RALCO

RALCO CORPORATION BERHAD

Registration No. 199501003907 (333101-V)

2025 ANNUAL REPORT

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-First (31st) Annual General Meeting of Ralco Corporation Berhad ("Ralco") will be held at Tioman Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur Malaysia on Friday, 12 June 2026 at 11:00 a.m. to consider the following business: -

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note (1)]**

2. To approve the payment of Directors' fees of RM180,082 for the financial year ended 31 December 2025. **ORDINARY RESOLUTION 1**

3. To approve the payment of Directors' Benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM60,000 for the period from 1 July 2026 to 30 June 2027. **ORDINARY RESOLUTION 2**

4. To re-elect Dato' Chong Kim Fatt who is retiring by rotation in accordance with Clause 97 of the Constitution of the Company and being eligible, has offered himself for re-election. **ORDINARY RESOLUTION 3**

5. To re-elect the following Directors who are retiring by rotation in accordance with Clause 104 of the Constitution of the Company and being eligible, have offered themselves for re-election: -

   (i) Lee Set Yee **ORDINARY RESOLUTION 4**

   (ii) Poo Lap Tuck **ORDINARY RESOLUTION 5**

6. The External Auditors, Messrs. TGS TW PLT (LLP0026851-LCA & AF2345) ("TGS") had expressed their intention to retire and are not seeking re-appointment subsequent to the conclusion of the 31st AGM. **[Please refer to Explanatory Note (4)]**

AS SPECIAL BUSINESS

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

7. **AUTHORITY TO ISSUE AND ALLOT SHARES** **ORDINARY RESOLUTION 6**

   "THAT subject always to the Companies Act 2016 ("the Act"), Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Act to issue and allot not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Act ("Mandate").

   THAT the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

NOTICE OF ANNUAL GENERAL MEETING
Cont'd

THAT in connection with the above, pursuant to Section 85 of the Act to be read together with Clause 54 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this Mandate.

AND THAT the new shares to be issued shall upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

8. To transact any other ordinary business of the Company for which due notice shall have been given.

BY ORDER OF THE BOARD
QWIK TSAE YNG (MAICSA 7053568 & SSM PC NO. 202308000539)
TAN BEE HWA (MAICSA 7058049 & SSM PC NO. 202008001174)
Company Secretaries

Kuala Lumpur
Thursday, 30 April 2026

NOTES

1) A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy.

2) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

3) Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

4) Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where the Exempt Authorised Nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of his holdings to be represented by each proxy.

5) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

6) The instrument appointing a proxy must be deposited at the Poll Administrator's office at **Bina Management (M) Sdn. Bhd., Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor** or submit via email to agm-support.Ralco@virtualagm.asia not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

7) Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the 31st AGM is Friday, 5 June 2026.

NOTICE OF ANNUAL GENERAL MEETING
Cont'd

8) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 31st AGM will be put to vote on a poll.

9) For Individual Shareholder, you may wish to **register your proxy online** at https://cygnusurl.com/M6Qkg1 or scan the QR code below.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

1. Item 1 of the Agenda
~ Audited Financial Statements for the financial year ended 31 December 2025

This Agenda item is meant for discussion only as the provisions of Section 248 and Section 340(1)(a) of the Act do not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item will not be put for voting.

2. Items 2 & 3 of the Agenda
~ Payment of Directors' Fees for the financial year ended 31 December 2025 [Ordinary Resolution 1]
~ Payment of Directors' Benefits for the period from 1 July 2026 to 30 June 2027 [Ordinary Resolution 2]

Pursuant to Section 230(1) of the Act, the fee of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

Ordinary Resolution 1: Directors' Fees

The payment of the Directors' fees for the financial year ended 31 December 2025 will only be made if the proposed Resolution 1 has been passed at the 31st AGM pursuant to Clause 105 of the Company's Constitution and Section 230(1) of the Act.

The Directors' fees payable to the Directors of the Company for the financial year ended 31 December 2025 are set out as follows: -

Description	Executive Directors	Non-Executive Directors
Directors' Fee	RM30,000	RM150,000

Ordinary Resolution 2: Directors' Benefits

The Directors' benefits comprise the meeting allowances payable to each Directors of the Company and its subsidiaries are set out below: -

Description	Chairman	Directors
Meeting Allowance (per Meeting)	RM500	RM500

The total amount of benefits payable to the Directors is estimated to be up to RM60,000, based on the number of scheduled Board/ Board Committee/ General Meetings as well as the number of Directors involved.

The Board is of the view that it is just and equitable for the Directors to be paid the above benefits as and when incurred, particularly after having discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the period from 1 July 2026 to 30 June 2027.

NOTICE OF ANNUAL GENERAL MEETING
Cont'd

3. Items 4 and 5 of the Agenda
~ Re-election of Directors [Ordinary Resolutions 3, 4 & 5]

In accordance with the Constitution of the Company, the following Directors are retiring by rotation: -

Pursuant to Clause 97 of the Constitution
1. Dato' Chong Kim Fatt

Pursuant to Clause 104 of the Constitution
1. Lee Set Yee
2. Poo Lap Tuck

The Nomination Committee, having taken into account the Board Evaluation Assessment including the results of assessment of the above retiring directors, and concurred that they have met the Board's expectation in terms of experience, expertise, integrity, competency, commitment and individual contribution by continuously performing their duties diligently as Directors of the Company.

The Board (with the exception of the retiring Directors who abstained) recommended Dato' Chong Kim Fatt, Ms. Lee Set Yee and Mr. Poo Lap Tuck to be re-elected as Directors of the Company.

The Board (with the exception of the retiring Directors who abstained) was further satisfied that Dato' Chong Kim Fatt, Ms. Lee Set Yee, and Mr. Poo Lap Tuck had duly complied with the criteria of independence as prescribed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board also affirmed that they continue to remain independent in exercising their judgement and in carrying out their roles as Independent Directors.

The details and profiles of Directors who are standing for re-election at the 31st AGM are provided in the Directors Profile section of the Company's Annual Report 2025.

4. Item 6 of the Agenda
~ Non-reappointment of Auditors

The External Auditors, TGS had expressed that they are not seeking re-appointment as the External Auditors of the Company subsequent to the conclusion of this AGM. There were no disagreements with the outgoing External Auditors on accounting treatments within the last 12 months. The Company had commenced efforts to identify suitable candidate and will seek to appoint new auditors in place of TGS as soon as practicable. Upon which, the Board will then appoint new Auditors in compliance with Section 264(5) of the CA2016. The Company will make further announcement in due course.

5. Item 7 of the Agenda
~ Authority to Issue and Allot Shares [Ordinary Resolution 6]

The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors to issue shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of next AGM of the Company.

The purpose of this new general mandate is for possible fund-raising exercises, including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and / or acquisitions.

The previous mandate obtained from the members at the last AGM was not utilised and, accordingly no proceeds were raised.

By voting in favour of this proposed resolution, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Act and Clause 54 the Company's Constitution to be first offered any new shares ranking equally to the existing issued shares of the Company under this general mandate which will result in a dilution of their shareholding percentage in the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' CHONG KIM FATT
Chairman, Independent
Non-Executive Director

TAN HENG TA
Managing Director

HENG CHEE WEI
Non-Independent
Non-Executive Director

LAW DOUNG CHIN
Non-Independent
Non-Executive Director

DR. DAMIEN LIM YAT SENG
Senior Independent
Non-Executive Director
(Resigned on 2 March 2026)

LAU WAI CHING
Independent Non-Executive Director
(Resigned on 22 August 2025)

LEE SET YEE
Independent Non-Executive Director
(Appointed on 22 August 2025)

POO LAP TUCK
Senior Independent
Non-Executive Director
(Appointed on 8 April 2026)

AUDIT COMMITTEE

Poo Lap Tuck – Chairman
Heng Chee Wei
Lee Set Yee

NOMINATION COMMITTEE

Poo Lap Tuck – Chairman
Heng Chee Wei
Lee Set Yee

REMUNERATION COMMITTEE

Poo Lap Tuck – Chairman
Lee Set Yee
Law Doung Chin

RISK MANAGEMENT COMMITTEE

Law Doung Chin – Chairman
Poo Lap Tuck
Lee Set Yee

COMPANY SECRETARIES

Qwik Tsae Yng
(MAICSA 7053568 & SSM PC NO. 202308000539)
Tan Bee Hwa
(MAICSA 7058049 & SSM PC NO. 202008001174)

REGISTERED OFFICE

Level 13, Menara 1 Sentrum
201, Jalan Tun Sambanthan
Brickfields
50470 Kuala Lumpur
W.P. Kuala Lumpur
Telephone No. : 603-2382 4288
Facsimile No. : 603-2382 4170
Email : tmfkl-cosec@tmf-group.com

PRINCIPAL PLACE OF BUSINESS

Lot 1476, Jalan Lengkok Emas 1
Nilai Industrial Estate
71800 Nilai
Negeri Sembilan Darul Khusus
Telephone No. : 606-797 1999
Facsimile No. : 606-797 1333
Website : www.ralco.net

SHARE REGISTRAR

Systems Associates Sdn. Bhd.
3A, Mezzanine Floor
Jalan Ipoh Kecil
50350 Kuala Lumpur
W.P. Kuala Lumpur
Telephone No. : 603 - 4043 5750
Facsimile No. : 603 - 4043 5755
Email : systems@ssassociates.com.my

AUDITORS

Messrs. TGS TW PLT
202106000004
(LLP0026851-LCA) & AF002345
Unit E-16-2B, Level 16,
ICON Tower (East)
No. 1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Telephone No. : 603 - 9771 4326
Facsimile No. : 603 - 9771 4327
Email : tgsaudit@tgs-tw.com

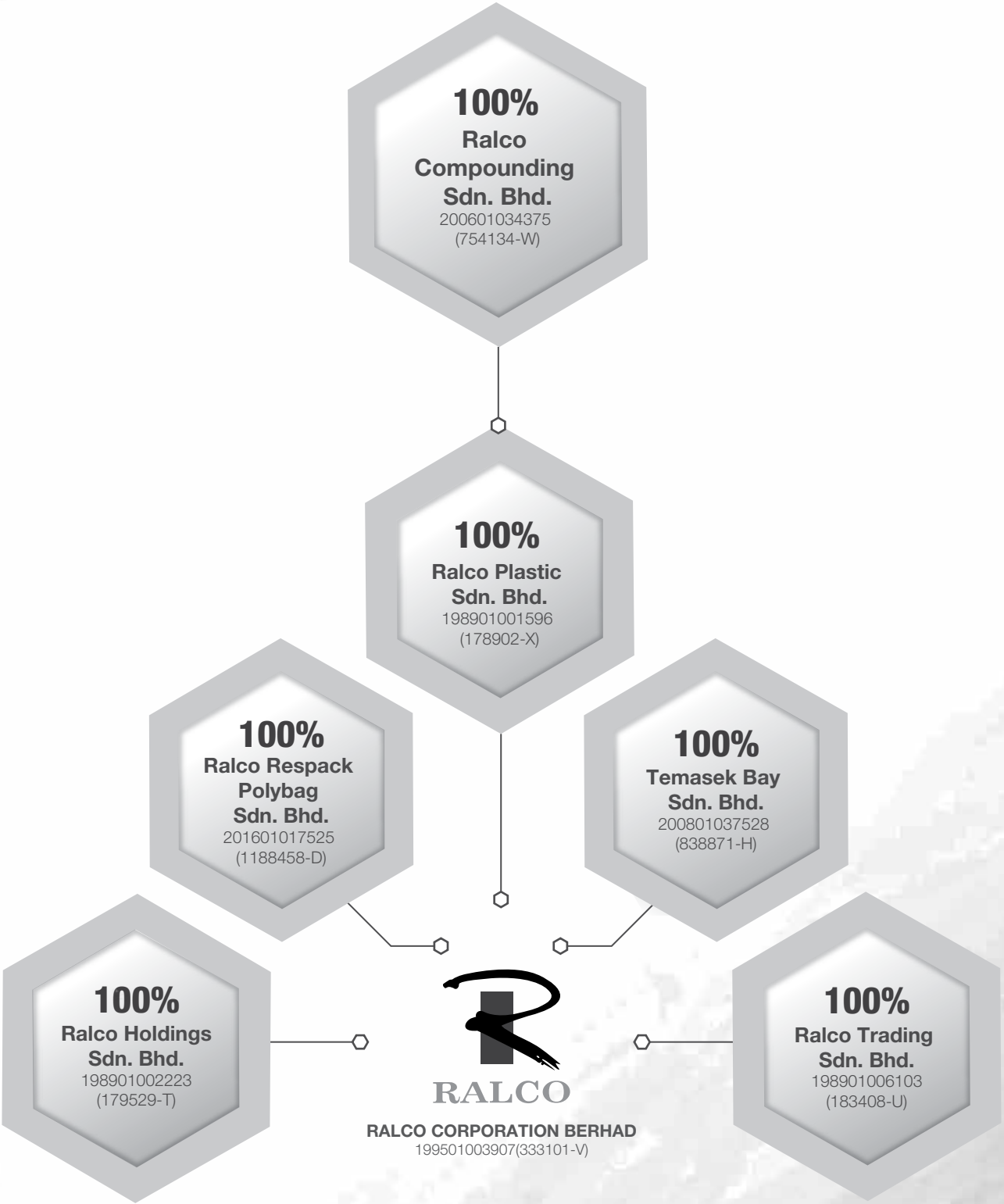
PRINCIPAL BANKERS

CIMB Bank Berhad
Alliance Bank Malaysia Berhad
Hong Leong Bank Berhad
AmBank (M) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: RALCO
Stock Code: 7498
Sector: Industrial Products

CORPORATE STRUCTURE



PROFILE OF DIRECTORS

DATO' CHONG KIM FATT

Chairman
Independent Non-Executive Director
Aged 59, Male, Malaysian

Dato' Chong Kim Fatt ("Dato' Chong") was appointed to the Board and Chairman to the Board on 10 February 2021.

Dato' Chong started his own business in 1993 with diverse interest in property development, contractor, trading, poultry and Agriculture. He has been actively participating in both domestic and international sports complex with numerous achievements and contributions to the country under his leadership. He completed his study in Research and Advanced Study on Leadership in Tsinghua University, China.

Dato' Chong is the founder and the president of the Wushu Federation of ASEAN-China, an international wushu organisation that currently comprises members of ten ASEAN countries. Currently, he is serving as Executive Board Committee Member in International Wushu Federation, Wushu Federation of Asia, and elected as APEC Advisor to the Chinese Culture Promotion Association of Beijing. He is also elected as one of the members of the financial committee in the Olympic Council of Malaysia. He does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of Ralco Corporation Berhad. Furthermore, he does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries. He has not been convicted for any offences within the past 5 years other than traffic offences. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year 2025.

Details of number of Board meetings attended by him during the financial year are set out in page 45 of this Annual Report.

TAN HENG TA

Managing Director
Aged 58, Male, Malaysian

Mr. Tan Heng Ta was first appointed to the Board as Executive Director on 7 January 2011 and was subsequently appointed as the Managing Director of the Company on 1 August 2011.

Mr. Tan is a successful businessman with diverse interests in property development, plantation as well as trading. His diverse business interests have provided him with a wide range of operational, technical, as well as marketing knowledge and insight. He currently sits on the Board of a few private limited companies and does not hold any directorship in any other public companies and listed issuers.

Mr. Tan is a major shareholder of Ralco Corporation Berhad.

Save as disclosed herein, he does not have any family relationship with any Director and/or major shareholder of Ralco Corporation Berhad nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries other than what has been disclosed in the item 25 of Notes to the financial statements.

He faced Administrative Actions of a reprimand and penalty of RM63,000.00 on 22 December 2025 imposed by Securities Commission for breach of Section 25(4) of the Securities Industry (Central Depositories) Act 1991 ("SICDA") read together with Section 354(1)(a) of the Capital Market and Services Act ("CMSA") and breach of Section 29A of SICDA read together with Section 354(1)(a) of the CMSA on matters that occurred in 2012 and 2013 respectively. The matter has been resolved on 6 February 2026.

Save as disclosed above, he has not been convicted of any offences (other than traffic offences) within the past 5 years and has not been subject to any public sanctions or penalties imposed on him by any regulatory bodies during the financial year 2025.

Details of number of Board meetings attended by him during the financial year are set out in page 45 of this Annual Report.

PROFILE OF DIRECTORS
Cont'd

HENG CHEE WEI, A.M.P.
Non-Independent Non-Executive Director
Aged 55, Male, Malaysian

Mr. Heng Chee Wei was appointed to the Board on 8 August 2001. He served as the Chief Executive Officer of Ralco Corporation Berhad starting 1 July 2014, before being re-designated as a Non-Independent and Non-Executive Director on 30 June 2017. Subsequently, he re-designated as Independent Non-Executive Director on 24 February 2020 and as Senior Independent Non-Executive Director on 10 February 2021. On 28 March 2025, he was re-designated as Non-Independent and Non-Executive Director. He is currently a member of the Nomination Committee.

Mr. Heng is a member of the Malaysian Institute of Accountants. He obtained the qualification of Australian Society of Certified Practicing Accountants (ASCPA) in 1999. He holds a Bachelor of Commerce from University of Southern Queensland, Australia. He was previously the Operations Director of TNT Worldwide Express (M) Sdn. Bhd. He was a Senior Operations Manager of Federal Express Services (M) Sdn. Bhd. from 1999 to 2009. He was the Finance Manager of Sis Distribution (M) Sdn. Bhd. and was formerly a Senior Associate with PricewaterhouseCoopers from 1996 to 1999. He does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of Ralco Corporation Berhad. Furthermore, he does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries. He has not been convicted for any offences within the past 5 years other than traffic offences. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year 2025.

Details of number of Board meetings attended by him during the financial year are set out in page 45 of this Annual Report.

LAW DOUNG CHIN
Non-Independent Non-Executive Director
Aged 55, Male, Malaysian

Mr. Law Doung Chin was appointed to the Board on 29 March 2011 as an Independent Non-Executive Director. He was re-designated as Non-Independent and Non-Executive Director on 31 March 2023. He is the Chairman of the Risk Management Committee and a member of the Remuneration Committee and Audit Committee.

Mr. Law has more than 10 years extensive and wide exposures and experiences in accounting, financing and auditing and held several key manager positions in auditing firm as well as in private limited companies which are involved in operations in logging activities, hotel operating and property development. He does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder of Ralco Corporation Berhad. Furthermore, he does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries. He has not been convicted for any offences within the past 5 years other than traffic offences. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year 2025.

Details of number of Board meetings attended by him during the financial year are set out in page 45 of this Annual Report.

PROFILE OF DIRECTORS
Cont'd

LEE SET YEE
Independent Non-Executive Director
Aged 40, Female, Malaysian

Ms. Lee Set Yee was appointed to the Board on 22 August 2025. She is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee.

Ms. Lee is a Principal of an established law firm in Malaysia, bringing over 15 years of experience as a commercial and conveyancing lawyer. She advises clients on a wide range of real estate, banking, and commercial transactions, including high-value property acquisitions, project financing, and secured lending. Trusted by developers, financial institutions, and corporate clients, Ms. Lee provides practical legal strategies that mitigate risks while meeting commercial objectives. As a business owner, she oversees all aspects of firm management, including compliance, finance, human resources, and strategic growth. Ms. Lee brings an independent, analytical, and solutions-focused mindset to the Board, supported by deep legal knowledge, strong governance awareness, and a commitment to integrity and accountability. She does not hold any directorships in other public companies or listed issuers.

She does not have any family relationship with any Director and/or major shareholder of Ralco Corporation Berhad. Furthermore, she does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries. She has not been convicted for any offences within the past 5 years, other than traffic offences. There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year 2025.

Details of number of Board meetings attended by her during the financial year are set out in page 45 of this Annual Report.

POO LAP TUCK
Senior Independent Non-Executive Director
Aged 74, Male, Malaysian

Mr. Poo Lap Tuck ("Mr. Poo") was appointed to the Board as a Senior Independent Non-Executive Director on 8 April 2026. He is the Chairman of the Audit Committee, Nomination Committee, Remuneration Committee and a member of the Risk Management Committee.

Mr. Poo is a Chartered Accountant of the Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Accountants. He began his career in 1977 as an audit clerk at Lim Chooi Tee & Co, moving on to serve as Finance & Administration Manager at Yit Seng Sdn Bhd in 1979, and then as Manager, Marketing, Finance & Administration at Maju Industrial Trading Sdn Bhd in 1984. After furthering his studies in London in 1985, he returned to Malaysia to join Sam Management Services as Accounts and Administration Manager in 1987. He acted as a corporate consultant for Union Paper Holdings Berhad's restructuring from 1989 to 1990 before joining the same company as Group Financial Controller. In 1998, he ventured into entrepreneurship by acquiring Star Corporate Services Sdn Bhd, serving as a Managing Director until 2016. He then joined Zantat as Chief Financial Officer until his retirement in 2019, after which he re-joined Star Corporate Services Sdn. Bhd. as a Director from August 2020 to September 2021. Currently, he is an Independent Non-Executive Director of Zantat Holdings Berhad.

He does not have any family relationship with any Director and/or major shareholder of Ralco Corporation Berhad. Furthermore, he does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries. He has not been convicted for any offences within the past 5 years other than traffic offences. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year 2025.

Details of number of Board meetings attended by his during the financial year are set out in page 45 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

CHIA JESLYN
Chief Financial Officer
Aged 30, Female, Malaysian

Ms. Chia Jeslyn joined Ralco Group on 17 March 2025 as Chief Financial Officer.

Ms. Chia is a member of the Malaysian Institute of Accountants and Institute of Chartered Accountant in England and Wales. Her career encompasses key roles in financial control, FP&A, management control, and business development across diverse industries, including retail, trading, financial services, and public audit. She possesses deep technical expertise in IPO readiness, due diligence, and capital raising. Prior to her current role at Ralco Corporation Berhad, she served as Chief Financial Officer at Pasaraya Ku Trading Sdn Bhd. Her leadership there led to a promotion to Chief Executive Officer, where she managed the company's full spectrum of day-to-day operations.

