

PDZ HOLDINGS BHD
Registration No. 199501031213 (360419-T)

ANNUAL REPORT 2026

30th
ANNUAL GENERAL MEETING

Thursday
3rd December 2026
10:30 a.m

Level 9, Tower 11, Avenue 5,
No. 8, Jalan Kerinchi, Bangsar
South, 59200 Kuala Lumpur.

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Corporate Information

BOARD OF DIRECTORS

- **Dato' Sri Rusli Bin Ahmad**
  Independent Non-Executive Chairman
- **Datuk Tan Chor How Christopher**
  Executive Director cum Chief Executive Officer
- **Dato' Ahmad Zaffry Bin Hj. Sulaiman**
  Independent Non-Executive Director
- **Mr. Wong Kok Seong**
  Independent Non-Executive Director
- **Dr. Rosli Bin Azad Khan**
  Executive Director
- **Mr. Ho Jien Shiung**
  Executive Director
- **Ms. Pang Siaw Sian**
  Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Wong Kok Seong *(Chairman)*
Dato' Sri Rusli Bin Ahmad
Dato' Ahmad Zaffry Bin Hj. Sulaiman

NOMINATION AND REMUNERATION COMMITTEE

Mr. Wong Kok Seong *(Chairman)*
Dato' Sri Rusli Bin Ahmad
Dato' Ahmad Zaffry Bin Hj. Sulaiman

COMPANY SECRETARIES

Ms. Tea Sor Hua (MACS 01324)
SSM Practicing Certificate No. 201908001272

Ms. Lim Kee San (MAICSA 7067348)
SSM Practicing Certificate No. 202308000295

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 7725 1777
Email : info@cospec.com.my

HEAD OFFICE

100-3.013, Block J, 129 Offices, Jaya One
No. 72A, Jalan Profesor Diraja Ungku Aziz
Section 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 74930222 / 012-6286054
Email : general@pdzlines.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
RHB Bank Berhad
CIMB Bank Berhad

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 2084 9000
Email : info@sshsb.com.my

AUDITORS

MORISON LC PLT
202206000028
(LLP0032572-LCA) & (AF 002469)
Level 11-01, Uptown
No.3, Jalan SS21/39
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 7491 4419

