10,234,200	3.31
(9)	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	9,000,000	2.91
(10)	HEW VOON FOO	6,725,700	2.17

Analysis of Shareholdings
(cont'd)

TOP THIRTY (30) SHAREHOLDERS (CONT'D)

(Without aggregating securities from different securities accounts belonging to the same Registered Holder)

No.	Name	No. of Shares	%
(11)	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON (MY4783)	6,200,000	2.00
(12)	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN KHAI VOON	5,800,000	1.88
(13)	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW KUAN FAH	5,041,962	1.63
(14)	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SYED AMIR SYAKIB ARSALAN BIN SYED IBRAHIM	3,125,000	1.01
(15)	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAK LIN KUM	2,900,000	0.94
(16)	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHENG LONG SOON (SMART)	1,500,000	0.48
(17)	CHEN WING SHENG	1,370,800	0.44
(18)	WONG FOOT NAM	1,300,000	0.42
(19)	TING CHEK HUA	1,231,100	0.40
(20)	LOW CHAN KHEUN	1,230,000	0.40
(21)	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR SEAH HOCK THIAM	796,900	0.26
(22)	TNG KEE MENG	787,900	0.25
(23)	OAN YEE LAI	675,000	0.22
(24)	LAI HOI LIAN	646,800	0.21
(25)	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LO BOON CHAI (E-SKN)	624,400	0.20
(26)	LEE YING CHING	606,700	0.20
(27)	LIM SIN TATT	599,500	0.19
(28)	TAN KAI CHONG	546,900	0.18
(29)	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOI CHEE FONG (MY4320)	500,000	0.16
(30)	CHAN BEE SEOK	500,000	0.16

NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting (“4th AGM”) of TSA Group Berhad (the “Company”) will be held at Conference Room 1, 2nd Floor, Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor, Malaysia on Tuesday, 16 June 2026 at 10.00 a.m., to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees and benefits for an amount up to RM330,000.00 and RM25,000.00 respectively payable to the Non-Executive Directors of the Company for the period from the conclusion of the 4th AGM until the next Annual General Meeting (“AGM”) of the Company, in such proportions and manner as the Directors may determine as follows: **[Ordinary Resolution 1]**

Type of Director	Fees (RM)	Benefits (RM)
Chairman of the Board	130,000.00	4,000.00
Non-Executive Directors	200,000.00	21,000.00
Total:	330,000.00	25,000.00

3. To re-elect the following Directors who retire by rotation pursuant to Clause 76(3) of the Company’s Constitution and being eligible, have offered themselves for re-election:
 - (i) Mr. Chong Chin Look **[Ordinary Resolution 2]**
 - (ii) Ms. Karmjit Kaur A/P Sarban Singh **[Ordinary Resolution 3]**
 - (iii) Cik Shahira Binti Abdul Aziz **[Ordinary Resolution 4]**
4. To re-elect Ms. Loh Pei Ling, the Director who retires pursuant to Clause 78 of the Company’s Constitution and being eligible, has offered herself for re-election. **[Ordinary Resolution 5]**
5. To re-appoint Messrs. Crowe Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **[Ordinary Resolution 6]**

AS SPECIAL BUSINESS

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

6. AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 **[Ordinary Resolution 7]**

“THAT subject always to the Companies Act 2016 (“Act”), the Company’s Constitution, the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), any directives or modifications or reliefs issued by Bursa Securities from time to time in relation to the general mandate for issue of securities and approvals of the relevant government and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company (“New Shares”) at any time and at such price, to such persons and for such purposes and upon such terms and conditions as Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being (“Proposed General Mandate”).

Notice of Fourth Annual General Meeting
(cont'd)

THAT the existing shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85(1) of the Act read together with Clause 12 of the Company's Constitution, in respect of the New Shares to be issued under the Proposed General Mandate, which shall rank equally with the existing issued shares of the Company.

AND THAT the Directors are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by ordinary resolution passed by the shareholders at a general meeting, whichever is the earlier."