She does not have any family relationship with any Director and/or major shareholder of Ralco Corporation Berhad. Furthermore, she does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries. She has not been convicted for any offences within the past 5 years, other than traffic offences. There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year 2025.

GROUP FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
INCOME STATEMENT					
Gross Revenue	50,549	56,478	59,880	50,764	**31,681**
(Loss)/Profit Before Tax	1,267	(927)	(2,647)	(2,565)	**(8,897)**
(Loss)/Profit After Tax	1,003	(1,090)	(3,081)	(2,544)	**(7,221)**
BALANCE SHEET					
Property, Plant and Equipment	53,268	54,222	58,240	56,587	**41,495**
Investment Property	-	-	-	1,835	**23,259**
Net Current Assets	10,854	9,461	11,428	9,839	**4,555**
Total Assets Employed	64,122	63,683	69,668	68,261	**69,309**
Shareholders' Fund	43,046	41,956	43,119	40,705	**42,332**
Non-Current Liabilities	21,077	21,727	26,549	27,556	**26,977**
Total Funds Employed	64,123	63,683	69,668	68,261	**69,309**
PER RM 1 ORDINARY SHARE					
(Loss)/Earnings Per Share (sen)	1.97	(2.14)	(6.07)	(5.01)	**(14.22)**
Net Tangible Assets Per Share (RM)	0.85	0.83	0.87	0.80	**0.83**

Our VISION

We aim to be a leading plastic injection and plastic blowing manufacturer in the region known for its product quality and variety

Our MISSION

- **PRODUCT**
- **PEOPLE**
- **PROFIT**

Our BELIEVES

Core Values

- Passionate about our products
- Care for our customer and people
- Keep our promises

Core Qualities

- Working together
- Building local and overseas market
- Delivering a great customer experience

MANAGEMENT DISCUSSION & ANALYSIS

ON BEHALF OF THE BOARD OF DIRECTORS OF RALCO CORPORATION BERHAD ("RALCO"/"THE GROUP"), IT IS OUR PLEASURE TO PRESENT TO YOU THE MANAGEMENT DISCUSSION AND ANALYSIS ("MDA") OF THE GROUP. THE OBJECTIVE OF THIS MDA IS TO PROVIDE SHAREHOLDERS WITH A BETTER UNDERSTANDING AND AN OVERVIEW OF THE GROUP'S BUSINESS, OPERATIONS, FINANCIAL POSITION IN YEAR 2025 AND OUTLOOK FOR THE YEAR 2026.

1. OVERVIEW

Ralco started 37 years ago as a small plastic manufacturer renting a small factory in Kajang, Selangor with one (1) unit of blow molding machine and three (3) sets of molds to manufacture medium and big size containers catering mainly for both the local and Singapore markets. From its humble beginnings, it has over the years grown to be one of the key plastic blow molding and injection molding manufacturer of industrial pails, jerrycans and parts in Malaysia.

Products

Our product lines comprise mainly Jerrycans (blow molding) and Pails (injection molding) in various sizes. Jerrycans are widely used for the packing of liquid form of chemicals, medical products as well as for edible oils, while pails are utilized predominantly for the packing of paints for both household and industrial use.

We have also continued to improve customized services such as designing, printing and labelling including heat transfer, based on specific requirements from our customers.

Markets

The Group's turnover is mainly contributed from domestic market and approximately 26% to 35% from other regional markets.

Manufacturing Bases

Our office and the main plant are located in the Nilai Industrial Estate, in the state of Negeri Sembilan. Our factory at Nilai was built on a land measuring 4.51 acres with a total build-up area of approximately 141,000 sq. ft. with a total workforce of approximately 128 people and more than 47 machines.

2. BUSINESS REVIEW

During the financial year under review, the Group's revenue recorded a marginal decline compared to the preceding year. This variance was primarily attributable to lower sales volumes arising from weaker demand for both injection and blow molding products.

In response, the Company strategically transitioned from a volume-driven model to a margin-focused approach. Concurrently, the sales team successfully implemented pricing adjustments, including the renegotiation of selling prices across the core product range, to achieve improved margins and enhance market positioning.

On the cost front, management introduced a rigorous cost optimisation programme. Key initiatives included a strategic workforce restructuring and a hiring freeze on non-critical roles. In procurement, the team successfully renegotiated pricing with existing suppliers and qualified new alternative suppliers to secure more competitive raw material costs. These measures operate under a newly established value-proposition budgeting framework, ensuring that departmental expenditure aligns with strategic returns.

Furthermore, the management maintained close monitoring of production processes and material usage, resulting in reduced material consumption during the year. Through a structured schedule of training programmes, the overall technical capability of the workforce was significantly enhanced.

To address underutilised capacity, the sales team intensified commercial efforts to better align customer demand with available production output. These efforts focused on customer acquisition, reactivation, and deeper penetration within existing accounts.

MANAGEMENT DISCUSSION & ANALYSIS
Cont'd

3. FINANCIAL REVIEW

Revenue

The Group's revenue decreased by RM19.1 million or 37.6% to RM31.7 million for the current financial year 2025 as compared to RM50.8 million recorded in the previous year. The decrease in revenue was mainly due to the reduced sales volume, stemming from an increasingly competitive market environment and the strategic shift from a volumed-focused to a margin-focused business model.

Cost of Sales

Total cost of sales of the Group for the current financial year was RM31.1 million against RM48.8 million incurred in the previous financial year. This was mainly due to lower revenue generated during the year resulting in decreased procurement of raw materials and the reduction in material consumption during the production, thereby lowering the cost of goods sold.

Other Income

Other income decreased to RM1.4 million for the financial year ended 31 December 2025 as compared to RM4.8 million recorded in the previous financial year. The discount on non-current financial liabilities has decreased from RM4.2 million to RM0.2 million during the year, while the current financial year also includes a one-off fair value gain of RM0.5 million on investment properties.

Other Operating Expenses

The Group registered an increase in other operating expenses of RM0.6million in current financial year mainly attributed to the loss on disposal of Property, Plant and Equipment and provision provided on obsolete inventories.

Finance Costs

The financial cost of the Group increased to RM2.3 million in the current financial year from RM1.4 million in the previous financial year. This is mainly attributable to the unwinding of discount on non-current financial liabilities.

Taxation

The Group registered a decrease in the income tax expense in the current financial year due to the overprovision of taxation for the previous financial year.

Profit after Tax

The Group posted a loss after taxation of RM7.2 million for the current financial year ended 31 December 2025 as compared to a loss of RM2.5 million registered in the previous financial year. This is mainly due to the drop in other income during the current financial year, which was a one-off item.

Liquidity and Capital Resources

The Group cash position stood at RM1.3 million as at 31 December 2025 as compared to RM1.2 million as at 31 December 2024.

The net cash generated from operating activities was RM1.7 million as compared to the net cash used in operating activities RM1.5 million generated in the previous financial year.

MANAGEMENT DISCUSSION & ANALYSIS
Cont'd

4. DIVIDEND

No dividend has been proposed by the Board for the financial year ended 31 December 2025.

5. FUTURE OUTLOOK

The manufacturing and sale of industrial pails and jerrycans will still be the Group's core business in year 2026.

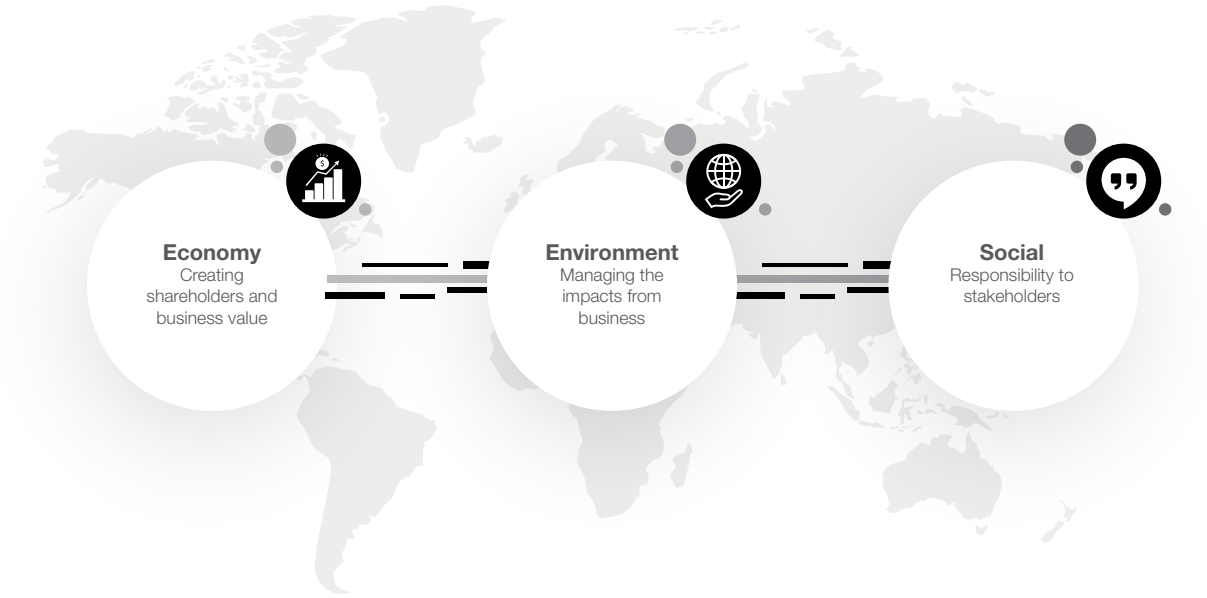
The shortage of resin supply will continue to add burden to the costs of raw material and overall production. In addition, the ongoing wars between Russia and Ukraine and Middle East will continue to cause a lot of uncertainty into the global demand of plastic products. In order to mitigate these factors, the management has deployed significant resources and prioritised the improvement in quality, productivity and cost effectiveness in our short and mid-term plans. We will also continue to develop revenue growth strategy and strengthen the relationship with the key customers to achieve organic growth in the long run.

In conclusion, the Board of Directors maintain a cautious outlook for the Group's performance in the coming financial year 2026.

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT

COMMITMENT TO SUSTAINABILITY

Ralco Corporation Bhd and its subsidiaries ("Group") are cognisant of the importance of sustainability in doing the business. We are committed to develop and secure a sustainable future while maintaining an equitable balance between the expectations of a wide range of stakeholders and continuing to create value for our shareholders. To ensure our sustainability efforts are focused on issues that matter most to our stakeholders, we have categorised our commitment into three (3) core pillars:



Governance Structure

We do not have a Sustainability Committee at the Board level, however the Risk Management Committee ("RMC") has been taking up the role and responsibilities of the Sustainability Committee. The Group MD plays the role of Chief Sustainability Officer ("CSO"), reporting directly to the RMC on any sustainability matters. The RMC oversees the strategies, policies, initiatives, targets and performance of the Group to ensure that the Group's business is conducted in a sustainable manner. The CSO is assisted by Risk Management Committee ("RMC") which oversees the implementation of the organisation's sustainability approach. Each business unit has its own Risk Management and Sustainability Working Group ("RMSWG") which allows RMC to leverage existing initiatives to identify material sustainability matters in respect of our three (3) core pillars concerning their respective business units, providing and collecting information, overseeing and ensuring integration of sustainability management into their respective business processes.

Scope and Basis

This Sustainability Statement has been developed based on the Sustainability Reporting Guide. The guidelines look beyond financial performance and corporate governance practices which are outlined in this annual report, to examine our non-financial performance relating to our internal and external communities as well as the environment.

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

COMMITMENT TO SUSTAINABILITY cont'd

Stakeholders' Engagement

We have been making progress and engaging with most of the stakeholders as indicated in the table below.

STAKEHOLDERS	METHOD OF ENGAGEMENT	STAKEHOLDERS' CONCERN	CORE PILLARS
Shareholder	❖ Annual General Meeting	❖ Business and financial performance	❖ Economy
Employees	❖ On-going training ❖ Performance appraisal system	❖ Human resource management ❖ Occupational health and safety	❖ Social
Customers	❖ Direct engagement ❖ Customer feedback	❖ Pricing ❖ Delivery ❖ Quality	❖ Economy ❖ Social
Suppliers	❖ Supplier meeting ❖ Supplier survey	❖ Quality product ❖ Cost efficiencies	❖ Economy ❖ Social
Government	❖ Regulatory compliance	❖ Regulatory disclosure ❖ Accountability	❖ Environmental ❖ Social
Communities	❖ Meeting engagement with local communities	❖ Local employment ❖ Environmental impact	❖ Social ❖ Environmental

Materiality Assessment

A Materiality Assessment is a stakeholder engagement exercise designed to gauge Ralco's most noteworthy economic, environmental and social impacts that may be important to stakeholders. The process helps us to identify, prioritise, validate and review the most significant areas on the basis of their impact on the business and the importance of these areas from stakeholders' perspectives.

The materiality matrix table will show outcome of Ralco's materiality assessment. Sustainability key matters have been rated on a scale of low, medium and high for the significant Group's Economic, Environmental and Social ("EES") impacts and the influence of stakeholder's assessment and decisions.

➢ **ECONOMIC**

The Group's business and operations have been experiencing a solid recovery after Covid-19 pandemic. The management will continue to focus on improving productivity and enhancing market share. Further explanation of our financial performance can be referred to the Management Discussion and Analysis section of this Annual Report.

The management will endeavour to create long-term value for our stakeholder and achieve sustainable business by delivering quality products.

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

COMMITMENT TO SUSTAINABILITY cont'd

Materiality Assessment cont'd

➢ **ECONOMIC** cont'd

(i) Corporate Governance and Risk Management

In order to ensure sound corporate governance and ethical business conducts are being practiced across the business operations, the Group has in place several policies with key notes as follows:-

Corporate Code of Conduct & Ethics ("Code")	This code of business conduct and principles serves to guide the operational standards that all the employees of RALCO Group of Companies follow, irrespective of locations. It complements the approach to corporate governance and corporate responsibility. It prescribes values and principles that the Company commits to uphold to ensure that business practices and dealings that the Company has relationships with, whether internal or external are governed by honesty, integrity and respect. o Employees are required to act honestly and legally at all times; o To ensure confidentiality of the Group's information; o To avoid any conducts that could risk or damage the Group's reputation; o To avoid personal interest being ahead of the Group's interest. o All applicable laws, rules and regulations must be adhered to accordingly. o Any conflict of interest must be avoided/disclosed promptly. o Disclosure of confidential information to unauthorised personnel and insider trading are strictly prohibited. o All employees must not engage in any fraudulent or dishonest activity. o Discrimination and harassment in workplace are prohibited.
Anti-bribery and Corruption Policy ("ABCP")	The Group is committed to carry out business dealings with integrity, trustworthiness and fairness. It avoids and discourage completely the practices of bribery and corruption of all forms in the company's daily operations. The Group has embraced a Zero Tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. Employees who refuse to pay or receive bribes or participate in any acts of corruption will not be penalised even if such refusal may result in the Company losing its business or not meeting its targets. The Group's Anti-Bribery and Anti-Corruption Policy ("this Policy") leverages the core principles set out in the Group's Code of Business Conduct. The scenarios provided within this Policy do not limit the boundaries of the Policy which may be extended to cover all circumstances relating to bribery. Compliance to the Policy is mandatory and will be monitored.
Whistleblowing Policy	Whistleblowing Policy adopted by the Group is a specific means by which any Employees or Stakeholders (i.e. shareholders/customers/suppliers) can report or disclose through established channels, genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements ("reportable misconduct") that is taking place/has taken place/may take place in the future; of which they become aware and to provide protection for the party, who report allegations of such malpractice/misconduct/wrongdoings. In case reporting to the management is a concern, then the concerns can be reported directly to the Chairman of Audit Committee. Name: Poo Lap Tuck Email: poolaptuck@hotmail.com

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

COMMITMENT TO SUSTAINABILITY cont'd

Materiality Assessment cont'd

- **ECONOMIC** cont'd

(i) Corporate Governance and Risk Management cont'd

The Code, ABCP and Whistle Blowing Policy are available for viewing on our website at www.ralco.net.

During the financial year 2025, no employees had been disciplined or dismissed, no contracts with suppliers or customers being terminated, nor have any public cases been brought against Ralco and its employees due to non-compliance with our Code, ABCP and/or any laws and regulations.

Risk Management Committee conducted risk assessment on an annual basis to identify and mitigate significant risks that are affecting our business operations. Our Committee is overseeing the risk management process of the Group in order to safeguard the interest of our various stakeholders. The details are discussed in the Statement on Risk Management and Internal Control in this Annual Report.

(ii) Quality Assurance

As a manufacturer of Jerrycans and Pails, Ralco placed upmost emphasis and commitment to deliver quality products to our customers. We apply stringent operating standards and quality controls in our quality management system in our business operations. In achieving the highest quality standards of products and services, we have been accredited to ISO 9001 : 2015 by SIRIM QAS International Sdn Bhd.

CERTIFICATE

SIRIM QAS International Sdn. Bhd. hereby certifies that

RALCO PLASTIC SDN. BHD.
LOT 1476, JALAN LENGKOK EMAS 1
NILAI INDUSTRIAL ESTATE
71800 NILAI
NEGERI SEMBILAN DARUL KHUSUS
MALAYSIA

has implemented a Quality Management System complying with

ISO 9001 : 2015

QUALITY MANAGEMENT SYSTEMS - REQUIREMENTS

Scope of Certification:

MANUFACTURE OF HIGH DENSITY POLYETHYLENE (HDPE) AND POLYPROPYLENE (PP) PLASTIC CONTAINERS (JERRYCANS, BOTTLES AND ROCANE PAILS), INJECTION AND BLOW MOULDING PARTS AND ASSESORIES AND PRINTING.

Issue Date	:	16 October 2021
Original Certification Date	:	15 October 1994
Expiry Date	:	14 October 2024
Certificate No	:	QMS 00220

NUR FADHILAH BINTI MUHAMMAD
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

IQNet
THE INTERNATIONAL CERTIFICATION NETWORK

CERTIFICATE

SIRIM QAS International Sdn. Bhd. has issued an IQNet recognized certificate that the organization:

RALCO PLASTIC SDN. BHD.
LOT 1476, JALAN LENGKOK EMAS 1
NILAI INDUSTRIAL ESTATE
71800 NILAI
NEGERI SEMBILAN DARUL KHUSUS
MALAYSIA

has implemented and maintains a

Quality Management System

for the following scope:

MANUFACTURE OF HIGH DENSITY POLYETHYLENE (HDPE) AND POLYPROPYLENE (PP) PLASTIC CONTAINERS (JERRYCANS, BOTTLES AND ROCANE PAILS), INJECTION AND BLOW MOULDING PARTS AND ASSESORIES AND PRINTING.

which fulfils the requirements of the following standard:

ISO 9001 : 2015

Issued on	:	15 October 2021
First issued on	:	15 October 1994
Expires on	:	14 October 2024

This attestation is directly linked to the IQNet Partner's original certificate and shall not be used as a stand-alone document

Registration Number : MY – QMS 00220

Nur Fadhilah binti Muhammad
Chief Executive Officer
SIRIM QAS International Sdn Bhd

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

COMMITMENT TO SUSTAINABILITY cont'd

Materiality Assessment cont'd

➢ **ENVIRONMENT**

The Group is mindful of the impact that its expanding operations can have on the environment and seeks to reduce the impact through effective and efficient management of resources including effluent and waste management practices.

(i) Waste Disposal

As a manufacturer, Ralco recognises its duty and responsibility in managing waste and effluent. We embed sustainability practices into our business processes to operate more efficiently and work towards minimising waste and effluent to the best of our ability. We ensure waste is disposed safely and recycled in compliance with the required regulations.

We have standard operating procedures to store and dispose scheduled wastes which are toxic and dangerous according to the Department of Environment ("DOE") requirements. Without proper and effective management control, it can lead to serious environmental pollution which has long-term effect on human health and damage to the environmental ecosystem. Currently, we manage our scheduled wastes by sending it to licensed collectors to ensure our scheduled wastes undergo proper recovery, recycling and disposal process. Our scheduled waste management process is managed by our own competent employees.

	FY 2025	FY 2024	FY 2023
Schedule Waste Generated	3.5 MTs	4.5 MTs	0 MTs
General Waste Generated	219.5 MTs	64 MTs	125 MTs

(ii) Energy Management

Conservation of resources is an important priority for manufacturing business. We made conscious effort in improving our manufacturing processes and are continuously working towards reducing the use of energy throughout the division. We have invested in servo systems in some production machines to reduce energy consumption. In addition, halogen lights were replaced with LED lighting which consumes lower energy and replacing Diesel/Petrol/LP Gas (fossil fuel) forklifts with Electric forklifts.

The Group has also invested in a solar PV Retrofitted Grid Connected System in year 2017 with the objective to contribute to climate change mitigation by reducing GHG emission into the atmosphere.

	FY 2025	FY 2024	FY 2023
Solar power generated (kWh)	304,188	277,132	338,727

(iii) Occupational Safety and Health

The Management views occupational safety and health at work environment for employees with utmost importance. Various actions are implemented to ensure workplace safety, such as:

- Enforcement of Safety and Health Policies and any regulation under Occupational Safety and Health Act (OSHA) 1994 and Factories and Machinery Act (FMA) 1967 to ensure safety guidance compliance;
- Frequent inspection and safety walkabout for detection of unsafe act and unsafe conditions;
- Liaise with Department of Occupational Safety and Health for Safety Audit and Inspection especially to renew Machine Certificates (Lift Hoist, Overhead Crane and Air Receiver tank);
- Requirement for sourcing experience contractors for maintenance work and Permit to work;
- Conduct job orientation and safety induction for new hired machine operators and conduct continuous on job training for new and existing operators; and
- Conducting Hazard Identification, Risk Assessment and Risk Control (HIRARC) for Standard Operating Procedure for all Job Scope.