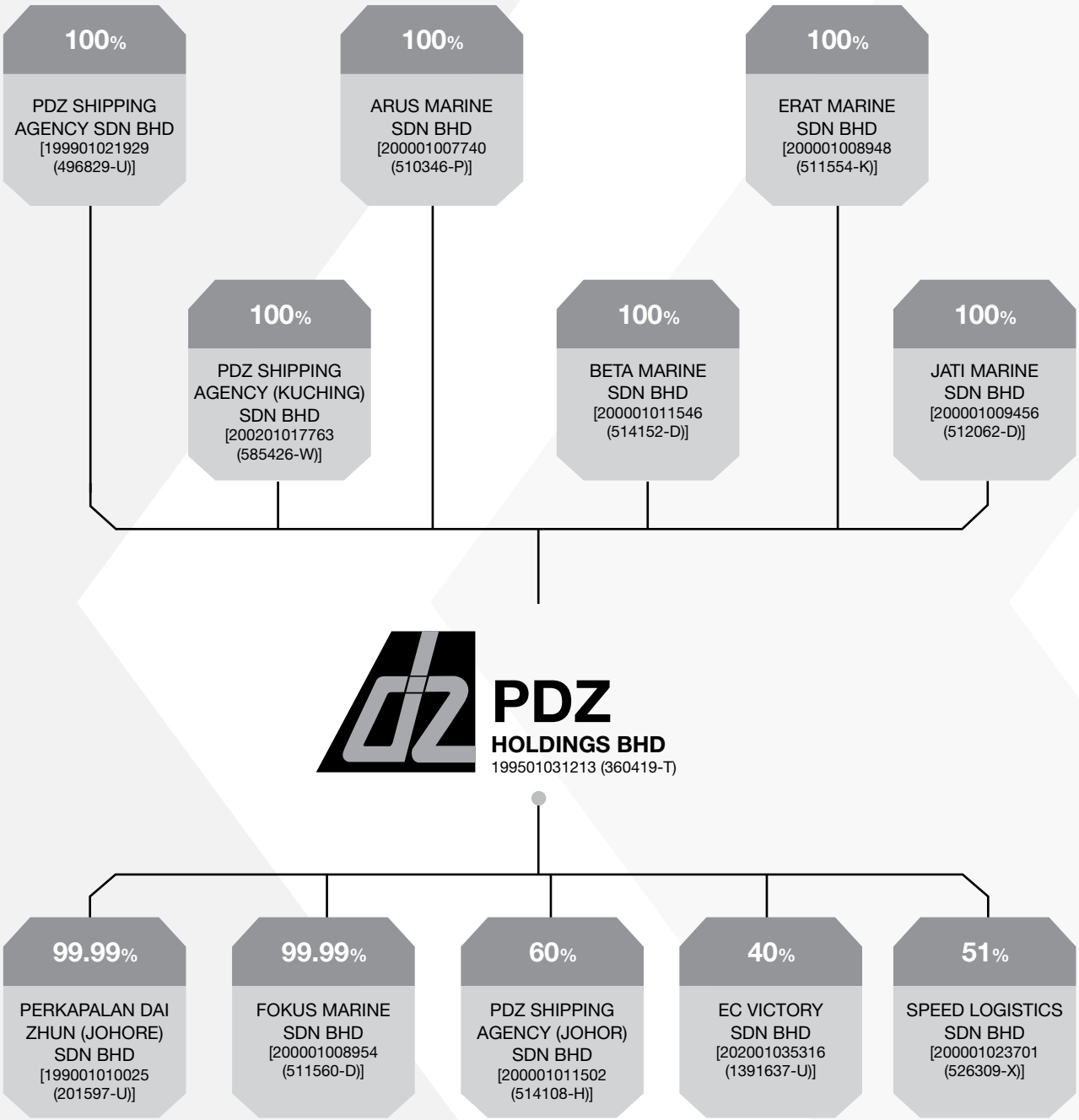
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : PDZ
Stock Code : 6254

WEBSITE

www.pdzlines.com

Group Structure



Directors' Profile

Dato' Sri Rusli Bin Ahmad

Independent Non-Executive Chairman

Male I Aged 69 I Malaysian

Dato' Sri Rusli Bin Ahmad ("**Dato' Sri Rusli**") was appointed to the Board as an Independent Non-Executive Director of the Company on 3 January 2018 and was subsequently re-designated as Independent Non-Executive Chairman on 31 December 2018. He is a member of Audit and Risk Management Committee, and Nomination and Remuneration Committee. He attended all six (6) Board Meetings held during the financial period.

Dato' Sri Rusli holds a Bachelor of Law from UiTM (1998) and Master of Laws from the University of Malaya in Kuala Lumpur, Malaysia (2006).

Dato' Sri Rusli's final position in Royal Malaysia Police was the Commissioner of Police.

He joined the Royal Malaysia Police ("RMP") on 12 February 1978 as an Inspector. Throughout his career, he has served in several departments, including the Criminal Investigation Department, the Management Department, and the Inspector General of Police Secretariat. He was also assigned as the Officer-in-Charge of the Cheras Police District (OCPD), Deputy Director (Operations) at the Crime Prevention and Public Safety Department in 2014, Johore State Police Chief (CPO) in 2015, and Director of Crime Prevention and Community Safety with the rank of Police Commissioner at the Federal Police Headquarters, Bukit Aman, Kuala Lumpur. He officially retired on 12 May 2017 at the age of 60, after serving more than 39 years in the RMP.

Dato' Sri Rusli has also attended seminars and courses related to his career, both locally, in most ASEAN countries and abroad, including the United States, the Netherlands and Australia.