7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

GOH CHOOI WOAN (SSM PC No. 201908000145) (MAICSA 7056110)
CHIEW EN YEE (SSM PC NO. 202308000846) (MAICSA 7080964)
Company Secretaries

Dated: 29 April 2026
Selangor

Explanatory Notes:

1. Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require shareholders' approval. As such, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1 – Directors' fees and benefits payable to Non-Executive Directors

Section 230(1) of the Act provides that the Directors' fees and benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.

The amount of the Directors' fees and benefits are calculated based on the current Board size and a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director, additional unscheduled meetings for Board and Board Committees. This resolution is to facilitate the payment of Directors' fees and benefits for the period from the conclusion of this 4th AGM until the next AGM.

In the event that the proposed amount is insufficient, shareholders' approval will be sought at the next AGM to meet the shortfall.

Notice of Fourth Annual General Meeting
(cont'd)

3. Ordinary Resolutions 2 to 5 - Re-election of Directors

Mr. Chong Chin Look, Ms. Karmjit Kaur A/P Sarban Singh and Cik Shahira Binti Abdul Aziz, who retire by rotation pursuant to Clause 76(3) of the Company's Constitution, and Ms. Loh Pei Ling, who retires pursuant to Clause 78 of the Company's Constitution, are seeking re-election at the 4th AGM ("Retiring Directors") and being eligible, have offered themselves for re-election.

The details of the Retiring Directors are as set out in their respective Directors' Profile and can be found in the Annual Report 2025.

The Nominating Committee ("NC") has considered the performance and contribution of the abovesaid Retiring Directors from the Board Effectiveness Evaluation conducted, following factors were taken into consideration:

- (a) Satisfactory performance meeting the Board's expectations.
- (b) Compliance with fit and proper criteria.
- (c) Demonstrated knowledge and caliber.
- (d) Provision of quality input to the Board.
- (e) Director's level of independence demonstrated by the Independent Director and ability to act in the best interest of the Company in decision-making.

The NC and Board also reviewed the tenure of the Directors and the Board composition to ensure the Board has an appropriate mix of skills and experience for the requirements of the business.

Based on the aforesaid review, the performance of each of the Retiring Directors was found to be satisfactory. The Board endorsed the NC's recommendation to seek shareholders' approval on the re-election of the Retiring Directors.

4. Ordinary Resolution 6 - Re-appointment of Auditors

The Audit Committee ("AC") and the Board have considered the re-appointment of Messrs. Crowe Malaysia PLT as Auditors of the Company, are satisfied with the performance, competency, audit approach and independence of the Auditors.

The Board endorsed the AC's recommendation to seek shareholders' approval to re-appoint Messrs. Crowe Malaysia PLT as external auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

5. Ordinary Resolution 7 - Authority to Directors to issue and allot shares pursuant to the Companies Act 2016

This resolution, if passed, will give authority to the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company at any time ("General Mandate") in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by ordinary resolution passed by the shareholders at a general meeting whichever is the earlier and will exclude the shareholders' pre-emptive rights over all new shares to be issued under the General Mandate.

The Board of Directors of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. It will also enable the Directors to take swift action in case of a need to issue and allot new shares in the Company's fund-raising activities, including but not limited to further placement of shares for the purpose of funding the Company's future investment projects or for working capital or such applications as the Directors may deem fit in the best interest of the Company and its shareholders.

The Company did not issue any new shares pursuant to Sections 75 and 76 of the Act under the general mandate which was approved at the 3rd AGM held on 18 June 2025 and will lapse at the conclusion of the 4th AGM to be held on 16 June 2026.

Notice of Fourth Annual General Meeting
(cont'd)Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 10 June 2026 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 4th AGM, or to appoint proxy(ies) to attend, participate and vote on his/her behalf.*
2. *A member of the Company entitled to attend and vote at the general meeting is entitled to appoint up to two (2) proxies to attend, participate, speak and vote on his/her stead. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*
3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
5. *The instrument appointing a proxy and the power of attorney or other authority (if any) shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialed.*
6. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority must be deposited or submitted in the following manner not later than Sunday, 14 June 2026 at 10:00 a.m.*

In hard copy form –

By hand or post to the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or alternatively to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.