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

COMMITMENT TO SUSTAINABILITY cont'd

Materiality Assessment cont'd

➢ **ENVIRONMENT**

(iii) Occupational Safety and Health cont'd

There is a Safety Officer which reports to the Factory Manager and Head of Production responsible for promoting safety measures adherence, identifying safety hazards and recommending corrective actions. The Group is conscious of the need to continuously improve, promote and implement safety and health culture to the employees. The Group's target is to work towards zero accidents and zero fatalities. Below is the statistic of accidents recorded for the year.

Description	FY 2025	FY 2024	FY 2023
Minor Injury < 5 days	6	2	0
Major Injury > 5 days (report to JKKP6)	0	1	2
Total no. of accident case	6	3	2

➢ **SOCIAL SUSTAINABILITY**

(i) Training and Education

We believe that our people are driving force of our business, thus, we put significant attention into workplace that improve the performance of people. The Group sponsored the participation of our skilled employees and managerial staff to seminars and workshops to enhance their technical competency and to promote skill development. The Group also provides various in-house job-related training to employees focusing mainly on productivity and respective fields of expertise to strengthen their skills set and knowledge in areas related to the Group's operations. The Group also showed its concern for the well-being of society by reaching out to the under-privileged group by providing job opportunity to the disabled personnel. We also provide internship programs for students from local institutions of higher learning.

Moving forward, our talent management strategy aims to polish our employees' knowledge and skills gaps with necessary on job trainings. We belief these initiatives will provide our employees to develop their career in company.

The seminars and trainings, includes virtual or webinar sessions attended by the employees of the Group during the year:

No.	Date	Seminar/Training Programs
1	2 January 2025	Induction training for new joiner, safety training & disciplinary management
2	2 January 2025	Briefing new QC checking criteria
3	5 January 2025	Safety for lorry driver
4	6 January 2025	Induction training for new joiner, safety training & disciplinary management
5	15 January 2025	Goods receiving from production
6	17 January 2025	Briefing new QC checking criteria
7	22 January 2025	House keeping
8	27 January 2025	Types of defect in blowing
9	27 January 2025	Goods receiving from production
10	27 January 2025	House keeping

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

COMMITMENT TO SUSTAINABILITY cont'd

Materiality Assessment cont'd

- **SOCIAL SUSTAINABILITY** cont'd

  (i) Training and Education cont'd

No.	Date	Seminar/Training Programs
11	3 February 2025	Induction training for new joiner, safety training & disciplinary management
12	13 February 2025	Induction training for new joiner, safety training & disciplinary management
13	14 February 2025	New DO flow for the driver
14	14 February 2025	SOP how to handling product (medical-blowing)
15	15 February 2025	Delivery and loading arrangement
16	18 February 2025	Understanding employment act 1955 & industrial act 1967
17	19 February 2025	Changes in in-process QC
18	21 February 2025	Occupational safety and health coordinator
19	24 February 2025	ISO 9001:2015-quality management systems auditor/lead auditor training course
20	26 February 2025	Process temp audit during conversion
21	28 February 2025	Preparation of caps and inserts for delivery
22	3 March 2025	Product handling sop for food-grade product
23	7 March 2025	Induction training for new joiner, safety training & disciplinary management
24	7 March 2025	Introducing reejction category daily production report
25	10 March 2025	Medical & food product arrangement
26	14 March 2025	Customer complaint issue
27	17 March 2025	Induction training for new joiner, safety training & disciplinary management
28	18 March 2025	Safety protocol & maintenance tasks
29	20 March 2025	Risk chemical to health & preventive action
30	22 March 2025	Finish goods & raw material & masterbatch arrangement
31	2 April 2025	Induction training for new joiner, safety training & disciplinary management
32	3 April 2025	Effect of excessive noise at work
33	14 April 2025	Induction training for new joiner, safety training & disciplinary management
34	21 April 2025	PE bag tie-up method for cover & pail
35	22 April 2025	Revised in-process QC form - blowing
36	23 April 2025	New revision schedule mould maintenance and service checklist for blowing
37	25 April 2025	Understanding of malaysia withholding tax obligations
38	2 May 2025	Noise and hearing conservation
39	12 May 2025	Chemical safety management & emergency spill control
40	13 May 2025	Induction training for new joiner, safety training & disciplinary management
41	14 May 2025	Sticker mixing ratio conversion sample
42	20 May 2025	Driver attire - during delivery
43	20 May 2025	Safety, health and environmental requirement
44	21 May 2025	7 QC tools
45	25 May 2025	Quality alert notice - neck height
46	26 May 2025	SHE committee meeting

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

COMMITMENT TO SUSTAINABILITY cont'd

Materiality Assessment cont'd

- **SOCIAL SUSTAINABILITY** cont'd

  (i) Training and Education cont'd

47	28 May 2025	Induction training for new joiner, safety training & disciplinary management
48	3 June 2025	SOP how to handling product (medical-blowing)
49	3 June 2025	Induction training for new joiner, safety training & disciplinary management
50	4 June 2025	Induction training for new joiner, safety training & disciplinary management
47	28 May 2025	Induction training for new joiner, safety training & disciplinary management
48	3 June 2025	SOP how to handling product (medical-blowing)
49	3 June 2025	Induction training for new joiner, safety training & disciplinary management
50	4 June 2025	Induction training for new joiner, safety training & disciplinary management
51	10 June 2025	5S activities at warehouse
52	10 June 2025	Emergency response team (ert)
53	19 June 2025	Refresher training for sop product handling
54	20 June 2025	Safety during trimming work
55	30 June 2025	Quality alert notice - capping test
56	7 July 2025	Briefing insurance benefit
57	7 July 2025	Induction training for new joiner, safety training & disciplinary management
58	10 July 2025	Material & master batch receiving from supplier
59	10 July 2025	Issuing material to production
60	18 July 2025	ERT briefing
61	18 July 2025	Audiometric briefing
62	18 July 2025	SHE committee meeting (fc renewal for bomba inspection)
63	29 July 2025	Finish goods & raw material & masterbatch arrangement
64	7 August 2025	MIA webinar series : operational analyses and process improvements with financial outcomes
65	11 August 2025	Operator training : real identify defect via visual checking
66	15 August 2025	Issuing material to production
67	18 August 2025	Risk management and section 17a MACC act 2009
68	18 August 2025	Induction training for new joiner, safety training & disciplinary management
69	20 August 2025	Penyediaan employee handbook dan dokumen hr
70	22 August 2025	Induction training for new joiner, safety training & disciplinary management
71	22 August 2025	Material & master batch receiving from supplier
72	25 August 2025	SHE committee meeting (fc renewal for bomba inspection)
73	28 August 2025	Transfer pricing documentation do it yourself conference
74	28 August 2025	MIA webinar series : sst : new service tax scope for construction industry
75	3 September 2025	SHE committee meeting (fc renewal for bomba inspection)
76	3 September 2025	2025 Risk & opportunity assessment
77	9 September 2025	Induction training for new joiner, safety training & disciplinary management
78	22 September 2025	New procedure for ecn issuance & documentation

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

COMMITMENT TO SUSTAINABILITY cont'd

Materiality Assessment cont'd

- **SOCIAL SUSTAINABILITY** cont'd

  (i) Training and Education cont'd

79	23 September 2025	Analysis autocount
80	25 September 2025	Daily balance material / mb at mixing area
81	26 September 2025	Refresher training stock take sop
82	1 October 2025	Stock take procedure & responsibility
83	3 October 2025	Role model in safety
84	17 October 2025	SHE committee meeting (fc renewal for bomba inspection)
85	23 October 2025	MIA webinar series : investment analysis on property industry
86	27 October 2025	Safety briefing on canteen temporary close
87	3 November 2025	ERT bomba training (sains kebakaran)
88	3 November 2025	MACC 17a - mitigation & action plan
89	3 November 2025	MACC section 17a compliance
90	4 November 2025	ERT bomba training (first aid & fire extenguisher)
91	5 November 2025	ERT bomba training (kawad hos)
92	12 November 2025	MACC 17a - mitigation & action plan
93	27 November 2025	SHE committee meeting (fc renewal for bomba inspection)
94	1 December 2025	Morning briefing with operation department
95	1 December 2025	Bomba inspection closing meeting
96	5 December 2025	Printing control & customer complaint
97	11 December 2025	Refreshing training for the quality department
98	18 December 2025	Schedule waste management in the factory
99	23 December 2025	Toolbox briefing (ppe awareness)

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

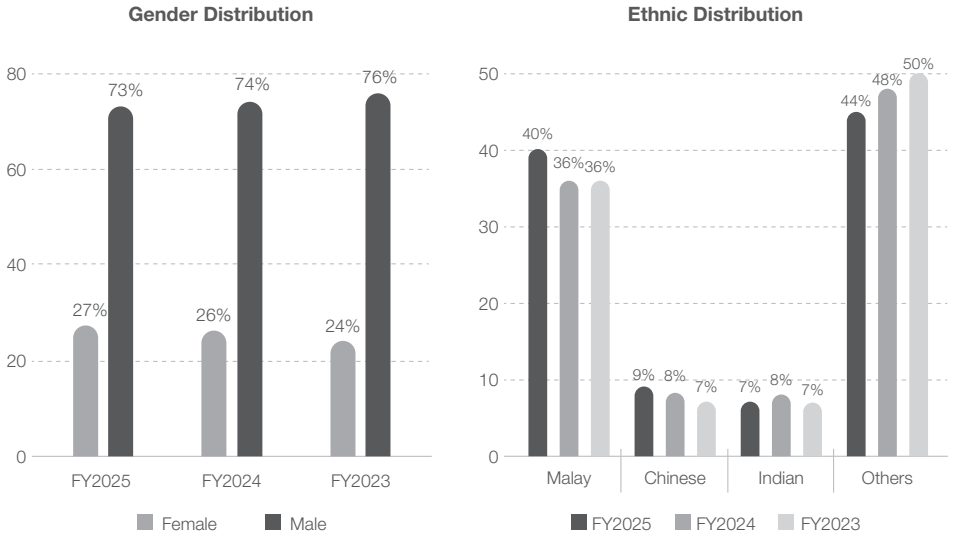
COMMITMENT TO SUSTAINABILITY cont'd

Materiality Assessment cont'd

➢ **SOCIAL SUSTAINABILITY** cont'd

(ii) Workforce Diversity and Inclusion

The Group believes the values of equality. All recruitment and employments are strictly based on the competency of the candidates. The Group does not practice any form of gender, ethnicity and/or age discrimination, and all candidates are given fair and equal opportunity. Display below the distribution of our workforce demographic:



(iii) Compliance to Minimum Wage

The Group complies to the minimum wages, i.e. RM1,700 per month under the Minimum Wage Order 2025 that effective since 1 February 2025. This is to ensure that the low-income groups are able to attain minimum acceptable living standards and elevation from poverty. In Ralco, we offered more than the minimum wage to attract workers and retain skill workers.

STATEMENT OF ASSURANCE

The contents of this report have been reviewed by the Risk Management Committee and presented to the Board of Directors for approval prior to publishing.

To strengthen the credibility of the Sustainability Statement, this Statement have been internally reviewed by the Group's internal auditor.

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT
Cont'd

ESG PERFORMANCE DATA

Indicator	Unit	FY2023	FY2024	FY2025
Anti-corruption				
Total employees who have received training on anti-corruption by employee category				
Management	*%*	20.00%	63.64%	70.00%
Executive	*%*	16.67%	24.00%	66.67%
Non-executive/Technical Staff	*%*	0.56%	4.51%	47.42%
Operations assessed for corruption-related risks	*%*	0%	0.00%	0.00%
Confirmed incidents of corruption and action taken	*Number*	0%	0.00%	0.00%
Community/Society				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	*MYR*	10,000	3,000	500
Total number of beneficiaries of the investment in communities	*Number*	1	1	1
Diversity				
Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	*Percentage*	0.00%	0.00%	20.00%
Management Between 30-50	*Percentage*	50.00%	54.55%	50.00%
Management Above 50	*Percentage*	50.00%	45.45%	30.00%
Executive Under 30	*Percentage*	20.83%	16.00%	9.52%
Executive Between 30-50	*Percentage*	58.34%	72.00%	71.43%
Executive Above 50	*Percentage*	20.83%	12.00%	19.05%
Non-executive/Technical Staff Under 30	*Percentage*	27.93%	22.56%	20.62%
Non-executive/Technical Staff Between 30-50	*Percentage*	60.90%	63.91%	63.92%
Non-executive/Technical Staff Above 50	*Percentage*	11.17%	13.53%	15.46%
Gender Group by Employee Category				
Management Male	*Percentage*	71.43%	72.73%	60.00%
Management Female	*Percentage*	28.57%	27.27%	40.00%
Executive Male	*Percentage*	50.00%	44.00%	42.86%
Executive Female	*Percentage*	50.00%	56.00%	57.14%
Non-executive/Technical Staff Male	*Percentage*	79.89%	79.70%	81.44%
Non-executive/Technical Staff Female	*Percentage*	20.11%	20.30%	18.56%
Percentage of directors by gender and age group				
Male	*Percentage*	83.33%	83.33%	83.33%
Female	*Percentage*	16.67%	16.67%	16.67%
Under 30	*Percentage*	0.00%	0.00%	0.00%
Between 30-50	*Percentage*	16.67%	16.67%	16.67%
Above 50	*Percentage*	83.33%	83.33%	83.33%
Energy management				
Total energy consumption	*Megawatt*	11,595.2	9,574.7	6,395.7
Healthy and Safety				
Number of work-related fatalities	*Number*	0	0	0
Lost time incident rate ("LTIR")	*Rate*	0.00	1.02	4.00
Number of employees trained on health and safety standards	*Number*	46	25	74

CORPORATE RESPONSIBILITY & SUSTAINABILITY STATEMENT

Cont'd

ESG PERFORMANCE DATA

Indicator	Unit	FY2023	FY2024	FY2025
Labour practices and standards				
Total hours of training by employee category				
Management	*Hours*	112	239	202
Executive	*Hours*	180	147	628
Non-executive/Technical Staff	*Hours*	460	215	1117
Employees that are contractors or temporary staff	*Percentage*	42.86%	4.14%	0%
Total number of employee turnover by employee category				
Management	*Number*	17	17	15
Executive	*Number*	14	12	11
Non-executive/Technical Staff	*Number*	120	58	49
Substantiated complaints concerning human rights violations	*Number*	0	0	0
Supply chain management				
Proportion of spending on local suppliers	*Percentage*	86.00%	83.76%	94.98%
Data privacy and security				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	*Number*	0	0	0
Water				
Total volume of water used	*Megalitres*	41.61	31.24	20.29
Waste management				
Total waste generated	*Metric tonnes*	125.00	68.50	223.00
Total waste diverted from disposal	*Metric tonnes*			30.64
Total waste directed to disposal	*Metric tonnes*			192.44
Emissions management				
Scope 1 emissions in tonnes of CO_2e (i)	*Metric tonnes*			173,719
Scope 2 emissions in tonnes of CO_2e (ii)	*Metric tonnes*			4,950
Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting) (iii)	*Metric tonnes*			3,900

(i) The conversion factor for petrol and diesel has been calculated using the carbon footprint calculator *https://lcosbasic.mgtc.gov.my/*

(ii) The conversion factor for electricity has been calculated using the carbon footprint calculator *https://lcosbasic.mgtc.gov.my/*

(iii) The conversion factor for business travel and employee commuting mileage have been calculated using the carbon footprint calculators *https://calculator.carbonfootprint.com/calculator.aspx?tab=4* and *https://lcosbasic.mgtc.gov.my/*

Note : The data has been verfied by Internal Audit.

Restated to improve accuracy

Ralco Corporation Berhad

BMLR Transition Period

Date & Time: 2026-04-28_11:15:52

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Corporate Governance and Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	70	—	Internal	-
Corporate Governance and Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	66.67	—	Internal	-
Corporate Governance and Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - Non-executive/Technical Staff	Percentage	47.42	—	Internal	-
Corporate Governance and Anti-corruption	Operations assessed for corruption-related risks	Percentage	0	—	Internal	-
Corporate Governance and Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	—	Internal	-
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	500	—	Internal	-
Community/Society	Total number of beneficiaries of the investment in communities	Number	1	—	Internal	-
Diversity	Age Group by Employee Category - Management Under 30	Percentage	20	—	Internal	-
Diversity	Age Group by Employee Category - Management Between 30-50	Percentage	50	—	Internal	-

Ralco Corporation Berhad
BMLR Transition Period

Date & Time: 2026-04-28_11:15:52
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Age Group by Employee Category - Management Above 50	Percentage	30	—	Internal	-
Diversity	Age Group by Employee Category - Executive Under 30	Percentage	9.52	—	Internal	-
Diversity	Age Group by Employee Category - Executive Between 30-50	Percentage	71.43	—	Internal	-
Diversity	Age Group by Employee Category - Executive Above 50	Percentage	19.05	—	Internal	-
Diversity	Age Group by Employee Category - Non-executive/Technical Staff Under 30	Percentage	20.62	—	Internal	-
Diversity	Age Group by Employee Category - Non-executive/Technical Staff Between 30-50	Percentage	63.92	—	Internal	-
Diversity	Age Group by Employee Category - Non-executive/Technical Staff Above 50	Percentage	15.46	—	Internal	-
Diversity	Gender Group by Employee Category - Management Male	Percentage	60	—	Internal	-
Diversity	Gender Group by Employee Category - Management Female	Percentage	40	—	Internal	-
Diversity	Gender Group by Employee Category - Executive Male	Percentage	42.86	—	Internal	-

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Gender Group by Employee Category - Executive Female	Percentage	57.14	—	Internal	-
Diversity	Gender Group by Employee Category - Non-executive/Technical Staff Male	Percentage	81.44	—	Internal	-
Diversity	Gender Group by Employee Category - Non-executive/Technical Staff Female	Percentage	18.56	—	Internal	-
Diversity	Directors by gender group - Male	Percentage	83.33	—	Internal	-
Diversity	Directors by gender group - Female	Percentage	16.67	—	Internal	-
Diversity	Directors by age group - Under 30	Percentage	0	—	Internal	-
Diversity	Directors by age group - Between 30-50	Percentage	16.67	—	Internal	-
Diversity	Directors by age group - Above 50	Percentage	83.33	—	Internal	-
Energy management	Total energy consumption	Megawatt	6395.7	—	Internal	-
Healthy and Safety	Number of work-related fatalities	Number	0	—	Internal	-
Healthy and Safety	Lost time incident rate ("LTIR")	Rate	4.00	—	Internal	-
Healthy and Safety	Number of employees trained on health and safety standards	Number	74	—	Internal	-
Labour practices and standards	Total hours of training by employee category - Management	Hours	202	—	Internal	-

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour practices and standards	Total hours of training by employee category - Executive	Hours	628	—	Internal	-
Labour practices and standards	Total hours of training by employee category - Non-executive/Technical Staff	Hours	1117	—	Internal	-
Labour practices and standards	Employees that are contractors or temporary staff	Percentage	0	—	Internal	-
Labour practices and standards	Total number of employee turnover by employee category - Management	Number	15	—	Internal	-
Labour practices and standards	Total number of employee turnover by employee category - Executive	Number	11	—	Internal	-
Labour practices and standards	Total number of employee turnover by employee category - Non-executive/Technical Staff	Number	49	—	Internal	-
Labour practices and standards	Substantiated complaints concerning human rights violations	Number	0	—	Internal	-
Supply chain management	Proportion of spending on local suppliers	Percentage	94.98	—	Internal	-
Data privacy and security	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	Internal	-
Water	Total volume of water used	Megalitres	20.29	—	Internal	-

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Waste management	Total waste generated	Metric tonnes	223.00	—	Internal	-
Waste management	Total waste diverted from disposal	Metric tonnes	30.64	—	Internal	-
Waste management	Total waste directed to disposal	Metric tonnes	192.44	—	Internal	-
Emissions management	Scope 1 emissions in tonnes of CO2e	Metric tonnes	173719	—	Internal	-
Emissions management	Scope 2 emissions in tonnes of CO2e	Metric tonnes	4950	—	Internal	-
Emissions management	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	3900	—	Internal	-

AUDIT COMMITTEE REPORT

The objective of the Audit Committee is to assist the Board in fulfilling its fiduciary responsibilities relating to internal control, providing oversight of the financial reporting process, scrutinises all quarterly results and annual statutory financial statements of the Group prior to official release to regulatory authorities and shareholders. The Audit Committee will endeavour to adopt various practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to the shareholders of the Company.

1. COMPOSITION AND SUMMARY OF ATTENDANCE

As at the date of this Annual Report, the Audit Committee comprises the following Non-Executive Director:-

No.	Name of Directors	Designation
(1)	Dr. Damien Lim Yat Seng [(i)] (Former Chairman)	Senior Independent Non-Executive Director
(2)	Poo Lap Tuck (Chairman) [(ii)]	Senior Independent Non-Executive Director
(3)	Heng Chee Wei (Member)	Non-Independent Non-Executive Director
(4)	Lau Wai Ching (Former Member) [(iii)]	Independent Non-Executive Director
(5)	Lee Set Yee (Member) [(iv)]	Independent Non-Executive Director

Notes:

(i) Dr. Damien Lim Yat Seng resigned as Chairman of Audit Committee on 2 March 2026.
(ii) Poo Lap Tuck appointed as Chairman of Audit Committee on 8 April 2026.
(iii) Lau Wai Ching ceased to serve as a member of Audit Committee on 22 August 2025.
(iv) Lee Set Yee appointed as a member of Audit Committee on 22 August 2025.

The composition of the Audit Committee complies with Paragraph 15.09 of the MMLR that all the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors. Mr. Poo Lap Tuck and Mr. Heng Chee Wei are members of the Malaysian Institute of Accountants.