In appreciation of his contributions to society and the country, he was awarded the titles of Darjah Sri Sultan Ahmad Shah Pahang (SSAP), Darjah Indera Mahkota Pahang (DIMP), Panglima Gagah Pasukan Polis (PGPP), Johan Setia Mahkota (JSM), Kesatria Mangku Negara (KMN), and Ahli Mangku Negara (AMN).

Presently, he does not hold directorships in other public companies and listed issuers.

Dato' Sri Rusli has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 June 2026.

DIRECTORS' PROFILE

[Cont'd]

Datuk Tan Chor How Christopher

Executive Director cum Chief Executive Officer / Key Senior Management

Male I Aged 46 I Malaysian

Datuk Tan Chor How Christopher ("**Datuk Christopher**") was appointed as an Independent Non-Executive Director of the Company on 18 August 2016 and was subsequently re-designated as Executive Director cum Chief Executive Officer on 1 September 2016. He attended all six (6) Board Meetings held during the financial period.

He graduated with a Bachelor of Commerce (Accounting) degree in 2002 from The University of Adelaide, South Australia and completed his Certified Credit Professional - Business Credit Certification from Institute Bank - Bank Malaysia (IBBM) in 2005.

Datuk Christopher has accumulated over 20 years of working experience, with an understanding of business philosophy, executive leadership, corporate and management functions, across diverse industries, with strategic organisational and transformative initiatives for value creation in complex regulatory environments.

Presently, Datuk Christopher also sits on the Board of M N C Wireless Berhad and Fitters Diversified Berhad in addition to several private limited companies.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 June 2026.

Dr. Rosli Bin Azad Khan

Executive Director

Male I Aged 69 I Malaysian

Dr. Rosli Bin Azad Khan ("**Dr. Rosli**") was appointed to the Board as an Executive Director of the Company on 20 November 2020. He attended all six (6) Board Meeting of the Company during the financial period.

He obtained his Masters in Transport Planning and Ph.D in Transport Economics from Cranfield University, England, in 1984 and 1992 respectively. He is now a Fellow of the Chartered Institute of Logistics & Transport (CILT UK), having graduated from UiTM in 1979, and has served as Vice President for the Malaysian section of CILT for three terms until 2018.

Dr. Rosli has more than 36 years of management and industry experience especially in business consultancy covering various modes of transport such as air, land, rail, and sea. His management experience includes many years spent in ports and shipping, shipyard and shipbuilding, oil and gas, and road network and highway planning. His consultancy studies include port planning, container trade, cruise and ferry, high speed rail, LRT, MRT, Tram and urban mass transportation.

As a consultant, he has also been involved in privatisation projects, public private partnership (PPP) and private finance initiative (PFI) projects, project evaluations, traffic forecasting, project financing and funding and has undertaken assignments in 26 countries.

Dr. Rosli was previously a Board member of Drydocks World Dubai and Polarcus Plc, which is listed in Oslo, Norway. He was also previously attached to the Office of the Minister of Entrepreneur Development & Co-operatives and an Advisor to Global Entrepreneur Network (GEN) Malaysia.

Presently, Dr. Rosli is a Director for MDS Consultancy Group. He does not hold directorships in other public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 June 2026.

DIRECTORS' PROFILE

[Cont'd]

Ho Jien Shiung

Executive Director

Male I Aged 42 I Malaysian

Mr. Ho Jien Shiung ("**Mr. Ho**") was appointed to the Board as an Executive Director of the Company on 7 February 2017. He attended all six (6) Board Meetings during the financial period.

He obtained his Bachelor Degree of Commerce & Administration from Victoria University of Wellington, New Zealand.

Mr. Ho started his career as Foreign Administration Executive with the Inland Revenue Department of New Zealand after graduation in 2008. In 2009, he returned to Malaysia and joined a construction piping company as South East Asia Region Marketing Manager. In 2010, he left and joined an advance technology printing manufacturer as Business Development Manager principally in charge of the business development of Malaysia central region.