By electronic form –

You may also submit your proxy appointment electronically via Tricor Investor & Issuing House Services Sdn Bhd Online website at <https://srm.vistra.com>. Please refer to the Administrative Details for the procedures on submission proxy form electronically.

7. *Pursuant to Rule 8.31A(1) of the Listing Requirements of Bursa Securities, all resolutions set out in the Notice of AGM will be put to vote by poll.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

- (i) *consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*
- (ii) *warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and*
- (iii) *agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.*

STATEMENT ACCOMPANYING NOTICE OF FOURTH ANNUAL GENERAL MEETING

Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. Further details of individuals who are standing for election as directors (excluding directors standing for re-election):

No individuals are standing for election as directors (excluding those Directors standing for re-election) at the forthcoming Annual General Meeting.

2. A statement relating to the general mandate for the issuance of securities

For details on general mandates for issue of securities, please refer to Explanatory Note 5.

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CDS Account No.	
Number of Shares Held	

I/We, _____ (Full name in block),
 _____ (NRIC/Registration/Passport No.)
 of _____ (Address)
 _____ (Email Address), _____ (Contact No.)

being (a) member(s) of **TSA GROUP BERHAD** hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings to be Represented	
		No. of Shares	%
Address			

* and/or

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings to be Represented	
		No. of Shares	%
Address			

or failing him/her, *THE CHAIRMAN OF THE MEETING as my/our proxy, to vote on my/our behalf at the **FOURTH ANNUAL GENERAL MEETING** ("4th AGM") of TSA Group Berhad (the "Company") to be held at Conference Room 1, 2nd Floor, Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor, Malaysia on Tuesday, 16 June 2026 at 10.00 a.m., and at any adjournment thereof, as indicated below:

ORDINARY RESOLUTIONS		For	Against
1.	To approve the payment of Directors' fees and benefits for an amount up to RM330,000.00 and RM25,000.00 respectively payable to the Non-Executive Directors of the Company for the period from the conclusion of the 4th AGM until the next Annual General Meeting of the Company.		
2.	To re-elect Mr. Chong Chin Look as Director.		
3.	To re-elect Ms. Karmjit Kaur A/P Sarban Singh as Director.		
4.	To re-elect Cik Shahira Binti Abdul Aziz as Director.		
5.	To re-elect Ms. Loh Pei Ling as Director.		
6.	To re-appoint Messrs. Crowe Malaysia PLT as External Auditors.		
7.	To grant authority to issue shares pursuant to the Companies Act 2016.		

Please indicate with an "X" in the space provided below how you wish your votes to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain for voting at his/her discretion

Signatures of Member(s)/Attorney of Member(s)
Date:

Common Seal of Member, if applicable
(if the appointer is a corporation)

* To delete if not applicable

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 10 June 2026 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 4th AGM, or to appoint proxy(ies) to attend, participate and vote on his/her behalf.
- A member of the Company entitled to attend and vote at the general meeting is entitled to appoint up to two (2) proxies to attend, participate, speak and vote on his/her stead. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- The instrument appointing a proxy and the power of attorney or other authority (if any) shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialed.



Notes: (Cont'd)

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority must be deposited or submitted in the following manner not later than Sunday, 14 June 2026 at 10:00 a.m.
In hard copy form –
By hand or post to the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or alternatively to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
By electronic form –
You may also submit your proxy appointment electronically via Tricor Investor & Issuing House Services Sdn Bhd Online website at <https://smy.vistra.com>. Please refer to the Administrative Details for the procedures on submission proxy form electronically.
7. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Annual General Meeting will be put to vote by poll.

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- i. consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- ii. warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
- iii. agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

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AFFIX
STAMP

The share registrar of
TSA GROUP BERHAD
[Registration No. 202201010003 (1455700-A)]
c/o: TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, W.P. Kuala Lumpur,
Malaysia

2nd Fold Here

Fold This Flap For Sealing



TSA GROUP BERHAD

Registration No. 202201010003 (1455700-A)

LOT 3998, JALAN 6/2A, TAMAN INDUSTRI SELESA JAYA
43300 BALAKONG, SELANGOR DARUL EHSAN, MALAYSIA

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