The Audit Committee conducted five (5) meetings during the financial year. The details of the attendance of the Audit Committee members are set out as follows:

No.	Name of Directors	Designation	Number of Meetings held and attended during financial year ended 31 December 2025
(1)	Dr. Damien Lim Yat Seng [(i)] (Former Chairman)	Senior Independent Non-Executive Director	5/5
(2)	Poo Lap Tuck (Chairman) [(ii)]	Senior Independent Non-Executive Director	N/A
(3)	Heng Chee Wei (Member)	Non-Independent Non-Executive Director	5/5
(5)	Lau Wai Ching (Former Member) [(iii)]	Independent Non-Executive Director	3/3
(6)	Lee Set Yee (Member) [(iv)]	Independent Non-Executive Director	2/2

Notes:

(i) Dr. Damien Lim Yat Seng resigned as Chairman of Audit Committee on 2 March 2026.
(ii) Poo Lap Tuck appointed as Chairman of Audit Committee on 8 April 2026.
(iii) Lau Wai Ching ceased to serve as a Member of Audit Committee on 22 August 2025.
(iv) Lee Set Yee appointed as a Member of Audit Committee on 22 August 2025.

AUDIT COMMITTEE REPORT
Cont'd

1. COMPOSITION AND SUMMARY OF ATTENDANCE cont'd

During the financial year, the Board, through Nomination Committee has reviewed the term of office and assessed the performance of the Audit Committee. The Board is satisfied that the Audit Committee has discharged its duties in accordance with Terms of Reference.

None of the Audit Committee members were former partners of the external audit firm of the Company within three (3) years preceding the financial year ended 31 December 2025.

2. SUMMARY OF THE WORKS DURING THE FINANCIAL YEAR

The works carried out by the Audit Committee in discharging its duties and functions with respect to their responsibilities during the financial year are summarised as follows:

Financial Reporting

The Audit Committee reviewed the quarterly and annual financial statements required by Bursa Securities with the management team prior to making recommendation for the Board's approval. The review focused on changes in accounting policies and practices, major judgmental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with the MMLR of Bursa Securities and other legal requirements.

In reviewing the annual financial results of the Group, the Audit Committee communicated with the external auditors, Messrs TGS TW PLT ("TGS") with particular focus on significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed, and compliance with the applicable approved accounting/auditing standards in Malaysia and other legal and regulatory requirements.

The Audit Committee keeps itself apprise of changes in accounting policies and guidelines through regular updates by the external auditors.

External Audit

The Audit Committee discussed with the external auditors the audit plan and scope of work for the Group, and the report on the audit of the year-end financial statements; reviewed audit findings and reservations arising from the audits, significant accounting issues and any matter the external auditors may wish to discuss.

In addition, the Audit Committee reviewed and evaluated TGS's audit plan for the financial year ended 31 December 2025. TGS's audit plan covered its engagement team, concept of materiality, independence and objectivity, and the areas of audit emphasis. The Audit Committee also reviewed key audit issues raised by TGS from its Audit Planning Memorandum including Management's responses/actions taken on the resolution of such issues.

Besides, the Audit Committee has assessed the independence, objectivity and suitability of TGS prior to the recommendation of re-appointment of TGS. Based on the assessment, the Audit Committee is satisfied that there is no conflict of interest situation.

The Audit Committee is of the opinion that the auditors' independence has not been compromised based on the confirmation provided by the external auditors.

During the financial year, private sessions were held between the Audit Committee and the External Auditors without the presence of any Executive Directors and the Management to discuss any issue arising from the audit. There were no areas of concern that warranted escalation to the Board.

AUDIT COMMITTEE REPORT
Cont'd

2. SUMMARY OF THE WORKS DURING THE FINANCIAL YEAR cont'd

Internal Audit

The Audit Committee, with the support of the internal auditor, conducted a comprehensive review of the Enterprise Risk Management ("ERM") framework. They closely monitored and followed up on remedial actions, assessed the corrective measures implemented by Management to resolve issues, and ensured that all critical concerns were effectively and promptly addressed. Additionally, the Audit Committee verified the independence, competency, and adequacy of resources within the internal audit function.

Related Party Transactions

The Audit Committee reviewed all significant related party transactions entered into by the Group and the Company to ensure that such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the internal control procedures employed are both sufficient and effective before recommending to the Board for approval.

Conflict of Interest

The Audit Committee reviewed all the conflict of interest or potential conflict of interest's declarations made by the respective persons as at the financial year under review and concluded that sufficient disclosure of all conflict of interest or potential conflict of interest had been made and documented.

Others

The Audit Committee has full access to and co-operation of Management. The Audit Committee also has full discretion to invite any director or executive officer to attend its meetings and has been given adequate resources to discharge its functions. The Audit Committee had met with the external auditors without the presence of Management during the financial year.

The Audit Committee has reviewed the Statement on Risk Management and Internal Control and Audit Committee Report in accordance with the MMLR of Bursa Securities and Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuer, for inclusion into the Annual Report.

3. TERMS OF REFERENCE OF AUDIT COMMITTEE

The Audit Committee reviewed the Terms of Reference of the Audit Committee on 28 April 2026 to ensure that the terms of reference were in line with the MCCG and MMLR.

The full details of the Terms of Reference of the Audit Committee are published on the Company's website at www.ralco.net.

AUDIT COMMITTEE REPORT
Cont'd

4. INTERNAL AUDIT FUNCTION

Mr. Ken Teh Kian Lang has ceased to be the Internal Auditor on 7 November 2025 as he has passed the retirement age, the Group has appointed GovernAce Advisory & Solutions Sdn Bhd as our outsourced internal auditors. The change reflects the Group's decision to transition from an in-house internal audit function to an outsourced internal audit service provider. This move is intended to enhance independence, broaden the scope of expertise, and provide greater flexibility in resourcing, thereby strengthening the overall effectiveness of the Group's internal audit function.

The internal auditor reports directly to the Audit Committee and has principal responsibilities to undertake independent reviews of the internal control system, which includes the following:

(i) reviewing and appraising the adequacy, integrity and effectiveness of the current system of internal control of the Group.

(ii) performing risk assessment of the Group to identify and evaluate the principal risk factors and ensuring the implementation of appropriate internal control processes and procedures to mitigate these risks.

(iii) allocating adequate audit resources, in accordance with the internal audit plan approved by the Audit Committee, to carry out internal audits on key operations of the Group so as to provide the Board with an effective and efficient audit coverage.

During the financial year, the internal auditor has undertaken the following activities:

- Conducted follow-up audits on Risk Management to ensure that the corrective actions on reported weaknesses were taken within the required timeframes were implemented appropriately by the relevant management members;
- Attended the Audit Committee and Risk Management Committee Meetings and tabled and discussed on the results of the follow-up Audit on Risk Management; and
- Briefed the Audit Committee on the compliance readiness with the Malaysian Anti-Corruption Commission ("MACC") Section 17A.

The relevant Management members were made responsible for ensuring that the appropriate corrective actions were taken.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2025 is RM52,132.00.

Further details of the Internal Audit Function are set out in the Statement on Risk Management and Internal Control on pages 52 to 54 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Ralco Corporation Berhad ("the Board") continues to recognise the importance of practising good corporate governance to direct the businesses of the Company and its subsidiaries (together as "the Group") towards enhancing business and long-term value for its shareholders. It remains committed to ensure that the highest standards of accountability and transparency are practised throughout the Group as the underlying principle in discharging its responsibilities.

The Board presents this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board during the financial year 2025. This overview takes guidance from the key corporate governance principles as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") with reference to the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Securities Berhad ("Bursa Securities").

This statement is prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Securities and it is to be read together with the Corporate Governance Report ("CG Report") of the Company which is available at the Company's website at www.ralco.net.

The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG 2021 during the financial year 2025.

Principle A - Board leadership and effectiveness

1.1 Board Responsibilities

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company, and charting the course of the Group's business operations whilst providing effective oversight of Management's performance, risk assessment, controls and integration of sustainability considerations over business operations. The Board delegates and confers some of its authorities and discretion on the Chairman, Managing Director, and Management as well as on properly constituted Board Committees comprising exclusively Non-Executive Directors.

All members of the Board are aware of their responsibilities to take decision objectively which promote the success of the Group for the benefits of the shareholders and other stakeholders. The roles and responsibilities of the Board are clearly set out in the Board Charter which is available on the Company's website.

The positions of the Chairman and the Managing Director are held by two different individuals. The Chairman of the Board is Dato' Chong Kim Fatt, an Independent Non-Executive Director whilst the Managing Director is Mr. Tan Heng Ta.

There is a clear division of responsibilities between the Chairman of the Board and the Managing Director. The Chairman ensures the smooth and effective functioning of the Board, leads strategic planning at the Board level and instilling good corporate governance practices. The Managing Director is responsible for executing the vision and strategic direction of the Group determined by the Board. The Managing Director is primarily accountable for overseeing the day-to-day operations of the Group to ensure the effective running of the Group.

The Board Committees are made up of Risk Management Committee, Audit Committee, Nomination Committee and Remuneration Committee; and are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference. The Chairman of the relevant Board Committees report to the Board on key issues deliberated by the Board Committees at their respective meetings. The ultimate responsibilities for decision making, however, lies with the Board.

The Chairman of the Board, Dato' Chong Kim Fatt, is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.

The Board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies priorities and targets. The Board takes into account sustainability considerations when exercising its duties including amongst others the development and implementation of company strategies, business plans, major plans of action and risk management. The Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities and will include a review of the performance of the Board and senior management in addressing the company's material sustainability risks and opportunities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

1.1 Board Responsibilities cont'd

The Board has identified Mr. Tan Heng Ta as the designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

The following are the Board's principal roles and responsibilities in discharging its leadership function and fiduciary duties towards meeting the goals and objective of the Group:-

1. Business plan and budget;
2. Capital Management and investment policies;
3. Authority limits/levels;
4. Risk Management policies;
5. Declaration of Dividends;
6. Business Continuity Plan;
7. Issuance of new Securities;
8. Business restructuring;
9. Expenditure above a certain limit; and
10. Material acquisitions and disposition of assets.

Looking ahead to 2026, the priorities of the Board will be in the following areas:-

1. To integrate sustainability matters into the strategies of the Group; and
2. To source suitable female directors to achieve 30% female representative on the Board, should any vacancies arise.

1.2 Qualified and competent company secretaries

In performing their duties, all Directors have access to the services of the Companies Secretaries. The Company Secretaries have been providing guidance to the Board, particularly on corporate governance issues and compliance with relevant policies and procedures, rules and regulatory requirements and ensure good information flow within the Board, Board Committees and Management. The Company Secretary attends all meetings of the Board and Board Committees and guides the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Companies Act 2016, MMLR, etc. The Company Secretary shall continue to guide the Directors on the requirements to be observed arising from new regulations and guidelines issued by the authorities.

1.3 Access to information and Advice

All Directors have unrestricted access to the Group's business and affairs including inter alia, financial results, annual budgets, business reviews against business plan and progress reports, operation reports on the Group's development and business strategies to ensure effective functioning of the Board.

In furtherance of their duties, all Directors may seek independent professional advice at the Company's expense on specific issues to provide additional insight and professional views, advice and explanations, where necessary.

Board Meetings for the ensuing year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead and full attendance at Board Meeting.

The notice of agenda together with minutes of the previous meeting and other relevant information will be circulated to the Board at least five (5) days before the meetings. This is to ensure that all Directors have sufficient time to obtain further explanation, where necessary, in order to be fully informed of the matters to be discussed during the meeting. The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory, market developments and minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informed decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

1.3 Access to information and Advice cont'd

The Company Secretaries are entrusted to record the Board's deliberations, in terms of issues discussed, ensures that the deliberations at Board and Board Committee meetings are documented, and subsequently communicated to Management for appropriate actions. The minutes of the previous Board and Board Committee meetings are distributed to the Directors/Committees prior to the meeting for their perusal before confirmation of the minutes at the commencement of the following Board meeting. To facilitate productive and meaningful deliberations, the Directors will comment or request for clarification before the minutes are tabled for confirmation as a correct record of the proceedings of the meeting. Management provides Directors with complete and timely information prior to meetings and on-going basis to enable them making informed decisions.

1.4 Board Charter

In discharging its duties, the Board is constantly mindful of the need to safeguard the interests of the Group's stakeholders. In order to facilitate the effective discharge of its duties, the Board is guided by the Board Charter which was reviewed and revised by the Board and the same has been published on the Company's website.

The Board Charter serves to ensure that all Board members acting on the Group's behalf are aware of their expanding roles and responsibilities. It sets out the strategic intent and specific responsibilities to be discharged by the Board members collectively and individually. It also regulates on how the Board conducts business in accordance with the Corporate Governance principles.

The Board will continue to review the Board Charter periodically to ensure that it is updated in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the Board's responsibilities.

The Board Charter is available on the Group's website at www.ralco.net.

1.5 Formalised ethical standards through Code of Conduct

The Group is committed to achieving and monitoring high standards pertaining to behaviour at work.

The Board is guided by the Company's Code of Conduct & Principles ("Code of Conduct") and Anti-Bribery and Anti-Corruption Policy in discharging its oversight role effectively. The Code of Conduct requires all Directors and Management to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Groups' business and professional practice and act in good faith in the best interest of the Company and its shareholders. A summary of the Code of Conduct is available on the Group's website at www.ralco.net.

In addition, all employees are encouraged to report genuine concerns about unethical behaviour or malpractices. Any such concern should be raised with senior management, and an appropriate action will be taken by the Company. If for any reason, it is believed that this is not possible or appropriate, then the concern should be reported to the Senior Independent Non-Executive Director of the Company.

1.6 Whistle Blowing Policy

The Group has adopted a Whistle-blowing Policy ("the Policy") to enable employees and any other persons to report instances of unethical behaviour, actual or suspected fraud and/or abuse within the Company. This policy has been disseminated throughout the organisation with briefing by the Human Resources Department on its use by employees.

The Policy facilitates an open and transparent corporate culture within the organisation, promoting accountability and enabling the Group to respond nimbly to changes in environment. It also serves to encourage and provide an alternative means for employees and any other persons ("Reporting Persons") to raise a concern outside the normal reporting channels. Such good faith reporting must not be made recklessly, maliciously, and/or for personal gain. The Policy has been disseminated to all staff and is available on the Group's website at www.ralco.net.

Any party who has reasonable belief that there is serious malpractice relating to any matter disclosed, may direct such complaint and report to the Managing Director of the Company or General Manager of the Company or Chairman of Audit Committee in writing. Management will ensure that any employee of the Company who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such complainant shall be kept confidential.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

1.7 Anti-Bribery and Corruption ("ABC") Policy

The Board has adopted the ABC Policy to incorporate the policies and procedures on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020.

The Group strictly prohibits all forms of bribery and corruption and will take all necessary steps to ensure that it complies with and conducts its business with transparency.

The ABC Policy is available on the Group's website at www.ralco.net.

1.8 Fit and Proper Policy

In line with the amendment to the MMLR, the Board had adopted the Directors' Fit and Proper Policy which outline the fit and proper criteria for the appointment and re-appointment of Directors on the Board of the Company.

The said policy also ensures that each of the Directors has the character, skills, knowledge, experience, honesty and integrity, competence and capability, financial soundness, and time to effectively discharge his/her role as a Director of the Company and its subsidiaries, and in tandem with good corporate governance practices.

In addition, the policy also serves as a guide to the NC and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election at the forthcoming annual general meeting of the Company.

The Fit and Proper Policy is available on the Group's website at www.ralco.net.

1.9 Conflict of Interest Policy

As part of the governance process, the Board has formalised and adopted the Conflict of Interest Policy ("COI Policy"). The COI Policy aims to effectively identify and manage actual, potential and perceived conflicts of interest and provide guidance on how to deal with conflict of interest situations as they arise.

The COI Policy is available on the Group's website at www.ralco.net.

2. Composition of the Board

As at the date of this statement, the Board comprised six (6) members, of whom three (3) are Independent Non-Executive Directors, whom two (2) Non-Independent Non-Executive Director and one (1) Managing Director.

The three (3) Independent Non-Executive Directors fulfilled the criteria of independence as defined in the MMLR. The Board composition has met the requirements in the MMLR and the MCCG 2021 as at least half of its members are Independent Directors. The Board members are persons of high calibre and integrity, and provide a wealth of knowledge, experience and skills in the key areas of accountancy, business operations and development, finance and risk management, amongst others.

The size and composition of the Board are reviewed by the Nomination Committee annually, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives. The Nomination Committee also aims to maintain a diversity of gender, expertise, skills, ethnicity and attributes among the Directors, so as to form a quality Board that can contribute to more robust decision making and thereby, increase governance and shareholders value.

The Board acknowledges the importance of diversity in boardroom and senior management. The Group strictly adhered to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which included the selection of Board members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

2. Composition of the Board cont'd

Based on the review of the Board composition, there is one (1) female director on the Board of the Company during the financial year 31 December 2025, namely Ms Lee Set Yee. The Nomination Committee has been tasked to consider the female representation when a vacancy arises and/or suitable candidates are identified. The Nomination Committee will take steps to ensure that women candidates are sought as part of its recruitment exercise in order to achieve the optimum size with the right diversity. As such, this pursuit will continue to be a priority on the Board agenda in year 2026 and the Company will endeavour to achieve 30% female directors.

The appointment of a new Board member will not be guided solely by gender but will also take into account the skills-set, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

On 22 August 2025, Ms. Lau Wai Ching resigned as an Independent Non-Executive Director of the Company and Ms. Lee Set Yee is appointed in her place.

On 2 March 2026, Dr. Damien Lim Yat Seng resigned as a Senior Independent Non-Executive Director of the Company.

On 8 April 2026, Mr. Poo Lap Tuck appointed as a Senior Independent Non-Executive Director of the Company.

2.1 Nomination Committee

As at the date of this statement, the Nomination Committee comprises wholly Non-Executive Directors of which majority are Independent Directors and the members are as follows:-

No.	Name of Directors	Designation	Number of Meetings held and attended during financial year ended 31 December 2025
(1)	Dr. Damien Lim Yat Seng [i] (Former Chairman)	Senior Independent Non-Executive Director	1/1
(2)	Poo Lap Tuck (Chairman) [ii]	Senior Independent Non-Executive Director	N/A
(3)	Heng Chee Wei (Member)	Non-Independent Non-Executive Director	1/1
(4)	Law Doung Chin (Former Member) [iii]	Non-Independent Non-Executive Director	1/1
(5)	Lau Wai Ching (Former Member) [iv]	Independent Non-Executive Director	N/A
(6)	Lee Set Yee (Member) [v]	Independent Non-Executive Director	N/A

Notes:

[i] Dr. Damien Lim Yat Seng resigned as Chairman of Nomination Committee on 2 March 2026.
[ii] Poo Lap Tuck appointed as Chairman of Nomination Committee on 8 April 2026.
[iii] Law Doung Chin ceased to serve as a Member of Nomination Committee on 28 March 2025.
[iv] Lau Wai Ching appointed as a Member of Nomination Committee on 28 March 2025 and ceased to serve as a Member of Nomination Committee on 22 August 2025.
[v] Lee Set Yee appointed as a Member of Nomination Committee on 22 August 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

2. Composition of the Board cont'd

2.1 Nomination Committee cont'd

The Nomination Committee has assessed and is satisfied with the current size of the Board, and with the mix of qualifications, skills and experience among the Board members.

A summary of key activities undertaken by the Nomination Committee in discharging its duties during the financial year are set out below:-

- Reviewed and assessed the contribution of each individual Director;
- Reviewed the Board structure, size, composition, financial literacy, training needs and the balance between Executive Directors, Non-Executive Directors and Independent Directors to ensure that the Board has the appropriate mix of skills and experience including core competencies which Directors should bring to the Board and other qualities to function effectively and efficiently;
- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Reviewed and assessed the performance and effectiveness of the Board as a whole and Board Committees;
- Reviewed the profile of nominated Director and recommended to the Board the appointment of the said Director;
- Discussed the annual retirement by rotation and re-election of Directors at the forthcoming Annual General Meeting ("AGM") and recommended the same for re-election by the shareholders;
- Reviewed the performance of the Chief Financial Officer ("CFO"); and
- Reviewed the terms of office of the Audit Committee and each member of the Audit Committee.

2.2 Board appointment process

The Nomination Committee is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis and in accordance with the Company's Fit and Proper standards in the Board Charter. The Board will have the ultimate responsibility and final decision on the appointment. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determine skills matrix to support strategic direction and needs of the Company.

Management shall then engage broadly to develop a pool of interested potential candidates meeting the skills, expertise, personal qualities and diversity requirements for both the Board and the Committee appointments. Other than the recommendation of the Management, existing board member and major shareholder, the Nomination Committee shall consider other approaches and sources i.e. sourcing from a directors' registry, open advertisements or use of independent search firms to identify the most suitable candidates.

The Nomination Committee evaluates and matches the criteria of the candidate, and will consider diversity, including gender and ethnicity (cultural background), where appropriate, and recommends to the Board for appointment.

In making the selection, the Board adopted a Fit & Proper Policy and is assisted by the Nomination Committee to consider the following aspects:

- Probity, personal integrity, financial integrity and reputation – the person must have the personal qualities such as honesty, integrity, diligence and independence of mind and fairness.

- Competence and capability – the person must have the necessary skills, experience, ability and commitment to carry out the role.