Currently, Mr. Ho also sits on the Board of PNE PCB Berhad, DGB Asia Berhad, BCM Alliance Berhad as well as several private limited companies.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 June 2026.

Dato' Ahmad Zaffry Bin Hj. Sulaiman

Independent Non-Executive Director

Male I Aged 51 I Malaysian

Dato' Ahmad Zaffry Bin Hj. Sulaiman ("**Dato' Zaffry**") was appointed to the Board as an Independent Non-Executive Director of the Company on 29 September 2017. He is a member of Audit and Risk Management Committee as well as Nomination and Remuneration Committee. He attended all six (6) Board Meetings held during financial period.

Dato' Zaffry graduated from University Technology Malaysia (UTM) with Degree in Civil Engineering in 2005. He holds a Diploma in Civil Engineering from Politeknik Ungku Omar in year 1997 and Certificate in Civil Engineering (Construction) from Politeknik Port Dickson in year 1995.

Dato' Zaffry started his career as Assistant Engineer with Shah Alam City Council (MBSA) in year 1997. He left MBSA in year 2010 and started his own entrepreneurship. He was the Executive Director of EKA Noodles Berhad from September 2015 to March 2017.

Presently, Dato' Zaffry is the Managing Director of both MyTC Ventures Berhad and Dynamic Care Resources Sdn. Bhd. He is also a Director of Itramas Corporation Sdn. Bhd., a company ventures into business of renewable energy and LED manufacturing. Being committed and multitasking is part of his strength, Dato' Zaffry is also appointed as the Project Director of Conlay Construction Sdn. Bhd. (Class A Contractor/CIDB G7) and the Project Coordinator for Asia Aerospace City - a premier edu-biz park for aerospace industry-related engineering services led by Pelaburan MARA Berhad, an investment arm of Majlis Amanah Rakyat (MARA).

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 June 2026.

Wong Kok Seong

Independent Non-Executive Director

Male I Aged 57 I Malaysian

Mr. Wong Kok Seong ("**Mr. Wong**") was appointed to the Board as an Independent Non-Executive Director on 6 May 2022. He is the Chairman of Audit and Risk Management Committee as well as Nomination and Remuneration Committee. He attended all six (6) Board Meetings held during the financial period.

Mr. Wong is a Chartered Accountant and holds a Masters of Business Administration from Open University, United Kingdom. He is a member of the Malaysian Institute of Accountants (MIA) and also a Fellow Member of the Association of Chartered Certified Accountants (FCCA). Having spent 15 years in the United Kingdom, Mr. Wong has gained extensive exposure with a United Kingdom accounting firm, Appleby & Wood, where he was an audit partner from 1999 to 2005. His experience extended to multinational companies where he was appointed as Finance Director for several UK-based companies. During his tenure there, he was responsible for the preparation of business plans, budgets and organisational financial statements, due diligence, accounting & taxation, management, project financing and implementation.

On his return to Malaysia in 2006 and upon obtaining his audit license, he joined an audit firm Messrs. Hasnan THL Wong & Partners, and was its Managing Partner. He was also made a partner in another audit firm in Malaysia. Over the last few years, he has extensively been involved in a wide range of businesses, such as cross border trading, manufacturing, and property development. His experience includes accounting & taxation, due diligence, management consultancy, project financing and implementation.

Currently, Mr. Wong also sits on the Board of PNE PCB Berhad, Fitters Diversified Berhad, Computer Forms (Malaysia) Berhad and M N C Wireless Berhad.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

On 12 September 2025, Mr. Wong was publicly reprimanded by Bursa Malaysia Securities Berhad ("Bursa Securities") and fined RM400,000 for failing to comply with disclosure obligations under Main Market Listing Requirements of Bursa Securities in relation to his directorship in Fitters Diversified Berhad. Subsequently, on 21 July 2026, he was also publicly reprimanded by Bursa Securities and fined RM300,000 for breaches of the Listing Requirements in relation to his directorship in Computer Forms (Malaysia) Berhad.

DIRECTORS' PROFILE

[Cont'd]

Pang Siaw Sian

Independent Non-Executive Director

Female I Aged 39 I Malaysian

Ms. Pang Siaw Sian ("**Ms. Pang**") was appointed to the Board as an Independent Non-Executive Director on 17 April 2023. She attended all six (6) Board Meetings of the Company held during the financial period.

She holds a Bachelor of Arts (Hons) in International Hospitality Management from Bournemouth University in United Kingdom.

Ms. Pang started her career with a public listed company in 2010 as a Personal Assistant to a Managing Director where she supports top-level executive in strategic planning, market analysis, research and business plan to address future prospects of the company. She later pursued her career with a financial institution in 2012 as the Regional Sales Manager in Mortgage Division. With her exceptional results, she was awarded with the recognition as the Nationwide Best Award in 2013. She expanded customers and business partners database to overseas by proactively involved in major properties development events. She has also provided credit assessment and professional advices on customer's investments decisions.

Currently, Ms. Pang also sits on the Board of M N C Wireless Berhad and Fitters Diversified Berhad.

She has no family relationship with any Directors and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 June 2026.

Key Senior Management's Profile

Datuk Tan Chor How Christopher

Executive Director cum Chief Executive Officer / Key Senior Management

Male I Aged 46 I Malaysian

The details of **Datuk Tan Chor How Christopher** ("**Datuk Christopher**") are disclosed in the Directors' Profile of this Annual Report.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 June 2026.

Mohd Mukhlis Bin Zainal Abidin

Financial Controller

Male I Aged 41 I Malaysian

En. Mohd Mukhlis Bin Zainal Abidin ("**En. Mukhlis**") graduated with a Bachelor Degree in Commerce (Accounting & Corporate Finance). He is a member of the Chartered Accountants Australia and New Zealand (CA ANZ). He joined the Company in 2015 and handles the Group Accounting and Financial Reporting, Risk Management, Treasury and Cash Management as well as matters related to the Corporate Communications. He has 7 years experience in audit and assurance work as well as corporate advisory services across various sectors such as IT, Telecommunications, Utility Company and the government sectors. Prior to joining the Company, he worked with PricewaterhouseCoopers Malaysia under the risk assurance services department.

En. Mukhlis has no directorship in other public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial period ended 30 June 2026.

Management Discussion and Analysis

On behalf of the Board of Directors ("Board") of PDZ Holdings Bhd. ("PDZ"), the Management presents to you our Annual Report and Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial period ended 30 June 2026.

The Management Discussion and Analysis ("MD&A") is intended to provide a review of the operations, financial performance and Group outlook, prospects and strategic direction. Following the change in the Group's financial year end from 31 December to 30 June, the current financial period covers eighteen months from 1 January 2025 to 30 June 2026.

THE CURRENT YEAR IN REVIEW

PDZ is an investment holding company. Through our subsidiaries, we are principally involved in integrated logistics services, which include shipping, freight, project management, and related logistics operations.

Operating environment remains challenging, given on-going global uncertainties within financial markets and energy costs having knock on effects to various industries.

Key Indicators	Financial Period Ended ("FPE") 30.06.2026 (18 Months) (RM'000)	FPE 30.06.2026 (Annualised 12 Months)[1] (RM'000)	Financial Year Ended ("FYE") 31.12.2024 (12 Months) (RM'000)
Revenue	14,167	9,447	8,535
Gross Profit	1,333	887	835
Profit Before Tax	3,791	2,527	8,222
Profit After Tax	3,620	2,413	8,494

Note:
[1] Annualised figures are calculated by dividing the 18-month figure by 18, then multiplying by 12. This MD&A covers an 18-month period from 1 January 2025 to 30 June 2026 compared to the previous 12-month period from 1 January 2024 to 31 December 2024.