According to the Constitution of the Company, all Directors are required to submit themselves for re-election at intervals of not more than three (3) years. The Constitution also states that one-third (1/3) of the Board members shall retire from office at the AGM and shall be eligible for re-election at the same AGM. The new Director(s) duly appointed by the Board is then recommended for re-election at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

2. Composition of the Board cont'd

2.2 Board appointment process cont'd

In accordance with the Constitution of the Company, the following Directors are subject to retirement at the forthcoming Annual General Meeting ("AGM") and they have expresses their willingness to seek for re-election at the forthcoming AGM:-

Pursuant to Clause 97 of the Company's Constitution
(i) Dato' Chong Kim Fatt

Pursuant to Clause 104 of the Company's Constitution
(i) Lee Set Yee
(ii) Poo Lap Tuck

The Board through its Nomination Committee had assessed the retiring Directors, and considered the following:

i. The Director's performance and effectiveness;
ii. The Director's level of contribution to the Board deliberations through his skills, experience and strength in qualities; and
iii. The level of independence demonstrated by the Independent Director, and his ability to act in the best interests of the Company in decision-making.

The Board had conducted an assessment of the Directors of the Company based on the relevant performance criteria and meet the "Fit and Proper" standards as detailed in the Company's Board Charter and Fit & Proper Policy which include the following:

i. A person of good character and high integrity and credibility;
ii. Good business acumen and product knowledge;
iii. Proven leadership ability and strategic agility;
iv. Financial knowledge;
v. Market and global awareness;
vi. Compliance and legal awareness; and
vii. Have not been convicted whether within or outside Malaysia of any offence.

Based on the Board's evaluation and assessment, the individual Directors (including the retiring Director) met the performance criteria required of an effective and a high-performance Board. In addition, all the Non-Executive Directors have also provided annual declaration/confirmation of independence for financial year 2025 respectively.

Based on the above, the Board approved the NC's recommendation that Dato' Chong Kim Fatt, Ms. Lee Set Yee and Mr. Poo Lap Tuck who retire in accordance with Clause 97 and Clause 104 respectively of the Constitution are eligible to stand for re-election. They had abstained from deliberation and decision on their own eligibility to stand for re-election at the relevant Board meeting.

2.3 Tenure of Independent Directors

The Board has adopted a nine-year policy for Independent Non-Executive Directors. An Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. Otherwise, the Board will justify and seek shareholders' approval at the AGM in the event it retains the director as an Independent Director. If the Board continues to retain the Independent Director after the ninth year, the Board will seek annual shareholders' approval through a two-tier voting process in accordance with the MCCG 2021. After the twelfth year in service, the Independent Non-Executive Director is required to resign or be re-designated as a Non-Independent Non-Executive Director.

The Nomination Committee will assess the independence of the Independent Directors based on the assessment criteria developed by the Nomination Committee and recommend to the Board for recommendation to the shareholders for approval. Justifications for the Board's recommendation will be provided under the explanatory note as set out in the Notice of AGM.

None of the Independent Non-Executive Directors have exceeded a cumulative term of 9 years as at the date of this report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

2. Composition of the Board cont'd

2.4 Annual Assessment

The Board reviews and evaluates its own performance and the performance of its Committee on an annual basis. The Board evaluation comprises a Board Assessment, an Individual Director Assessment and an Assessment of Independence of Independent Directors. The Assessment is based on specific criteria as stated in the performance assessment form adopted by the Nomination Committee.

Based on the above assessment in 2025, the Board is generally satisfied with the level of independence demonstrated by all the Independent Directors and their ability to bring independence and objective judgement to the board deliberations.

The results of the assessment would form the basis of the Nomination Committee's recommendation to the Board for the re-election of Directors at the forthcoming AGM.

To further discharge its duties, the Nomination Committee has assessed the performance of the Chief Financial Officer through performance evaluation form completed by the Board during the financial year.

In addition, the Nomination Committee has reviewed the term of office and performance of the Audit Committee and each of its members and opined that the Audit Committee and all members have carried out their duties in accordance with their terms of reference.

Based on the above assessments, the Nomination Committee was satisfied with the existing Board composition and was of the view that all Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and has performed competently and effectively. All assessments evaluations carried out by the Nomination Committee in the discharge of all its functions were properly documented.

The Board is of the view that its present size and composition is optimal based on the Group's operations and that it reflects a fair mix of financial, technical and business experience that are important to the stewardship of the Group.

2.5 Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board Meetings, as set out in the table below.

No.	Name of Directors	Designation	Number of Meetings held and attended during the financial year 2025
1.	Dato' Chong Kim Fatt	Chairman and Independent Non-Executive Director	5/5
2.	Tan Heng Ta	Managing Director	5/5
3.	Heng Chee Wei	Non-Independent Non-Executive Director	5/5
4.	Dr. Damien Lim Yat Seng [i]	Senior Independent Non-Executive Director	5/5
5.	Poo Lap Tuck [ii]	Senior Independent Non-Executive Director	N/A
6.	Lau Wai Ching [iii]	Independent Non-Executive Director	3/3
7.	Lee Set Yee [iii]	Independent Non-Executive Director	2/2
8.	Law Doung Chin	Non-Independent Non-Executive Director	5/5

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

2. Composition of the Board cont'd

2.5 Time Commitment cont'd

Notes:
(i) Dr. Damien Lim Yat Seng resigned as a Senior Independent Non-Executive Director on 2 March 2026.
(ii) Poo Lap Tuck appointed as a Senior Independent Non-Executive Director on 8 April 2026.
(iii) Lau Wai Ching resigned as Independent Non-Executive Director and Lee Set Yee was appointed in place of Lau Wai Ching on 22 August 2025.

To ensure that the Directors devote sufficient time to fulfil their roles and responsibilities, the Directors must not hold directorships of more than five (5) public listed companies.

To facilitate the Directors' time planning, an annual meeting schedule is prepared and circulated at the beginning of every year, as well as the tentative closed periods for dealings in securities by Directors based on the targeted date of announcements of the Group's quarterly results.

2.6 Training

All Directors have completed the Mandatory Accreditation Programme Part I and Part II as prescribed by Bursa Securities. The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge to discharge their duties and responsibilities as Directors.

The Directors are also encouraged to evaluate their own training needs on a continuous basis and to be determined by the Board on the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board.

3. Remuneration

The Remuneration Committee and the Board would take into account the corporate objective and performance of the Company to determine the remuneration packages of Directors and Key Senior Management Officers, to ensure that their remuneration packages are sufficiently attractive so as to retain persons of high calibre. Terms of Reference of Remuneration Committee and the Remuneration Policy and Procedures for Directors and Senior Management are available at www.ralco.net.

The Remuneration Committee reviews annually the performance of the Executive Directors and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are dependent on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.

The Board as a whole determines the remuneration of Non-Executive Directors and recommends the same for the shareholders' approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

3. Remuneration cont'd

Details of the Directors' remuneration of each Director during the financial year 2025 for Group and Company are as follows:-

	Received/Receivable from the Group			
	Director Fees	Salary, Bonus and Incentive	Meeting Allowance	Other Emoluments
	RM	RM	RM	RM
Executive Director				
Tan Heng Ta	30,000	1,200,000	2,500	241,278
Non-Executive Directors				
Dato' Chong Kim Fatt	30,000	-	2,500	-
Heng Chee Wei	30,000	-	2,500	-
Law Doung Chin	30,000	-	2,500	-
Lau Wai Ching *(Resigned on 22 August 2025)*	19,233	-	1,500	-
Lee Set Yee *(Appointed on 22 August 2025)*	10,849	-	1,000	-
Dr. Damien Lim Yat Seng *(Resigned on 2 March 2026)*	30,000	-	2,500	-
Total:	**180,082**	**1,200,000**	**15,000**	**241,278**

	Received/Receivable from the Company			
	Director Fees	Salary, Bonus and Incentive	Meeting Allowance	Other Emoluments
	RM	RM	RM	RM
Executive Director				
Tan Heng Ta	30,000	1,200,000	2,500	241,278
Non-Executive Directors				
Dato' Chong Kim Fatt	30,000	-	2,500	-
Heng Chee Wei	30,000	-	2,500	-
Law Doung Chin	30,000	-	2,500	-
Lau Wai Ching *(Resigned on 22 August 2025)*	19,233	-	1,500	-
Lee Set Yee *(Appointed on 22 August 2025)*	10,849	-	1,000	-
Dr. Damien Lim Yat Seng *(Resigned on 2 March 2026)*	30,000	-	2,500	-
Total:	**180,082**	**1,200,000**	**15,000**	**241,278**

* *Other Emoluments includes statutory contributions, company car and the benefit of Directors and Officers Liability Insurance in respect of any liabilities arising from acts committed in their capacity as Directors and Officers of the Company.*

There was no service rendered by the Independent Non-Executive Directors to the Group during the financial year ended 31 December 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle A - Board leadership and effectiveness cont'd

3. Remuneration cont'd

The number of top one (1) senior management whose remuneration (comprising salary, bonus, benefits in-kind and other emoluments) for the financial year ended 31 December 2025 within the successive bands of RM50,000 is as follows:

Range of Remuneration (RM)	Number of Key Senior Management*
RM0 - RM50,000	NIL
RM50,001 to RM100,000	NIL
RM100,001 to RM150,000	NIL
RM150,001 to RM200,000	NIL
RM200,001 to RM300,000	One (1)

The Board acknowledges the need for transparency in the disclosure of its Key Senior Management remuneration. However, the Board is of the opinion that the disclosure of remuneration details may be detrimental to its business interests, given the competitive landscape for key personnel with the requisite knowledge, technical expertise and working experience in the Group's business activities, where intense headhunting is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

In addition, the Board is of the view that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the top five Senior Management personnel who are not Directors.

Principle B - Effective Audit and Risk Management

1. Audit Committee

The Audit Committee is relied upon by the Management to, amongst others, provide advice in the areas of financial reporting, external audit, internal audit process, review of related party transactions as well as conflict of interest situation. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group.

The Audit Committee of the Company comprises wholly Non-Independent Non-Executive Directors of which majority are Independent Directors. The position of the Chairman of the Audit Committee and the Chairman of the Board are held by two different individuals, and all members of the Audit Committee are financially literate. The Chairman of the Audit Committee is Mr. Poo Lap Tuck, a Senior Independent Non-Executive Director whilst the Chairman of the Board is Dato' Chong Kim Fatt, an Independent Non-Executive Director.

The main responsibilities of the Audit Committee are to assist the Board in discharging its statutory and other responsibilities relating to the internal controls, financial and accounting matters, compliance, and business and financial risk management.

The Audit Committee reports to the Board on the results of the audits undertaken by the internal and external auditors, the adequacy of disclosure of information, and the adequacy and effectiveness of the system of risk management and internal control. It reviews the quarterly and annual financial statements with Management and external auditors, reviews and approves the annual audit plans for the internal and external auditors' evaluation of the Group's system of internal control.

The Audit Committee is also responsible for evaluating the cost effectiveness of audits, the independence and objectivity of the external audit, and the nature and extent of the non-audit services provided by the external auditors to ensure that the independence of the external auditors is not compromised. It also makes recommendations to the Board on the appointment or re-appointment of the external auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle B - Effective Audit and Risk Management cont'd

1. Audit Committee cont'd

Annually, the Audit Committee reviews the performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment at the AGM. The Audit Committee would have a private discussion with External Auditors without the presence of the Executive Directors and Management of the Group as and when necessary on the matters relating to the Group and its audit activities. As part of the Audit Committee's review processes, the Audit Committee has obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Based on the Audit Committee's annual assessment of the External Auditors, the Board is satisfied with the independence, quality of service and adequacy of resources provided by the External Auditors in carrying out the annual audit for financial year 2025. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming AGM.

The composition of the Audit Committee will be reviewed annually by the Nomination Committee and recommended to the Board for approval.

The Audit Committee and the Risk Management Committee reviewed the results of audits performed by the Internal Auditor based on the approved audit plan and identified risk profile during the financial year. The details of internal audit function are stipulated in the Audit Committee Report on pages 34 to 37 of this Annual Report.

2. Risk Management and Internal Control Framework

The Board has the overall responsibility to ensure that sound and effective risk management and internal control systems are maintained, while Management is responsible for designing and implementing risk management and internal control systems to manage risks. Sound and effective systems of risk management and internal control are designed to identify and manage the risk of failure to achieve the business objective.

The Risk Management Committee which comprised of Independent Directors, monitors the Company and Group's risk exposures, the design and operating effectiveness of the underlying risk management and the internal control systems, and would report their findings and risk assessments to the Board after due review of the effectiveness of the Group's risk management and internal control by the Internal Auditor. The Board is satisfied with the performance of the Risk Management Committee in discharging their responsibilities.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks facing the Company and the Company has embedded the risk management into the operating and business processes. These processes are undertaken by the Executive Director and the Management team members in their course of work. Key matters covering the financial performance, operating and market are reviewed and deliberated in the Risk Management Committee Meetings.

The Board receives assurance from the Managing Director and the Chief Financial Officer to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

For the financial year under review, the Board is satisfied that the existing level of systems of risk management and internal controls are effective to enable the Group to achieve its business objectives and there was no material losses resulted from significant control weaknesses that would require additional disclosure in the Annual Report. Nonetheless, the Board recognises that the systems of risk management and internal controls should be continuously improved in line with the evolving business development. It should also be noted that all risk management systems and systems of internal controls could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of risk management and internal controls in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

The Statement on Risk Management and Internal Control as included on the pages 52 to 54 of the 2025 Annual Report provides an overview of the internal control framework adopted by the Company during the financial year ended 31 December 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle C - Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

1. Communication with Stakeholders

The Company recognises the importance of prompt and timely dissemination of information to shareholders and investors in order for these stakeholders to be able to make informed investment decisions.

In addition, the Company is committed to ensure its communication with the other shareholders and stakeholders is transparent, timely and with quality disclosures. Hence, the Company actively engages all its stakeholders through the following platforms:-

(a) Corporate Disclosure Policy and Procedures

Corporate disclosure and information are important for the investors and the shareholders. The Board is advised by the Management, Company Secretaries, External Auditors and Internal Auditors on the contents and timely disclosure requirements of the MMLR on the financial results and various announcements.

The Group leverages on its corporate website to disseminate and add depth to its communication with the public. News alert feature in the website is available for public community.

(b) Leverage on information technology for effective dissemination of information

The Company's website provides all relevant corporate information, and it is accessible by the public. The Company's website includes the share price information, all announcements made by the Company, Annual Reports, financial results, etc.

The Company has identified Mr. Poo Lap Tuck as Senior Independent Non-Executive Director to whom concerns of shareholders and other stakeholders may be conveyed. He can be contacted at poolaptuck@hotmail.com.

In addition to the above, the shareholders and other stakeholders and the investors can make inquiries about investor relations matters with designated management personnel directly responsible for investor relations, via dedicated e-mail addresses available on the corporate website.

2. Conduct of General Meeting

The AGM is an important means of communication with the Company's shareholders. The Board takes cognisance in serving longer than the required minimum notice period for AGM. The Company encloses the Annual Report together with the notice of AGM with regard to, amongst others, details of the AGM, their entitlement to attend the AGM, the right to appoint proxy and also qualification of proxy.

To ensure effective participation of and engagement with shareholders, all members of the Board, Senior Management and External Auditors will be present at the Meeting to respond to the questions to be raised by the shareholders or proxies. The Chairman ensures that the Board is accessible to the shareholders and an open channel of communication is cultivated.

The Notice of Meeting for the 30th AGM was given to the shareholders at least 28 days prior to the meeting. At the 30th AGM held on 12 June 2025, the Directors were present virtually to engage directly with, and be accountable to the shareholders for their stewardship of the Company. The Directors, Management and External Auditors were in attendance to respond to the shareholders' queries. The voting at the 30th AGM was conducted through e-polling. The minutes of the 30th AGM is published on the Company's website at www.ralco.net.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
Cont'd

Principle C - Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders cont'd

Compliance Statement

During the financial year under review, the Board directed its focus on the core duties of the Board which is grounded on the creation of long-term value for stakeholders. In light of the improvements in the corporate governance regulations, the Board has reviewed and updated (if necessary) its existing board charter, policies and procedures, etc.

Moving forward, the Board will continue to operationalise and improve the Company's corporate governance practices and instil a risk and governance awareness culture and mindset throughout the organisation in the best interest of all stakeholders.

As at the date of this statement, the Board is satisfied with the current composition of the Board by comprising three (3) Independent Non-Executive Directors, two (2) Non-Independence Non-Executive Directors and one (1) Executive Director and believed that the existing composition enable efficient corporate/board decisions to be made amongst the Board members.

The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest. The Board has also demonstrated their independence and is free from any businesses or other relationships which may interfere with the exercise of their independent judgement.

This Corporate Governance Overview Statement was approved by the Board dated 16 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The MCCG 2021 requires listed companies to maintain a sound risk management framework and internal control system to safeguard shareholders' investments and its assets.

This Statement on Risk Management and Internal Control is made pursuant to paragraph 15.26(b) of MMLR of Bursa Securities and as guided by Guidelines for Directors of Listed Issuer – Statement on Risk Management and Internal Control of Bursa Securities. It outlines the key elements of risk management and internal control systems within the Group for the current financial year.

BOARD RESPONSIBILITY

The Board acknowledges the importance of maintaining a sound system of internal control and effective risk management practices in the Group to ensure good corporate governance. The Board affirms its overall responsibility for the Group's system of risk management and internal control and the need to review its adequacy and integrity regularly. The system of internal control covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance control matters. The Board will determine the Group's level of risk tolerance and to actively identify, assess and monitor key business risks to safeguard shareholders' investment and the Group's assets. In view of the inherent limitations in any system of internal control, the Board recognises that this system is designed to manage rather than eliminate the risk of failure to achieve the Group's objectives and the system by its nature can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

RISK MANAGEMENT FRAMEWORK

The Board recognises that risk management is an integral part of the Group's business operations and the Board maintains continuous commitment in strengthening the Group's risk management framework and processes. The Board is thus committed to continually promote the culture of risk awareness and builds the necessary knowledge in identifying, evaluating, mitigating, monitoring and managing the significant risks on an on-going basis. The Group has adopted an Enterprise Risk Management ("ERM") framework to manage and minimize risks. ERM process includes five specific elements- strategy/objective setting, risk identification, risk assessment, risk response and communication/monitoring. The internal control and risk management framework is reviewed annually and fine-tuned periodically for any gaps identified.

The key risk management initiatives undertaken include among others:

(i) A Risk Management Committee has been established to constantly identify, evaluate and monitor significant risks faced by the Group. It is also responsible for the development of risk mitigation strategies and plans.

(ii) The Risk Management Committee met on a quarterly basis to discuss and deliberate on the significant risks affecting the Group, including finance, operations, regulatory compliance, reputation, cyber security and sustainability related matters. Risk profiles, control procedures and status of action plans were presented and deliberated in the Risk Management Committee meetings. Minutes of the meetings of the Risk Management Committee which recorded the deliberations were tabled to the Board for notation at their quarterly meetings. The Risk Management Committee also met with different management teams across the Group on quarterly basis for updates.

(iii) Board Committees (i.e. Audit Committee, Remuneration Committee and Nomination Committee) have been established to carry out duties and responsibilities delegated by the Board and are governed by written terms of reference. Meetings of Board of Directors and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective. Business plans and business strategies are proposed by the Managing Director to the Board for their review and approval after taking into account risk consideration and responses.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
Cont'd

RISK MANAGEMENT FRAMEWORK cont'd

(iv) Day-to-day risk management of the individual operating units is delegated to the Managing Director and respective senior managements. In this regard, the Managing Director is responsible for timely identification of the Group's risks of each business units and implementation of systems to manage these risks. Periodic meetings are held to assess and monitor the Group's risk as well as to discuss, deliberate and appropriately addressed matters associated with strategic, financial and operational facets of the Group. Any significant weaknesses identified during the review together with the improvement measures to strengthen the internal controls were reported to the Audit Committee.

(v) Formation of operational policies and procedures by the Management with a view of establishing group wide operational standards in order for all operating units to work cohesively towards achieving the business objectives of the Group. For accounting systems and financial processes, efforts are being taken to ensure consistency in the Group as a whole.

(vi) The Audit Committee reviews on a quarterly basis the quarterly unaudited financial results to monitor the Group's progress towards achieving the Group's business objectives. Authority is given to the Audit Committee members to investigate and report on any areas of improvement for the betterment of the Group.

(vii) Ad-hoc meetings between the external and internal auditors to identify and rectify any weakness in the system of internal controls. The Board on a timely basis would be informed of any matters brought up in the Audit Committee meetings.

INTERNAL AUDIT FUNCTION

The Group has an in-house internal audit function headed by Mr. Ken Teh Kian Lang, a MIA member with more than 20 years of internal audit work experience. Mr. Ken Teh Kian Liang has ceased to be the Internal Auditor on 7 November 2025 as he has passed the retirement age, the Group has appointed GovernAce Advisory & Solutions Sdn Bhd as our outsourced internal auditor. The outsourced internal auditor, assist the Audit Committee, in providing objective and independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The outsourced internal auditor reports directly to the Audit Committee and the risk-based internal audit plans are tabled to the Audit Committee for review and approval.

During the year under review, the internal auditor assessed the adequacy and effectiveness of the Group's key business areas in terms of governance, risk assessment and system of internal control. Internal audit reports are presented to the Audit Committee, highlighting findings, recommendations and agreed action plans to improve the system of internal controls. Such reporting also includes follow-up reviews on significant audit issues that are performed to assess the status of implementation. Based on the internal audit reviews conducted, weaknesses identified in internal controls have been appropriately mitigated and senior management will continue to ensure that appropriate action is taken to enhance and strengthen the internal control environment.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to maintaining a strong internal control structure for the proper conduct of the Group's business operations and of the view that the system of internal controls in place for the year under review and up to the date of issuance of the financial statements. The key elements include:-

- the responsibilities of the committees to the Board and management are clearly defined in the organisation structure to ensure the effective discharge of their roles and responsibilities towards the Group.

- the limits of authority of the Group have been defined and adopted accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
Cont'd

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL cont'd

- policies and controls for the Group's operations have been defined and adopted. Procedures are also in place to ensure that assets are subject to proper physical controls.