For the 18-month FPE 2026, the Group recorded a total revenue of RM14.167 million. On an annualised basis RM9.447 million, this represents an increase compared to the RM8.535 million recorded in FYE 2024, contributed by steady freight, shipping and logistic transportation services.

The Group recorded a Profit After Tax of RM3.620 million for the 18-month period. On an annualised basis RM2.413 million, this represents decrease compared to the RM8.494 million recorded in FYE 2024, due to one-off reversal of provision for liabilities in FYE 2024. Close cost monitoring resulted in lower business operating expenses, compared to the previous financial year.

During the period, the Group remains cautious and diligent in its approach on collaboration activities, on planned development and operation of a regional e-commerce logistic hub and diversification plans into ever-competitive and challenging glove manufacturing sector. The Group continues its focused on improving its value-added ancillary logistic services to support its clients, with "end-to-end" logistics solutions, whilst exploring ventures into complimentary businesses within the industries the Group operates in. Ultimately to improve the Group's profitability with the aim of increasing shareholders value.

FORWARD-LOOKING STATEMENT

Looking ahead to year 2026 and 2027, global growth is projected at 3.1% in 2026 and 3.5% in 2027, underlined by capital expenditure in technology and artificial intelligence ("AI") build-ups, coupled with supply chain rerouting and energy market adjustments which helped buffer global output against geopolitical volatility. Growth remains below historical averages due to softening of select advanced European economies, inflationary pressures and higher public debt levels across advanced and emerging market economies.

On the local front, the Malaysia economy is projected to maintain strong momentum, with Real GDP growth of around 4.8% to 5.3% in 2026 and 4.5% to 5% in 2027, attributed to robust domestic demand and household spending with strengthening labour market, civil salary adjustments, government support mechanisms that cushions cost of living pressures for low-end and middle-income households.

This is further anchored by support from high-tech manufacturing, particularly in the sectors of electrical & electronics, data centre growth, service export earnings from tourism, execution of key national projects under the 13th Malaysia Plan and Budget 2026/2027 allocations which provides sustained baseline support for the economy.

Having said that, risk factors that could moderate performance include fluctuations in external demand from global trade policy shifts, geopolitical and energy volatility, coupled with domestic inflationary pressures.

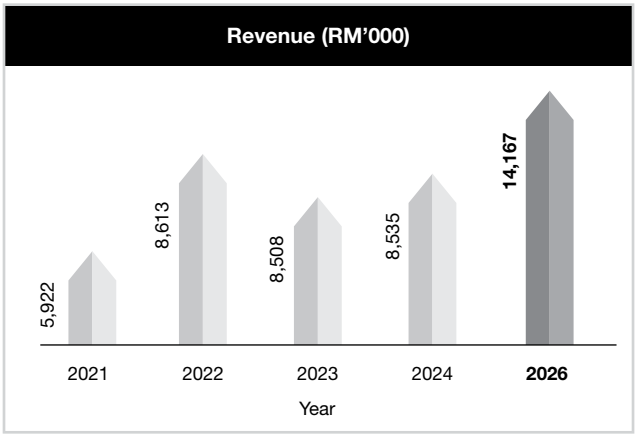
The Group remains cautiously optimistic about the logistics sector, while keeping a close eye on the ever-challenging operating business costs. As a logistics provider, the Group is exposed to fluctuations in global trade volumes, fuel prices, and foreign exchange rates (particularly the US Dollar), which is continuously being managed by maintaining efficient cost controls. The Group will continue to explore strategic opportunities to diversify our income base while maintaining a prudent approach to financial and risk management.

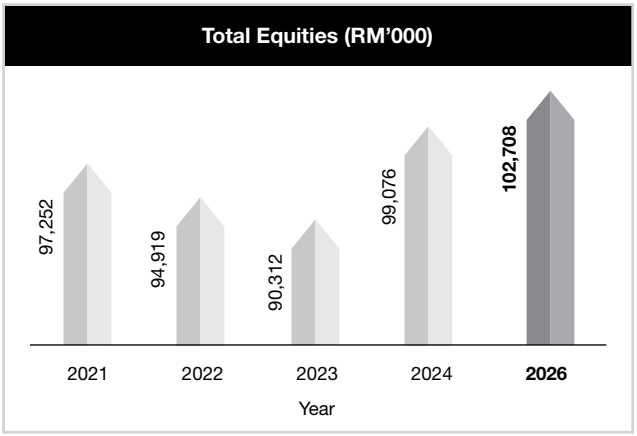
The Management would like to express its gratitude to its shareholders, Board, clients, business partners and associates for their support.

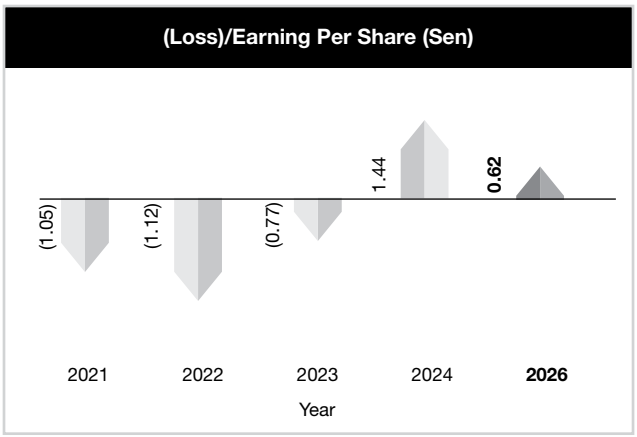
5 Years Financial Highlights

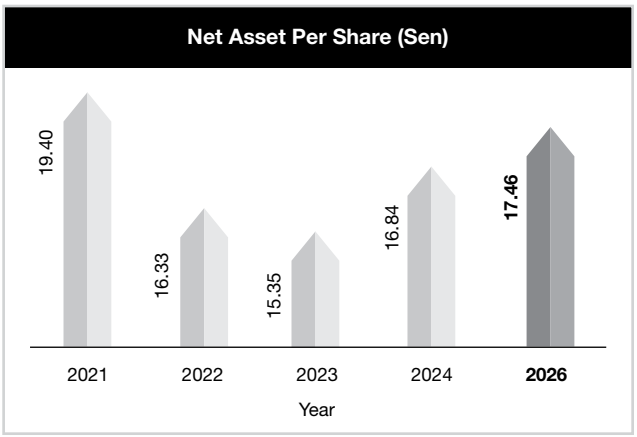
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	FPE 30.06.2026 (18 months) RM'000
Revenue	5,922	8,613	8,508	8,535	**14,167**
(Loss)/Profit for the financial year	(5,450)	(6,485)	(4,517)	8,494	**3,620**
(Loss)/Profit attributable to owners of the Company	(5,253)	(6,485)	(4,517)	8,499	**3,632**
Equity attributable to owners of the Company	97,252	94,919	90,312(*)	99,076(*)	**102,708**
Basic (loss)/earnings per share (Sen)	(1.05)	(1.12)	(0.77)	1.44	**0.62**
Net assets per share (Sen)	19.40	16.33	15.35(*)	16.84(*)	**17.46**

Notes:
1. (*) Restated
2. Financial Period Ended (FPE)









Corporate Governance Overview Statement

The Board of Directors ("Board") of PDZ Holdings Bhd. ("the Company") is pleased to present this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial period ended 30 June 2026 ("FPE 2026"). The statement is also presented in compliance with Paragraph 15.25(2) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Corporate Governance Overview Statement ("CG Statement") is based on the three (3) principles as set out in the Malaysian Code on Corporate Governance ("MCCG") which was further updated by the Securities Commission Malaysia on 28 April 2021, which are:-