- monthly and periodic reporting structures have been put in place on key financial and operational statistics.

- the Group's internal audit function is an on-going review process of the operations to assess the effectiveness of the control environment and to highlight significant risks as well as areas requiring improvements. Follow up reviews on previous audit reports are carried out to ensure that appropriate actions are taken to address internal control weaknesses highlighted.

- the Audit Committee meets regularly to review the adequacy, integrity and effectiveness of the system of internal control of the Group, discuss risk management issues and ensures that weaknesses controls highlighted are appropriately addressed by the management.

ASSURANCE FROM THE MANAGEMENT

The Board has also received assurance from the Managing Director and the Chief Financial Officer on 5 March 2026 that the Group's risk management framework and internal control system are operating adequately and effectively, in all material aspects, based on the risk management framework and internal control system adopted by the Group.

CONCLUSION

Several internal control improvements and risk areas were identified by the internal auditor during the financial year ended 31 December 2025. These were reviewed by the Audit Committee and Board and were closely monitored by Management to ensure the integrity of internal controls and minimization of risks. The Board is committed to an effective internal control system and is of the view that there is continuous process in evaluation and managing risks faced by the Group.

Based on the foregoing, the Board is of the opinion that the system of internal controls is generally satisfactory and has not resulted in any material loss, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

REVIEW BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2025.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that has caused them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the system of internal control of the Group

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds raised from any Corporate Proposal

The Company did not carry out any corporate proposals nor utilise proceeds derived from the corporate proposals during the financial year ended 31 December 2025.

2. Audit and Non-Audit Fees

The auditors' remuneration including non-audit fees for the Company and the Group for the financial year ended 31 December 2025 are as follows:-

Details of Audit Fees	Group (RM'000)	Company (RM'000)
Audit Fee	110	33
Non-Audit Fee	10	10
Total:	**120**	**43**

3. Material Contracts

There were no material contracts (not being contract entered into the ordinary course of business) subsisting as at 31 December 2025 and entered into since the end of previous financial year, by the Company and its subsidiaries, which involved the interest of the Directors, Chief Executive who is not a director or major shareholders.

4. Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")

The Company did not seek for shareholders' mandate to enter into RRPT of revenue or trading nature at the Annual General Meeting in year 2025 and will monitor closely the transaction value of RRPT, if any, in accordance with paragraph 10.09 of the MMLR.

5. Disclosure of Financial Data For Shariah Screening

Pursuant to Paragraph 9.25A of the MMLR of the Bursa Securities, 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

		Group	
		2025	2024
Total Income	**Remarks**	**RM'000**	**RM'000**
Revenue		31,681	50,764
Other Income		200	33
Finance Income		20	25
Others	Fair value change on properties	494	-
Rental income		458	571
Discounting on loan		218	4,184
Total		**33,071**	**55,577**
Total Assets		**75,963**	**77,637**

ADDITIONAL COMPLIANCE INFORMATION
Cont'd

5. Disclosure of Financial Data For Shariah Screening cont'd

(b) Business Activities

		Group	
		2025	2024
Shariah Non-Compliant Activities	**Remarks**	**RM'000**	**RM'000**
Shariah Non-Compliant Activities		N/A	N/A
Total		**N/A**	**N/A**

(c) Component of Financial Position

(i) Cash Component

		Group	
		2025	2024
Islamic Account/Instruments	**Remarks**	**RM'000**	**RM'000**
Cash at bank (exclude cash in hand)		146	320
Asset classified as held for sale: Cash and cash equivalents	Exclude cash in hand	-	-
Deposits with licensed bank		-	-
Cash in hand		-	-
Total		**146**	**320**
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		1,183	844
Asset classified as held for sale: Cash and cash equivalents	Exclude cash in hand	-	-
Cash in hand		3	3
Total		**1,186**	**847**

ADDITIONAL COMPLIANCE INFORMATION
Cont'd

5. Disclosure of Financial Data For Shariah Screening cont'd

(c) Component of Financial Position cont'd

(ii) Debt Component

		Group	
		2025	**2024**
Islamic Financing	**Remarks**	**RM'000**	**RM'000**
Current			
Bank Borrowings		-	-
Non-Current			
Bank Borrowings		-	-
Total		**-**	**-**
Conventional Borrowing			
Current			
Bank Borrowings		963	1,619
Hire Purchase		790	785
Non-Current			
Bank Borrowings		-	-
Hire Purchase		1,097	1,886
Amount due to related parties		20,812	18,370
Total		**23,662**	**22,660**

STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible to prepare the Audited Financial Statements which will give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company for the financial year ended 31 December 2025.

In preparing those Audited Financial Statements, the Directors of the Company have:

- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy on the disclosure of the financial position of the Group and of the Company, and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The Directors are also responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and of the Company and hence, to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

FINANCIAL RESULTS

	Group	Company
	RM	RM
Loss for the financial year	7,220,874	121,065

RESERVES AND PROVISIONS

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

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors in office during the financial year until the date of this report are:

Dato' Chong Kim Fatt	*(Independent Non-Executive Chairman)*
Tan Heng Ta*	*(Managing Director)*
Heng Chee Wei	*(Non-Independent Non-Executive Director)*
Law Doung Chin	*(Non-Independent Non-Executive Director)*
Lau Wai Ching	*(Independent Non-Executive Director) [Resigned on 22 August 2025]*
Lee Set Yee	*(Independent Non-Executive Director) [Appointed on 22 August 2025]*
Dr. Damien Lim Yat Seng	*(Senior Independent Non-Executive Director) [Resigned on 2 March 2026]*
Poo Lap Tuck	*(Senior Independent Non-Executive Director) [Appointed on 8 April 2026]*

* *Director of the Company and its subsidiaries*

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' REPORT
Cont'd

DIRECTORS' INTEREST IN SHARES

The interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
Interest in the Company				
Direct interests				
Tan Heng Ta	8,736,800	-	-	8,736,800

Other than as disclosed above, none of the other Directors in office at the end of the financial year has any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) 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.

The Directors' remuneration for the Group and for the Company as set out in Note 25(c) to the financial statements are RM1,636,360.

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

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group were RM2,000,000 and RM8,000 respectively. No indemnity was given to or insurance effected for auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT
Cont'd

OTHER STATUTORY INFORMATION cont'd

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

(iii) 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; or

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

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

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

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

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

SUBSIDIARIES

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

DIRECTORS' REPORT
Cont'd

AUDITORS

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), retire and are not seeking re-appointment.

Auditors' remuneration for the Group and for the Company as set out in Note 20 to the financial statements are RM120,000 and RM43,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 April 2026.

TAN HENG TA **POO LAP TUCK**

KUALA LUMPUR

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 68 to 107 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 April 2026.

TAN HENG TA **POO LAP TUCK**

KUALA LUMPUR

STATUTORY DECLARATION

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

I, Tan Heng Ta, being the Director primarily responsible for the financial management of Ralco Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 68 to 107 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory on 16 April 2026)
)

TAN HENG TA

Before me,

SHI'ARATUL AKMAR BINTI SAHARI
No. W788

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RALCO CORPORATION BERHAD
[Registration No.: 199501003907 (333101-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ralco Corporation Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 68 to 107.

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

Basis for opinion

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

Independence and other ethical responsibilities

We are independent of the Group and 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.

Key audit matters	How we addressed the key audit matters
Inventories valuation As disclosed in Note 6 to the financial statements, the Group's held inventories amounted to RM4.8 million, representing approximately 43% of the Group's total current assets as at 31 December 2025. The valuation of inventories is identified as a key audit matter because of the judgement made by the Directors.	We reviewed the Group's policy on inventory valuation that are in accordance with MFRS 102 *Inventories*. We evaluated the operating effectiveness of key controls over the inventory system in recording the cost of inventory. We reviewed and verified the value of a sample of inventory item by comparing the unit price used in the financial inventory listing summary to current price lists, recent sales invoices, or recent vendor invoices to ensure inventories are stated at the lower of cost and net realisable value. We assessed the adequacy of the disclosures made in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RALCO CORPORATION BERHAD

[Registration No.: 199501003907 (333101-V)]

(Incorporated in Malaysia)

Cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS cont'd

Key audit matters cont'd

Key audit matters	How we addressed the key audit matters
Recoverability of trade receivables As disclosed in Note 7 to the financial statements, the Group's trade receivables amounted to RM4.3 million, representing approximately 38% of the Group's total current assets as at 31 December 2025. The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.	We obtained the understanding of the Group's credit risk policy, and tested the processes used by management to assess credit exposures. We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss, which include consideration of the current economic. We tested the accuracy and completeness of the data used by the management. We reviewed the adequacy of the amount of impairment loss and inquired the management regarding the recoverability of a sample of trade receivables that are pass due but not impaired accounts and review of customers' correspondence. We evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 *Financial Instruments*.

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Directors for the financial statements

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RALCO CORPORATION BERHAD
[Registration No.: 199501003907 (333101-V)]
(Incorporated in Malaysia)
Cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS cont'd

Responsibilities of the Directors for the financial statements cont'd

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 and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and 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 activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purpose 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RALCO CORPORATION BERHAD

[Registration No.: 199501003907 (333101-V)]

(Incorporated in Malaysia)

Cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS cont'd

Auditors' responsibilities for the audit of the financial statements cont'd

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.

OTHER MATTERS

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

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

QUEK KENG YEE
03852/10/2026 J
Chartered Accountant

KUALA LUMPUR

16 April 2026

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	41,495,205	56,587,208	4,883	5,835
Investment properties	4	23,259,089	1,835,389	-	-
Investment in subsidiaries	5	-	-	31,367,499	31,367,499
		64,754,294	58,422,597	31,372,382	31,373,334
Current assets					
Inventories	6	4,787,866	9,173,976	-	-
Trade receivables	7	4,293,329	7,691,772	-	-
Other receivables	8	603,330	1,028,205	9,970	14,467
Amount due from subsidiaries	9	-	-	5,599,282	5,692,626
Tax recoverable		191,244	153,251	22,817	49,825
Cash and bank balances		1,332,464	1,166,831	54,826	6,219
		11,208,233	19,214,035	5,686,895	5,763,137
Total assets		75,962,527	77,636,632	37,059,277	37,136,471
EQUITY					
Share capital	10	44,961,651	44,961,651	44,961,651	44,961,651
Revaluation reserve	11	30,074,996	22,205,582	-	-
Accumulated losses		(32,704,091)	(26,461,347)	(8,751,591)	(8,630,526)
Total equity		42,332,556	40,705,886	36,210,060	36,331,125
LIABILITIES					
Non-current liabilities					
Hire purchase liabilities	12	1,096,690	1,886,469	-	-
Amount due to related parties	13	20,811,887	18,370,379	-	-
Deferred tax liabilities	14	5,067,942	7,299,105	-	-
		26,976,519	27,555,953	-	-
Current liabilities					
Hire purchase liabilities	12	789,779	785,326	-	-
Borrowings	15	963,000	1,619,400	-	-
Trade payables	16	2,351,253	2,984,075	-	-
Other payables	17	2,539,073	3,985,007	379,217	335,346
Amount due to a subsidiary	9	-	-	470,000	470,000
Tax payable		10,347	985	-	-
		6,653,452	9,374,793	849,217	805,346
Total liabilities		33,629,971	36,930,746	849,217	805,346
Total equity and liabilities		75,962,527	77,636,632	37,059,277	37,136,471

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Revenue	18	31,680,972	50,763,783	2,460,000	2,760,000
Cost of sales		(31,086,245)	(48,754,924)	-	-
Gross profit		594,727	2,008,859	2,460,000	2,760,000
Other income		1,390,086	4,813,194	646	474
Selling and distribution expenses		(1,707,132)	(1,797,611)	-	-
Administrative expenses		(5,170,955)	(5,615,852)	(2,531,085)	(2,501,906)
Net loss on impairment of financial assets		(161,310)	(152,836)	-	-
Other expenses		(1,566,404)	(457,870)	-	-
(Loss)/Profit from operation		(6,620,988)	(1,202,116)	(70,439)	258,568
Finance costs	19	(2,276,279)	(1,363,192)	-	-
(Loss)/Profit before tax	20	(8,897,267)	(2,565,308)	(70,439)	258,568
Taxation	21	1,676,393	20,745	(50,626)	(36,500)
(Loss)/Profit for the financial year		(7,220,874)	(2,544,563)	(121,065)	222,068
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of property, plant and equipment		8,361,271	171,763	-	-
Tax effect on revaluation of property, plant and equipment		486,273	(41,223)	-	-
Other comprehensive income for the financial year		8,847,544	130,540	-	-
Total comprehensive income/(loss) for the financial year		1,626,670	(2,414,023)	(121,065)	222,068
Loss per share:					
Basic and diluted (sen)	22	(14.22)	(5.01)		

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

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

	Share capital	Revaluation reserve	Accumulated losses	Total equity
	RM	RM	RM	RM
Group				
At 1 January 2024	44,961,651	23,012,258	(24,854,000)	43,119,909
Loss for the financial year	-	-	(2,544,563)	(2,544,563)
Other comprehensive income for the financial year	-	130,540	-	130,540
Total comprehensive income/(loss) for the financial year	-	130,540	(2,544,563)	(2,414,023)
Realisation of revaluation reserve upon depreciation of revalued assets	-	(937,216)	937,216	-
At 31 December 2024	44,961,651	22,205,582	(26,461,347)	40,705,886
At 1 January 2025	44,961,651	22,205,582	(26,461,347)	40,705,886
Loss for the financial year	-	-	(7,220,874)	(7,220,874)
Other comprehensive income for the financial year	-	8,847,544	-	8,847,544
Total comprehensive income/(loss) for the financial year	-	8,847,544	(7,220,874)	1,626,670
Realisation of revaluation reserve upon depreciation of revalued assets	-	(978,130)	978,130	-
At 31 December 2025	44,961,651	30,074,996	(32,704,091)	42,332,556

	Share capital	Accumulated losses	Total equity
	RM	RM	RM
Company			
At 1 January 2024	44,961,651	(8,852,594)	36,109,057
Total comprehensive income for the financial year	-	222,068	222,068
At 31 December 2024	44,961,651	(8,630,526)	36,331,125
At 1 January 2025	44,961,651	(8,630,526)	36,331,125
Total comprehensive loss for the financial year	-	(121,065)	(121,065)
At 31 December 2025	44,961,651	(8,751,591)	36,210,060

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

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

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(8,897,267)	(2,565,308)	(70,439)	258,568
Adjustments for:					
Allowance for expected credit losses on trade receivables		161,310	152,836	-	-
Depreciation of property, plant and equipment		2,531,619	2,658,119	952	953
Deposits received forfeited		(10,413)	-	-	-
Deposits written off		-	4,995	-	-
Discount on non-current financial liabilities		(218,223)	(4,184,360)	-	-
Loss on disposal of property, plant and equipment		350,249	-	-	-
Fair value gain on investment properties		(493,833)	-	-	-
Gain on early termination of lease contracts		-	(171)	-	-
Interest expenses		248,258	268,987	-	-
Interest income		(20,052)	(24,518)	(646)	(474)
Other receivables written off		-	427	-	-
Property, plant and equipment written off		125	-	-	-
Provision for obsolete inventories		373,969	-	-	-
Unwinding of discount on non-current financial liabilities		2,028,021	1,094,205	-	-
Operating (loss)/profit before working capital changes		(3,946,237)	(2,594,788)	(70,133)	259,047
Changes in working capital:					
Inventories		4,012,141	1,095,412	-	-
Receivables		3,662,008	3,457,629	4,497	(4,535)
Payables		(2,068,343)	(3,500,345)	43,871	907
Subsidiaries		-	-	102,831	(256,000)
Cash generated from/(used in) operations		1,659,569	(1,542,092)	81,066	(581)
Tax refunded		33,382	-	32,272	-
Tax paid		(130,510)	(155,774)	(55,890)	(23,166)
Net cash from/(used in) operating activities		1,562,441	(1,697,866)	57,448	(23,747)
Cash flows from investing activities					
Purchase of property, plant and equipment	**A**	(488,586)	(771,676)	-	-
Proceeds from disposal of property, plant and equipment		130,000	-	-	-
Interest received		20,052	24,518	646	474
(Advances to)/Repayment from subsidiaries		-	-	(9,487)	7,239
Net cash (used in)/from investing activities		(338,534)	(747,158)	(8,841)	7,713

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
Cont'd

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from financing activities					
Net advances from related parties		600,000	3,100,000	-	-
Interest paid		(216,548)	(235,809)	-	-
Net (repayment)/drawdown of bankers' acceptances		(435,000)	122,000	-	-
Net repayment of trust receipts		(221,400)	(64,463)	-	-
Repayment of hire purchase liabilities	**B**	(785,326)	(612,776)	-	-
Net cash (used in)/from financing activities		(1,058,274)	2,308,952	-	-
Net changes in cash and cash equivalents		165,633	(136,072)	48,607	(16,034)
Cash and cash equivalents at the beginning of the financial year		1,166,831	1,302,903	6,219	22,253
Cash and cash equivalents at the end of the financial year		1,332,464	1,166,831	54,826	6,219
Cash and cash equivalents at the end of the financial year comprise:					
Cash and bank balances		1,332,464	1,166,831	54,826	6,219

A. Purchase of property, plant, and equipment

	Note	Group 2025 RM	Group 2024 RM
Total additions	3	488,586	2,673,215
Less: Acquisition through lease arrangements	24	-	(1,901,539)
Total cash payment		488,586	771,676

B. Cash outflows for leases as a lessee

		Group 2025 RM	Group 2024 RM
Included in net cash from/(used in)operating activities:			
Payment relating to short-term leases	20	113,353	283,389
Included in net cash (used in)/from financing activities			
Payment of hire purchase liabilities		785,326	612,776
Payment of interest on hire purchase liabilities	19	161,618	155,308
		946,944	768,084
		1,060,297	1,051,473

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur.

The principal place of business of the Company is located at Lot 1476, Jalan Lengkok Emas 1, Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

The Group and the Company have consistently applied the accounting policies throughout all periods presented in the financial statements unless otherwise stated.

(i) Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 121	Lack of Exchangeability

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

2. BASIS OF PREPARATION cont'd

(a) Statement of compliance cont'd

(ii) Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements - Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
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
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

The initial applications of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

2. BASIS OF PREPARATION cont'd

(c) Significant accounting judgements, estimates and assumptions cont'd

Judgements

There are no significant areas of critical judgements made by management in applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

The Group and the Company regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 3 to the financial statements.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of their receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history and existing market conditions as well as forward looking estimates.

The Group and the Company use a provision matrix to calculate expected credit loss for receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credits loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate.

The carrying amounts of receivables at the reporting date are disclosed in Notes 7, 8 and 9 to the financial statements respectively.

Revaluation of property, plant and equipment and fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group measures lands and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. Lands were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the properties. The fair value of buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

The key assumptions used to determine the fair value of the properties are provided in Notes 3 and 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
Cont'd

2. BASIS OF PREPARATION cont'd

(c) Significant accounting judgements, estimates and assumptions cont'd

Key sources of estimation uncertainty cont'd

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 6 to the financial statements.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets is disclosed in Notes 14 and 21 to the financial statements respectively.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. PROPERTY, PLANT AND EQUIPMENT

	At valuation		At cost						
	Buildings	Leasehold lands	Plant and machinery	Furniture and fittings	Office equipment	Renovation	Motor vehicles	Warehouses and hostels	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group									
Cost/Valuation									
At 1 January 2024	16,180,000	25,240,000	74,829,201	2,341,640	2,291,168	2,935,179	1,455,896	17,113	125,290,197
Additions	-	-	2,568,382	-	79,833	25,000	-	-	2,673,215
Transfer to investment properties	(583,006)	(1,252,383)	-	-	-	-	-	-	(1,835,389)
Revaluation	43,006	92,383	-	-	-	-	-	-	135,389
Early termination of lease contracts	-	-	-	-	-	-	-	(17,113)	(17,113)
At 31 December 2024	15,640,000	24,080,000	77,397,583	2,341,640	2,371,001	2,960,179	1,455,896	-	126,246,299
Additions	-	-	488,586	-	-	-	-	-	488,586
Transfer to investment properties	(4,666,643)	(16,263,224)	-	-	-	-	-	-	(20,929,867)
Revaluation	1,796,643	6,283,224	-	-	-	-	-	-	8,079,867
Disposal	-	-	(6,375,013)	-	-	-	-	-	(6,375,013)
Written off	-	-	(292,180)	(81,241)	(42,998)	(107,430)	-	-	(523,849)
At 31 December 2025	12,770,000	14,100,000	71,218,976	2,260,399	2,328,003	2,852,749	1,455,896	-	106,986,023

3. PROPERTY, PLANT AND EQUIPMENT cont'd

	At valuation		At cost						
	Buildings	Leasehold lands	Plant and machinery	Furniture and fittings	Office equipment	Renovation	Motor vehicles	Warehouses and hostels	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group cont'd									
Accumulated depreciation									
At 1 January 2024	-	-	59,008,495	2,152,650	2,135,793	2,458,130	1,283,228	11,409	67,049,705
Charge for the financial year	886,325	259,764	1,245,355	38,832	40,595	127,025	59,273	950	2,658,119
Revaluation	(11,554)	(24,820)	-	-	-	-	-	-	(36,374)
Early termination of lease contracts	-	-	-	-	-	-	-	(12,359)	(12,359)
At 31 December 2024	874,771	234,944	60,253,850	2,191,482	2,176,388	2,585,155	1,342,501	-	69,659,091
Charge for the financial year	748,603	245,914	1,270,615	36,802	41,764	128,772	59,149	-	2,531,619
Reclassification	(66,666)	66,666	-	-	-	-	-	-	-
Revaluation	(161,152)	(120,252)	-	-	-	-	-	-	(281,404)
Disposal	-	-	(5,894,764)	-	-	-	-	-	(5,894,764)
Written off	-	-	(292,165)	(81,239)	(42,894)	(107,426)	-	-	(523,724)
At 31 December 2025	1,395,556	427,272	55,337,536	2,147,045	2,175,258	2,606,501	1,401,650	-	65,490,818
Carrying amount									
At 31 December 2025	11,374,444	13,672,728	15,881,440	113,354	152,745	246,248	54,246	-	41,495,205
At 31 December 2024	14,765,229	23,845,056	17,143,733	150,158	194,613	375,024	113,395	-	56,587,208

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

3. PROPERTY, PLANT AND EQUIPMENT cont'd

	Furniture and fittings	Office equipment	Total
	RM	RM	RM
Company			
Cost			
At 1 January 2024/31 December 2024/31 December 2025	268,233	16,393	284,626
Accumulated depreciation			
At 1 January 2024	262,127	15,711	277,838
Charge for the financial year	681	272	953
At 31 December 2024	262,808	15,983	278,791
Charge for the financial year	680	272	952
At 31 December 2025	263,488	16,255	279,743
Carrying amount			
At 31 December 2025	4,745	138	4,883
At 31 December 2024	5,425	410	5,835

(a) Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, except for leasehold lands and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation.

Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the lands and buildings at the end of the reporting period.

Depreciation is recognised in the profit or loss on a straight-line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	50 years
Leasehold lands	Over the lease period
Plant and machinery	5 - 10%
Furniture and fittings	10%
Office equipment	10 - 20%
Renovation	20%
Motor vehicles	20%
Warehouses and hostels	Over the lease period

During the financial year, there was a change in use for certain properties which led to a transfer to investment properties. The Group has accounted for such properties in the same way up to the date of change in use and treated any difference at that date between the carrying amount of the properties and its fair value as a revaluation surplus.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
Cont'd

3. PROPERTY, PLANT AND EQUIPMENT cont'd

(b) Including in net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Group	
	2025	2024
	RM	RM
Motor vehicles	54,220	113,369
Plant and machinery	4,921,196	5,231,199
	4,975,416	5,344,568

(c) Depreciation charge of right-of-use assets is as follows:

	Group	
	2025	2024
	RM	RM
Motor vehicles	59,149	59,148
Plant and machinery	310,003	269,010
Warehouses and hostels	-	950
	369,152	329,108

(d) Additions of right-of-use assets are as follows:

	Group	
	2025	2024
	RM	RM
Plant and machinery	-	1,995,898

(e) The Group has pledged the following property, plant and equipment to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 15 to the financial statements.

	Group	
	2025	2024
	RM	RM
Buildings	-	2,430,303
Leasehold lands	-	9,394,369
	-	11,824,672

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

3. PROPERTY, PLANT AND EQUIPMENT cont'd

(f) The fair value measurement of the leasehold lands and buildings was performed by an independent professional valuer with appropriate recognised professional qualifications. The fair value was determined based on depreciated replacement cost and market comparison approach.

The following table summaries the methods used in determining the fair value of the properties on a recurring basis.

Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Level 3	Lands Sales comparison approach which reflects recent market transactions for similar properties. Buildings Depreciated replacement cost and comparison approach reflecting the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.	Lands Adjustment for factors such as plot size, location, encumbrances and current use. Buildings Adjustment for factors such as physical deterioration, functional and economic obsolescence.	Lands The extent and direction of this adjustment depends on the number of characteristics of the observable market transactions in similar properties that we used as starting point for valuation. Buildings Depreciation is deducted to reflect the current condition of the buildings and structures.

The reconciliation of the carrying amount of non-financial assets classified within Level 3 is as follows:

	Group	
	2025	2024
	RM	RM
Leasehold lands and buildings		
At beginning of the financial year	38,610,285	41,420,000
Expenses recognised in profit or loss:		
- Depreciation	(994,517)	(1,146,089)
Gain recognised in other comprehensive income:		
- Revaluation	8,361,271	171,763
Transfer to investment properties	(20,929,867)	(1,835,389)
At end of the financial year	25,047,172	38,610,285

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

3. PROPERTY, PLANT AND EQUIPMENT cont'd

(g) Had the lands and buildings been measured using the cost model, their cost and carrying amounts would be as follows:

	Group	
	2025	**2024**
	RM	**RM**
Cost:		
Buildings	12,610,462	16,622,858
Leasehold lands	1,177,717	3,593,337
	13,788,179	20,216,195
Net carrying amount:		
Buildings	5,899,506	7,551,428
Leasehold lands	426,093	2,802,546
	6,325,599	10,353,974

4. INVESTMENT PROPERTIES

	Leasehold lands and buildings
	RM
Group	
At fair value	
At 1 January 2024	-
Transfer from property, plant and equipment	1,835,389
At 31 December 2024	1,835,389
Transfer from property, plant and equipment	20,929,867
Fair value adjustment	493,833
At 31 December 2025	23,259,089

(a) Material accounting policy information

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

Transfers are made to (or from) investment properties only when there is a change in use. For owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment and right-of-use assets up to the date of change in use.

(b) Fair value measurement

The fair value of the investment properties of the Group was estimated by the Directors based on the recent transacted prices in the market of properties with similar condition and location. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

4. INVESTMENT PROPERTIES cont'd

(b) Fair value measurement cont'd

The following table summaries the methods used in determining the fair value of the investment properties on a recurring basis.

Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Level 3	Sales comparison approach which reflects recent market transactions for similar properties and comparable by utility and age, adjusted for obsolescence.	Adjustment for factors such as plot size, location, physical deterioration, functional and economic obsolescence.	The extent and direction of this adjustment depends on the number of characteristics of the observable market transactions in similar properties that we used as starting point for valuation. While depreciation is deducted to reflect the current condition of the building and structures.

The reconciliation of the carrying amount of non-financial asset classified within Level 3 is as follows:

	Group	
	2025	2024
	RM	RM
Leasehold lands and buildings		
At beginning of the financial year	1,835,389	-
Transfer from property, plant and equipment	20,929,867	1,835,389
Fair value adjustment	493,833	-
At end of the financial year	23,259,089	1,835,389

(c) Income and expenses recognised in profit or loss

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

	Group	
	2025	2024
	RM	RM
Rental income	542,413	14,875
Direct operating expenses	64,751	951

(d) Investment properties of the Group amounting to RM19,764,645 (2024: RMNil) have been pledged as security for banking facilities granted to the Group as disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2025	2024
	RM	RM
At cost		
Unquoted shares	44,512,833	44,512,833
Less: Accumulated impairment loss	(13,145,334)	(13,145,334)
	31,367,499	31,367,499

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2025	2024	Principal activities
Ralco Plastic Sdn. Bhd.	Malaysia	100	100	Manufacturing of and trading in plastic bottles, containers, boxers, crates and related materials and provision of transportation services
Ralco Respack Polybag Sdn. Bhd.	Malaysia	100	100	Ceased business operation
Ralco Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding
Ralco Trading Sdn. Bhd.	Malaysia	100	100	Ceased business operation
Termasek Bay Sdn. Bhd.	Malaysia	100	100	Ceased business operation
Subsidiary of Ralco Plastic Sdn. Bhd.				
Ralco Compounding Sdn. Bhd.	Malaysia	100	100	Supply of renewable energy

Investment in subsidiaries is measured in the Company's statement of financial position at cost less accumulated impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

6. INVENTORIES

	Group	
	2025	**2024**
	RM	**RM**
At cost		
Raw materials	-	4,829,412
Work-in-progress	461,331	692,689
Finished goods	1,862,274	3,651,875
	2,323,605	9,173,976
At net realisable value		
Raw materials	2,464,261	-
	4,787,866	9,173,976
Recognised in profit or loss		
Inventories recognised as cost of sales	18,403,933	30,094,645
Provision for obsolete inventories	373,969	-

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

The costs of inventories are determined on a weighted average basis.

The provision for obsolete inventories are made when the related inventories are obsolete.

7. TRADE RECEIVABLES

	Group	
	2025	**2024**
	RM	**RM**
Trade receivables	4,756,972	7,994,105
Less: Allowance for expected credit losses ("ECLs")	(463,643)	(302,333)
	4,293,329	7,691,772

Trade receivables are non-interest bearing and the credit terms are generally on cash term to 90 days (2024: cash term to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movements in the allowance for ECLs of trade receivables are as follows:

	Group	
	2025	**2024**
	RM	**RM**
At beginning of the financial year	302,333	173,186
Charge for the financial year	161,310	152,836
Written off	-	(23,689)
At end of the financial year	463,643	302,333

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7. TRADE RECEIVABLES cont'd

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables:

	Gross amount	ECLs	Net amount
	RM	RM	RM
Group			
2025			
Not past due	58,739	(303)	58,436
Past due:			
Less than 30 days	2,003,813	(32,209)	1,971,604
31 to 60 days	1,268,837	(30,592)	1,238,245
61 to 90 days	509,155	(16,368)	492,787
More than 90 days	916,428	(384,171)	532,257
	4,756,972	(463,643)	4,293,329
2024			
Not past due	4,926,413	(57,907)	4,868,506
Past due:			
Less than 30 days	2,196,974	(51,844)	2,145,130
31 to 60 days	301,012	(10,655)	290,357
61 to 90 days	99,972	(4,718)	95,254
More than 90 days	469,734	(177,209)	292,525
	7,994,105	(302,333)	7,691,772

8. OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-trade receivables	147,736	269,102	-	-
Less: Allowance for ECLs	(131,878)	(131,878)	-	-
	15,858	137,224	-	-
Advance to suppliers	-	228,900	-	-
Deposits	202,565	178,517	-	-
Prepayments	384,907	483,564	9,970	14,467
	603,330	1,028,205	9,970	14,467

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8. OTHER RECEIVABLES cont'd

The movements in the allowance for ECLs are as follows:

	Group	
	2025	**2024**
	RM	**RM**
At beginning/end of the financial year	131,878	131,878

9. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2025	**2024**
	RM	**RM**
Amount due from subsidiaries		
Trade related	193,169	296,000
Non-trade related	5,478,671	5,469,184
	5,671,840	5,765,184
Less: Allowance for ECLs	(72,558)	(72,558)
	5,599,282	5,692,626
Amount due to a subsidiary		
Non-trade related	(470,000)	(470,000)

The movements in the allowance for ECLs are as follows:

	Company	
	2025	**2024**
	RM	**RM**
At beginning/end of the financial year	72,558	72,558

The non-trade amount due from/(to) subsidiaries is unsecured, non-interest bearing and repayable on demand, whereas the trade amount is subject to normal credit term of 30 days (2024: 30 days).

10. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025	**2024**	**2025**	**2024**
	Units	**Units**	**RM**	**RM**
Issued and fully paid up				
At 1 January/At 31 December	50,797,010	50,797,010	44,961,651	44,961,651

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
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11. REVALUATION RESERVE

Revaluation reserve represents surplus from revaluation of properties and is not available for distribution as dividends.

12. HIRE PURCHASE LIABILITIES

	Group	
	2025	2024
	RM	RM
Non-current	1,096,690	1,886,469
Current	789,779	785,326
	1,886,469	2,671,795

The maturity analysis of hire purchase liabilities at the end of the reporting period is as follows:

	Group	
	2025	2024
	RM	RM
Within 1 year	892,674	946,944
Between 2 to 5 years	1,188,734	2,081,408
	2,081,408	3,028,352
Less: Future finance charges	(194,939)	(356,557)
Present value of hire purchase liabilities	1,886,469	2,671,795

The Group leases plant and machinery and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The interest rates of hire purchase liabilities range from 3.49% to 4.00% (2024: 3.49% to 4.00%) per annum.

13. AMOUNT DUE TO RELATED PARTIES

Amount due to related parties represents loans from companies in which a Director has interests. The loans are unsecured, interest free and repayable on 31 December 2027 and 31 December 2028, except for an amount of RM600,000 (2024: RM1,000,000) bearing interest at 4.34% per annum which is repayable on 31 March 2027. These amounts have been discounted to their respective present value.

NOTES TO THE FINANCIAL STATEMENTS

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14. DEFERRED TAX LIABILITIES

	Group	
	2025	**2024**
	RM	**RM**
At beginning of the financial year	7,299,105	7,324,568
Recognised in profit or loss	(1,540,474)	158,246
Recognised in other comprehensive income	(486,273)	41,223
Realisation of deferred tax upon depreciation of revalued assets	(204,416)	(224,932)
At end of the financial year	5,067,942	7,299,105

The components of deferred tax liabilities/(assets) at the end of the reporting period are as follows:

	Group	
	2025	**2024**
	RM	**RM**
Property, plant and equipment	6,019,956	6,168,813
Investment properties	49,383	135,139
Provisions	(233,000)	(105,000)
Revaluation of lands and buildings	7,320,603	7,876,153
Unutilised business losses	(3,875,000)	(2,961,000)
Unutilised capital allowances	(4,214,000)	(3,815,000)
	5,067,942	7,299,105

15. BORROWINGS

	Group	
	2025	**2024**
	RM	**RM**
Secured		
Current		
Bankers' acceptances	963,000	1,398,000
Trust receipts	-	221,400
	963,000	1,619,400

The borrowings are secured by the following:

(i) First party legal charge over the Group's leasehold lands and buildings as disclosed in Notes 3 and 4 to the financial statements respectively; and
(ii) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
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15. BORROWINGS cont'd

The interest rates per annum of the borrowings are as follows:

	Group	
	2025	2024
	%	%
Bankers' acceptances	4.88 - 5.31	5.30 - 5.37
Trust receipts	8.92 - 9.17	9.17

16. TRADE PAYABLES

The normal trade credit terms granted by suppliers to the Group range from cash term to 90 days (2024: cash term to 90 days) depending on the term of the contracts.

17. OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-trade payables	1,257,734	2,499,607	91,002	69,778
Accruals	876,469	1,228,052	288,215	265,568
Deposits received	281,121	71,080	-	-
Sales and Service Tax ("SST") payable	123,749	186,268	-	-
	2,539,073	3,985,007	379,217	335,346

18. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue from contracts with customers:				
Sales of goods	31,354,352	50,527,757	-	-
Renewable energy	242,662	221,151	-	-
	31,597,014	50,748,908	-	-
Revenue from other sources:				
Rental income	83,958	14,875	-	-
Management fees	-	-	2,460,000	2,760,000
	83,958	14,875	2,460,000	2,760,000
	31,680,972	50,763,783	2,460,000	2,760,000

NOTES TO THE FINANCIAL STATEMENTS

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18. REVENUE cont'd

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Timing of revenue recognition:				
At a point in time	31,354,352	50,527,757	-	-
Over time	242,662	221,151	-	-
	31,597,014	50,748,908	-	-
Geographical market:				
Malaysia	20,564,114	37,670,129	2,460,000	2,760,000
Singapore	11,116,858	13,093,654	-	-
	31,680,972	50,763,783	2,460,000	2,760,000

Sales of goods

The Group manufactures and sells plastic bottles and related products in overseas and local markets. Revenue from sales of goods is recognised at a point in time when the control of the products has been transferred, being when the products are delivered to the customer.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue is recognised with a credit term of cash term to 90 days, which is consistent with market practices.

Renewable energy

Revenue from supplying of renewable energy is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance when electricity is delivered based on contractual terms stipulated in the contract with customer. The electricity is delivered at a pre-determined rate. This revenue also includes an estimated value of the electricity delivered from the date of their last meter reading and period end. Accrued unbilled revenues are reversed in the following month when actual billings occur.

Rental income

Rental income is accounted for on a straight-line basis over the lease terms.

Management fees

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
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19. FINANCE COSTS

	Group	
	2025	**2024**
	RM	**RM**
Interest expenses:		
- Hire purchase liabilities	161,618	155,308
- Bankers' acceptances	39,531	58,030
- Trust receipts	15,399	22,471
- Loans from related parties	31,710	33,178
	248,258	268,987
Unwinding of discount on non-current financial liabilities	2,028,021	1,094,205
	2,276,279	1,363,192

20. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is determined after charging/(crediting), amongst others, the following items:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Auditors' remuneration				
- Audit fee	110,000	100,000	33,000	30,000
- Non-audit fee	10,000	10,000	10,000	10,000
Allowance for ECLs on trade receivables	161,310	152,836	-	-
Depreciation of property, plant and equipment	2,531,619	2,658,119	952	953
Deposits received forfeited	(10,413)	-	-	-
Deposits written off	-	4,995	-	-
Discount on non-current financial liabilities	(218,223)	(4,184,360)	-	-
Fair value gain on investment properties	(493,833)	-	-	-
Gain on early termination of lease contracts	-	(171)	-	-
Interest income	(20,052)	(24,518)	(646)	(474)
Lease expenses related to short-term lease (a)	113,353	283,389	-	-
Loss on disposal of property, plant, and equipment	350,249	-	-	-
Other receivables written off	-	427	-	-
Property, plant and equipment written off	125	-	-	-
Provision for obsolete inventories	373,969	-	-	-
Realised loss on foreign exchange	138,580	452,448	-	-
Rental income	(542,413)	(570,700)	-	-

(a) The Group leases various properties with contract terms of not more than one year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

21. TAXATION

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Tax (income)/expenses recognised in profit or loss				
Current tax				
Current financial year provision	57,477	43,542	37,900	36,500
Under provision in prior financial year	11,020	2,399	12,726	-
	68,497	45,941	50,626	36,500
Deferred tax				
Origination and reversal of temporary differences	(1,510,333)	(985,415)	-	-
Realisation of deferred tax upon depreciation of revalued assets	(204,416)	(224,932)	-	-
(Over)/Under provision in prior financial year	(30,141)	1,143,661	-	-
	(1,744,890)	(66,686)	-	-
	(1,676,393)	(20,745)	50,626	36,500

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
(Loss)/Profit before tax	(8,897,267)	(2,565,308)	(70,439)	258,568
At Malaysian statutory tax rate of 24% (2024: 24%)	(2,135,344)	(615,674)	(16,905)	62,056
Expenses not deductible for tax purposes	803,996	690,126	54,805	24,895
Income not subject to tax	(121,508)	(965,874)	-	-
Realisation of deferred tax upon depreciation of revalued assets	(204,416)	(224,932)	-	-
Movement of deferred tax assets not recognised	-	(50,451)	-	(50,451)
Under provision of current tax in prior financial year	11,020	2,399	12,726	-
(Over)/Under provision of deferred tax in prior financial year	(30,141)	1,143,661	-	-
	(1,676,393)	(20,745)	50,626	36,500

The Group has estimated unutilised business losses of RM18,386,221 (2024: RM14,707,372), unutilised capital allowances of RM17,814,433 (2024: RM16,167,584) and unutilised reinvestment allowance of RM37,475,529 (2024: RM37,475,529) available for carried forward to offset against future taxable profits. The amounts are subject to approval by the tax authorities.

Based on the current legislation, any unutilised business losses and reinvestment allowance shall be carried forward for a maximum period of ten and seven consecutive years of assessment immediately following that year of assessment respectively, whereas the unutilised capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS
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21. TAXATION cont'd

The unutilised business losses for which no deferred tax asset was recognised expire as follows:

	Group	
	2025	**2024**
	RM	**RM**
Expiring in 2027	326,013	326,013
Expiring in 2028	1,912,920	1,912,920
	2,238,933	2,238,933

The unutilised reinvestment allowance for which no deferred tax asset was recognised expire as follows:

	Group	
	2025	**2024**
	RM	**RM**
Expiring in 2025	37,475,529	37,475,529

Deferred tax assets not recognised

Deferred tax assets (stated at gross) have not been recognised in respect of the following items:

	Group	
	2025	**2024**
	RM	**RM**
Unutilised reinvestment allowances	37,475,529	37,475,529
Unutilised business losses	2,238,933	2,238,933
Unutilised capital allowances	258,361	258,361
	39,972,823	39,972,823

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

NOTES TO THE FINANCIAL STATEMENTS

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22. LOSS PER SHARE

(a) Basic loss per share

The basic loss per share is calculated based on the consolidated loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2025	**2024**
	RM	**RM**
Loss attributable to owners of the Company	(7,220,874)	(2,544,563)
Weighted average number of ordinary shares (unit)	50,797,010	50,797,010
Basic loss per ordinary shares (sen)	(14.22)	(5.01)

(b) Diluted loss per share

There is no dilution in loss per share as the Company does not have any convertible financial instruments as at the reporting date.

23. STAFF COSTS

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Salaries, wages and other emoluments	8,176,181	10,693,811	1,799,578	1,819,107
Defined contribution plans	689,201	770,883	283,271	281,393
Social security contributions	103,038	111,435	7,219	6,089
	8,968,420	11,576,129	2,090,068	2,106,589

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below shows the detailed changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	At 1.1.2025	**New lease**	**Financing cash flows (i)**	**Other changes (ii)**	**At 31.12.2025**
	RM	**RM**	**RM**	**RM**	**RM**
Group					
Hire purchase liabilities	2,671,795	-	(785,326)	-	1,886,469
Bankers' acceptances	1,398,000	-	(435,000)	-	963,000
Trust receipts	221,400	-	(221,400)	-	-
Amount due to related parties	18,370,379	-	600,000	1,841,508	20,811,887
	22,661,574	-	(841,726)	1,841,508	23,661,356

NOTES TO THE FINANCIAL STATEMENTS
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24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES cont'd

	At 1.1.2024	New lease	Financing cash flows (i)	Other changes (ii)	At 31.12.2024
	RM	RM	RM	RM	RM
Hire purchase liabilities	1,387,957	1,901,539	(612,776)	(4,925)	2,671,795
Bankers' acceptances	1,276,000	-	122,000	-	1,398,000
Trust receipts	285,863	-	(64,463)	-	221,400
Amount due to related parties	18,327,356	-	3,100,000	(3,056,977)	18,370,379
	21,277,176	1,901,539	2,544,761	(3,061,902)	22,661,574

(i) The cash flows from borrowings make up the net amounts of proceeds from or repayments of borrowings in the statements of cash flows.

(ii) Other changes include early termination of lease contracts, discount and unwinding of discount on non-current financial liabilities and interest payable.

25. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Transaction with a subsidiary				
- Management fee income	-	-	2,460,000	2,760,000
Transaction with related parties				
- Interest on loans	31,710	33,178	-	-

NOTES TO THE FINANCIAL STATEMENTS

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Cont'd

25. RELATED PARTY DISCLOSURES cont'd

(c) Compensation of key management personnel

The compensation of Directors and other key management personnel of the Group and of the Company are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Executive Directors				
Fees	30,000	30,000	30,000	30,000
Salaries and other emoluments	1,214,500	1,264,500	1,214,500	1,264,500
Defined contribution plans	228,000	228,000	228,000	228,000
Social security contributions	1,278	923	1,278	923
	1,473,778	1,523,423	1,473,778	1,523,423
Non-executive Directors				
Fees	150,082	150,081	150,082	150,081
Other emoluments	12,500	11,500	12,500	11,500
	162,582	161,581	162,582	161,581
Other key management personnel				
Salaries and other emoluments	185,000	162,599	-	162,599
Defined contribution plans	22,178	12,754	-	12,754
Social security contributions	1,141	644	-	644
	208,319	175,997	-	175,997
Total key management personnel compensation	1,844,679	1,861,001	1,636,360	1,861,001

26. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable segments as follows:

(i) Plastic products : Manufacturing and trading of plastic products
(ii) Others : Investment holding and supply of renewable energy

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

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26. SEGMENT INFORMATION cont'd

	Note	Plastic products RM	Others RM	Adjustment and eliminations RM	Consolidated RM
2025					
Revenue					
External revenue		31,354,352	326,620	-	31,680,972
Inter-segment revenue	A	-	2,465,600	(2,465,600)	-
Total revenue		31,354,352	2,792,220	(2,465,600)	31,680,972
Results					
Segment (loss)/profit		(7,133,219)	774,592	(262,361)	(6,620,988)
Finance costs		(2,200,220)	(76,059)	-	(2,276,279)
(Loss)/Profit before taxation		(9,333,439)	698,533	(262,361)	(8,897,267)
Taxation		1,814,433	(166,584)	28,544	1,676,393
Net (loss)/profit for the financial year	B	(7,519,006)	531,949	(233,817)	(7,220,874)
Segment assets		71,523,358	42,985,522	(38,546,353)	75,962,527
Included in the measurement of segment assets are:					
Capital expenditure	C	413,273	75,313	-	488,586
Segment liabilities		37,459,863	6,659,956	(10,489,848)	33,629,971
2024					
Revenue					
External revenue		50,527,757	236,026	-	50,763,783
Inter-segment revenue	A	-	2,781,700	(2,781,700)	-
Total revenue		50,527,757	3,017,726	(2,781,700)	50,763,783
Results					
Segment (loss)/profit		(1,631,929)	692,725	(262,912)	(1,202,116)
Finance costs		(1,310,212)	(52,980)	-	(1,363,192)
(Loss)/Profit before taxation		(2,942,141)	639,745	(262,912)	(2,565,308)
Taxation		212,473	(185,232)	(6,496)	20,745
Net (loss)/profit for the financial year	B	(2,729,668)	454,513	(269,408)	(2,544,563)
Segment assets		74,048,828	42,254,623	(38,666,819)	77,636,632
Included in the measurement of segment assets are:					
Capital expenditure	C	2,673,215	-	-	2,673,215
Segment liabilities		40,995,712	6,461,006	(10,525,972)	36,930,746

NOTES TO THE FINANCIAL STATEMENTS

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26. SEGMENT INFORMATION cont'd

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

A. Inter-segment revenue is eliminated on consolidation.

B. Loss for the financial year consists of the following items as presented in the respective notes to the financial statements:

	Group	
	2025	**2024**
	RM	**RM**
Allowance for ECLs on trade receivables	161,310	152,836
Depreciation of property, plant and equipment	2,531,619	2,658,119
Deposits received forfeited	(10,413)	-
Deposits written off	-	4,995
Discount on non-current financial liabilities	(218,223)	(4,184,360)
Loss on disposal of property, plant and equipment	350,249	-
Fair value gain on investment properties	(493,833)	-
Gain on early termination of lease contracts	-	(171)
Interest income	(20,052)	(24,518)
Other receivables written off	-	427
Property, plant and equipment written off	125	-
Provision for obsolete inventories	373,969	-
Realised loss on foreign exchange	138,580	452,448
Unwinding of discount on non-current financial liabilities	2,028,021	1,094,205

C. Capital expenditure consists of additions of property, plant and equipment.

Geographical information

Segment information by geographical segment is not presented as the activities of the Group are located principally in Malaysia.

The non-current assets are entirely located in Malaysia.

Revenue information based on the geographical location of customers is disclosed in Note 18 to the financial statements.

Major customers

	Group	
	2025	**2024**
	RM	**RM**
Customer A	-	6,177,782

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

27. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
At amortised cost				
Financial assets				
Trade receivables	4,293,329	7,691,772	-	-
Other receivables	218,423	315,741	-	-
Amount due from subsidiaries	-	-	5,599,282	5,692,626
Cash and bank balances	1,332,464	1,166,831	54,826	6,219
	5,844,216	9,174,344	5,654,108	5,698,845
At amortised cost				
Financial liabilities				
Trade payables	2,351,253	2,984,075	-	-
Other payables	2,415,324	3,798,739	379,217	335,346
Borrowings	963,000	1,619,400	-	-
Amount due to related parties	20,811,887	18,370,379	-	-
Amount due to a subsidiary	-	-	470,000	470,000
	26,541,464	26,772,593	849,217	805,346

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy are to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from trade and other receivables, amount due from subsidiaries and cash and bank balances. There are no significant changes as compared to the prior financial year.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

27. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management objectives and policies cont'd

(i) Credit risk cont'd

The Company provides unsecured loans and advances to certain subsidiaries. It also provides financial guarantees to banks for banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities.

There are no significant changes as compared to the previous financial year.

As at the end of the financial year, the Group and the Company have no significant concentration of credit risk from its receivables.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirement and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

27. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management objectives and policies cont'd

(ii) Liquidity risk cont'd

	On demand or within 1 year	2 to 5 years	Total contractual cash flows	Total carrying amount
	RM	RM	RM	RM
Group				
2025				
Non-derivative financial liabilities				
Trade payables	2,351,253	-	2,351,253	2,351,253
Other payables	2,415,324	-	2,415,324	2,415,324
Amount due to related parties	-	22,574,888	22,574,888	20,811,887
Hire purchase liabilities	892,674	1,188,734	2,081,408	1,886,469
Borrowings	963,000	-	963,000	963,000
	6,622,251	23,763,622	30,385,873	28,427,933
2024				
Non-derivative financial liabilities				
Trade payables	2,984,075	-	2,984,075	2,984,075
Other payables	3,798,739	-	3,798,739	3,798,739
Amount due to related parties	-	21,910,000	21,910,000	18,370,379
Hire purchase liabilities	946,944	2,081,408	3,028,352	2,671,795
Borrowings	1,619,400	-	1,619,400	1,619,400
	9,349,158	23,991,408	33,340,566	29,444,388

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

27. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management objectives and policies cont'd

(ii) Liquidity risk cont'd

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. cont'd

	On demand or within 1 year	**Total contractual cash flows**	**Total carrying amount**
	RM	**RM**	**RM**
Company			
2025			
Non-derivative financial liabilities			
Other payables	379,217	379,217	379,217
Amount due to a subsidiary	470,000	470,000	470,000
	849,217	849,217	849,217
Financial guarantee *	963,000	963,000	
2024			
Non-derivative financial liabilities			
Other payables	335,346	335,346	335,346
Amount due to a subsidiary	470,000	470,000	470,000
	805,346	805,346	805,346
Financial guarantee *	1,619,400	1,619,400	

* *Based on the maximum amount that could be called for under the financial guarantee.*

The Company provides financial guarantee to banks in respect of credit facilities granted to a subsidiary and monitors on an ongoing basis the performance of the subsidiary. At end of the financial year, there was no indication that the subsidiary would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary defaulting on their credit facilities is remote.

(iii) Market risk

Foreign currency risk

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

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
Cont'd

27. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management objectives and policies cont'd

(iii) Market risk cont'd

Foreign currency risk cont'd

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in	
	SGD	**USD**
	RM	**RM**
Group		
2025		
Financial assets		
Trade receivables	1,394,042	-
Cash and bank balances	517,791	5,774
	1,911,833	5,774
Financial liabilities		
Trade payables	-	(91,087)
Other payables	(90,981)	(10,792)
	(90,981)	(101,879)
	1,820,852	(96,105)
2024		
Financial assets		
Trade receivables	2,012,213	-
Cash and bank balances	294,470	17,965
	2,306,683	17,965
Financial liabilities		
Trade payables	-	(129,644)
Other payables	(143,605)	(10,990)
	(143,605)	(140,634)
	2,163,078	(122,669)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

27. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management objectives and policies cont'd

(iii) Market risk cont'd

Foreign currency risk cont'd

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss before tax for the financial year to a reasonably possible change in the SGD and USD exchange rates against RM, with all other variables held constant.

		Effect on loss before tax	
	Change in currency rate	**2025**	**2024**
		RM	**RM**
SGD	Strengthened 1% (2024: 1%)	18,209	21,631
	Weakened 1% (2024: 1%)	(18,209)	(21,631)
USD	Strengthened 1% (2024: 1%)	(961)	(1,227)
	Weakened 1% (2024: 1%)	961	1,227

Interest rate risk

The Group's fixed rate hire purchase liabilities and amount due to related parties are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages its interest rate risk exposure from interest-bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is:

	Group	
	2025	**2024**
	RM	**RM**
Fixed rate instruments		
Financial liabilities		
Amount due to related parties	600,000	1,000,000
Hire purchase liabilities	1,886,469	2,671,795
	2,486,469	3,671,795
Floating rate instrument		
Financial liability		
Borrowings	963,000	1,619,400

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
Cont'd

27. FINANCIAL INSTRUMENTS cont'd

(b) Financial risk management objectives and policies cont'd

(iii) Market risk cont'd

Interest rate risk cont'd

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's loss before tax by RM9,630 (2024: RM16,194), arising mainly as a result of lower/higher interest expense on floating rate borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables, payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

28. FINANCIAL GUARANTEE

	Company	
	2025	2024
	RM	RM
Corporate guarantee given to financial institutions for credit facilities granted to a subsidiary	963,000	1,619,400

29. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025
Cont'd

29. CAPITAL MANAGEMENT cont'd

The Group monitors capital using a net gearing ratio. The Group's policy is to maintain a prudent level of net gearing ratio that complies with debt covenants and regulatory requirements. The net gearing ratio at end of the reporting period is as follows:

	Group	
	2025	**2024**
	RM	**RM**
Borrowings	963,000	1,619,400
Hire purchase liabilities	1,886,469	2,671,795
Amount due to related parties	20,811,887	18,370,379
Less: Cash and bank balances	(1,332,464)	(1,166,831)
Net debts	22,328,892	21,494,743
Total equity	42,332,556	40,705,886
Net gearing ratio	0.53	0.53

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

30. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 16 April 2026.

LIST OF PROPERTIES

The properties of the Group as at 31 December 2025 and their net book values (NBV") are indicated below:

Company	Location	Existing Use	Tenure	Land Area/ Built up Area	Approximate Age of Building	Date of Revaluation	NBV RM'000
Ralco Plastic Sdn. Bhd.	Lot 1476, Kawasan Perusahaan Nilai, 71800 Nilai, Negeri Sembilan	Factory/ Manufacturing	Leasehold Expiring 20/08/2089	4.51 Acres/ 13,110 Sq. Meter	32 years	18/12/2023	23,717
Ralco Plastic Sdn. Bhd.	Lot 1478, Kawasan Perusahaan Nilai, 71800 Nilai, Negeri Sembilan	Land and Building	Leasehold Expiring 31/07/2089	1.27 Acres/ 2,660 Sq. Meter	27 years	18/12/2023	10,024
Ralco Plastic Sdn. Bhd.	PT 5001, 5536, 5490, 5491, 5535 Mukim Labu, 71800 Nilai, Negeri Sembilan	Single storey Terrace House (Hostel)	Freehold	835.1 Sq. Meter	29 years	18/12/2023	1,330
Ralco Plastic Sdn. Bhd.	No. 7, Jalan Bistari 2, Taman Industri Jaya, 81300 Skudai, Johor Bharu, Johor	Factory/ Manufacturing	Leasehold Expiring 03/09/2911	1.0 Acres/ 1,152 Sq. Meter	20 years	14/12/2023	9,741
Ralco Holdings Sdn. Bhd.	No. 32, 38, 40, Jalan Bistari 2, Taman Industri Jaya, 81300 Skudai, Johor Bharu, Johor	1 1/2 storey Terrace Workshop	Leasehold Expiring 03/09/2911	557 Sq. Meter	12 years	14/12/2023	3,494

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

SHARE CAPITAL

Class of shares	:	Ordinary Shares
Issued Share Capital	:	50,797,010 ordinary shares
Voting rights	:	One (1) vote per Ordinary Share
Number of shareholders	:	918

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of issued and paid-up capital
Less than 100	32	3.5	1,007	0.0
100 – 1,000	84	9.2	46,839	0.1
1,001 – 10,000	625	68.1	2,016,509	4.0
10,001 – 100,000	127	13.8	3,521,500	6.9
100,001 – less than 5% of issued shares	47	5.1	29,742,155	58.5
5% and above issued shares	3	0.3	15,469,000	30.5
Total	**918**	**100**	**50,797,010**	**100**

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS:

Name of Shareholder	Direct No. of Shares	%	Indirect No. of Shares	%
1. Tan Heng Ta	8,736,800	17.20	-	-
2. Datin Goh Phaik Lynn	5,091,500	10.02	-	-
3. Ong Aun Kung	2,640,700	5.20	-	-

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS:

Name of Director	Direct No. of Shares	%	Indirect No. of Shares	%
1. Tan Heng Ta	8,736,800	17.20	-	-

Save as disclosed above, none of the other Directors of the Company has any interest, direct or indirect, in shares of the Company and of its related corporation.

By virtue of Tan Heng Ta's interest in the shares of the Company, he is also deemed to be interested in the shares of all subsidiaries to the extent the Company has an interest.

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2026
Cont'd

LIST OF 30 LARGEST SHAREHOLDERS
AS AT 31 MARCH 2026

No.	Name of Registered Shareholders	Shareholdings	%
1.	CIMB Group Nominees (Tempatan) Sdn. Bhd. *(Exempt an for DBS Bank Ltd (SFS-PB))*	7,736,800	15.23
2.	Goh Phaik Lynn	5,091,500	10.02
3.	Ong Aun Kung	2,640,700	5.20
4.	Chiang Fong Yee	2,500,000	4.92
5.	Chiang Sang Sem	2,500,000	4.92
6.	Lee Thiam Lai	2,376,900	4.68
7.	Tee Joo Teik	2,050,800	4.04
8.	Er Kim Lan	2,036,900	4.01
9.	Lew Shoong Kai	1,860,965	3.66
10.	Duclos Sdn. Bhd.	1,636,800	3.22
11.	Tee Tiam Lee	1,259,810	2.48
12.	RHB Nominees (Tempatan) Sdn. Bhd. *(Pledged securities account for Sim Keng Chor)*	1,200,000	2.36
13.	Loke Mei Sang	1,097,300	2.16
14.	Tan Heng Ta	1,000,000	1.97
15.	RHB Nominees (Asing) Sdn. Bhd. *(Exempt an for Phillip Securities Pte. Ltd. (A/C Clients))*	991,945	1.95
16.	Goh How Kiat	657,895	1.30
17.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. *(For Ong Soon Ho)*	508,700	1.00
18.	Tan Choon Myei	500,500	0.99
19.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *(Pledged securities account for Sim Keng Chor)*	479,240	0.94
20.	Er Kim Heng	444,700	0.88
21.	Lee Kok Hin	367,100	0.72
22.	Chuah Hock Hee	364,400	0.72
23.	Tan Kah Liang	315,600	0.62
24.	Ching Gek Lee	300,000	0.59
25.	Gek Lee Enterprise Sdn. Bhd.	300,000	0.59
26.	Low Kum Moon	300,000	0.59
27.	Lee Chee Beng	293,900	0.58
28.	Desiree Heg Yeing	293,000	0.58
29.	Cheong Wing Yan	275,200	0.54
30.	Sean Ooi Yeong Shern	275,200	0.54

INSTRUMENT OF PROXY

CDS Account No.	**:**	
Total No. of Shares Held	**:**	

RALCO

RALCO CORPORATION BERHAD
[Registration No. 199501003907 (333101-V)]

I/We, _____

(Full Name as per NRIC / Passport / Certificate of Incorporation in Capital Letters)

NRIC No./Passport No./Registration No. _____

Contact No.: _____ ; Email: _____

of _____

being a member/ members of **RALCO CORPORATION BERHAD**, do hereby appoint the following:-

Full Name (In block letters):	**MyKad / Passport No.:**	**Proportion of Shareholdings**	
		No. of Shares	**Percentage (%)**
Address:			
Email address:	**Contact No.:**		

*OR failing him / her / AND,

Full Name (In block letters):	**MyKad / Passport No.:**	**Proportion of Shareholdings**	
		No. of Shares	**Percentage (%)**
Address:			
Email address:	**Contact No.:**		

or failing *him/her, the #CHAIRMAN OF THE MEETING, as *my/our proxy, to vote for *me/us and on *my/our behalf at the **Thirty-First (31st) Annual General Meeting** of **RALCO CORPORATION BERHAD** to be held at the **Tioman Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur** on **Friday, 12 June 2026 at 11:00 a.m.** or at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your vote to be casted. If no specific direction is given, the proxy will vote or abstain from voting at his/her discretion.

RESOLUTIONS RELATING TO		**For**	**Against**
ORDINARY RESOLUTION			
1.	To approve the payment of Directors' Fees.		
2.	To approve the payment of Directors' Benefits payable to the Directors of the Company and its subsidiaries.		
3.	To re-elect Dato' Chong Kim Fatt as a Director of the Company.		
4.	To re-elect Ms. Lee Set Yee as a Director of the Company.		
5.	To re-elect Mr. Poo Lap Tuck as a Director of the Company.		
SPECIAL BUSINESS			
6.	To approve the authority to issue and allot shares		

* Please delete, if not applicable

If you wish to appoint other person / persons to be your proxy / proxies, kindly delete the words "or failing him / her, THE CHAIRMAN OF THE MEETING" and insert the name / names of the person / persons desired.

Dated this _____ day of _____ 2026

Signature of Shareholder

Common Seal is to be affixed here
if shareholder is a corporation

Fold this flap for sealing

NOTES

1.0 A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy.

2.0 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

3.0 Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

4.0 Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where the Exempt Authorised Nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of his holdings to be represented by each proxy.

5.0 The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

*6.0 The instrument appointing a proxy must be deposited at the Poll Administrator's office at **Bina Management (M) Sdn. Bhd., Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor** or submit via email to agm-support.Ralco@virtualagm.asia not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*

7.0 Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the 31st AGM is Friday, 5 June 2026.

8.0 Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 31st AGM will be put to vote on a poll.

*9.0 For Individual Shareholder, you may wish to **register your proxy online** at https://cygnusurl.com/M6Qkg1 or scan the QR code below.*

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AFFIX
STAMP
HERE

THE POLL ADMINISTRATOR

RALCO CORPORATION BERHAD
[Registration No. 199501003907 (333101-V)]
c/o Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre,
Jalan 51/205,
46050 Petaling Jaya,
Selangor

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PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and any adjournment thereof, the Shareholder / Proxy of the Company ("Ralco Corporation Berhad") acknowledges and agrees as follows:

1.0 Ralco Corporation Berhad is the Data Controller, responsible for determining the purposes and means of processing personal data in connection with the AGM.

2.0 Bina Management (M) Sdn. Bhd. has been appointed as the Poll Administrator by Ralco Corporation Berhad. In carrying out this role, Bina Management (M) Sdn. Bhd. utilizes the VirtualAGM.asia platform to receive and manage Digital Proxy Forms. VirtualAGM.asia acts solely as a Data Processor, processing personal data strictly on behalf of and in accordance with the documented instructions of Ralco Corporation Berhad and Bina Management (M) Sdn. Bhd.

3.0 The Shareholder / Proxy consents to the collection, use, disclosure, storage and retention of their personal data by Ralco Corporation Berhad (as Data Controller) and its appointed Data Processor(s) (including the Poll Administrator) for the purposes of:

3.1 Processing and administering proxies and representatives appointed for the AGM;

3.2 Preparing and compiling attendance lists, minutes, and other documents relating to the AGM; and

3.3 Ensuring compliance with applicable laws, listing rules, regulations, and guidelines (collectively, the "Purposes").

4.0 Where the Shareholder / Proxy discloses personal data of proxy(ies) and / or representative(s) to Ralco Corporation Berhad and its appointed Data Processor(s), the Shareholder / Proxy warrants that prior consent has been obtained from such proxy(ies) and / or representative(s) for the collection, use, disclosure, storage and retention of their personal data for the Purposes.

5.0 The Shareholder / Proxy agrees to indemnify and hold harmless Ralco Corporation Berhad against all penalties, liabilities, claims, demands, losses and damages arising directly or indirectly from any breach of the above warranty.

www.RALCO.net

RALCO CORPORATION BERHAD
Registration No. 199501003907 (333101-V)

Lot 1476, Jalan Lengkok Emas 1,
Nilai Industrial Estate,71800 Nilai,
Negeri Sembilan, Malaysia

Tel: 606-797 1999 **Fax**: 606-797 1333