Principle A - Board leadership and effectiveness
Principle B - Effective audit and risk management
Principle C - Integrity in corporate reporting and meaningful relationships with stakeholders

This CG Statement is augmented with a Corporate Governance Report ("CG Report") which provides a detailed articulation of the application of the Company and its subsidiaries' ("the Group") corporate governance practices as set out in the MCCG throughout the FPE 2026. This CG Report is available on the Company's corporate website at www.pdzlines.com, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1.1 Board and Board Committees

The Board is responsible for the performance and business affairs of the Group. The Board determines the Group's strategic objectives and ensures that required resources are in place for the Group to meet its objectives and to guide the Group on its short and long-term goals, providing advice, stewardship and directions on the management and business development of the Group. It then delegates the implementation and monitoring of these set directions and control systems to the Management.

The Board is also responsible for ensuring that the Management maintains an effective system of governance and internal controls, which should provide assurance of effective and efficient operations, internal controls and compliance with the relevant laws and regulations.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter which outlines the duties and responsibilities of the Board. The Board also delegates certain responsibilities to the following Board committees to assist in the execution of its responsibilities within their respective Terms of Reference:

a. Audit and Risk Management Committee ("ARMC"); and
b. Nomination and Remuneration Committee ("NRC").

Each committee operates in accordance with its respective Terms of Reference as approved by the Board. The Board committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective Terms of Reference and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval. The Board committees' Terms of Reference can be accessed via the Company's website at www.pdzlines.com.

Apart from the responsibility of the Board committees, the Executive Director cum Chief Executive Officer ("ED cum CEO") and other Senior Management are also delegated certain authorities to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.2 Chairman of the Board

The Board is led by Dato' Sri Rusli Bin Ahmad, an Independent Non-Executive Chairman, who plays a crucial role in overseeing and ensuring the efficient functioning of the Board. Dato' Sri Rusli Bin Ahmad is dedicated to upholding high standards of corporate governance and has been instrumental in fostering a high-performing culture within the Board.

The Chairman is responsible for providing leadership to the Board and ensuring the Board fulfills its supervisory duties effectively. Additionally, the Chairman facilitates the active participation of all Directors and presides over Board and general meetings of the Company. The Chairman also manages Board communications and effectiveness while supervising Management.

The Chairman ensures that the Board receives timely and relevant information to facilitate decision-making. Further, the Chairman ensures that Board and general meetings are conducted in compliance with good conduct and best practices. The Chairman promotes positive and constructive relationships between Board members and between the Board and Management. Finally, the Chairman represents the Company jointly with the Executive Directors to external groups such as shareholders, creditors, consumer groups, and local governments.

The Chairman does not assume the position of chairman of the Board committees but as a member of the ARMC and NRC respectively. The explanation for the departure from Practice 1.4 of the MCCG is set out in the CG Report. Through his participation and corporate experience, it is believed that the Board's objectivity in receiving or reviewing the committees' reports has not been diminished in any way.

In summary, Dato' Sri Rusli Bin Ahmad, as the Independent Non-Executive Chairman, plays a crucial role in ensuring that the Board fulfils its duties and that the Company adheres to the best corporate governance practices. His leadership, guidance, and oversight help maintain a high-performing culture within the Board and ensure the Company's success.

1.3 Chairman and ED cum CEO

The positions of the Chairman and ED cum CEO are held by two different individuals. There is a clear division of responsibility between the two roles to ensure that there is an appropriate balance of power and authority, such that no one individual has unfettered decision making powers.

The Chairman of the Board is primarily responsible for the leadership, effectiveness, conduct and governance of the Board while the ED cum CEO has overall responsibilities for the day-to-day management of the business and implementation of the Board's policies and decisions. The ED cum CEO is accountable to the Board for the overall organisation, management, and staffing of the Group and for the procedures in financial and other matters, including conduct and discipline.

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as company secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practicing Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries have been continuously attending the necessary training programmes, conferences or seminars organised by the relevant authorities and/or professional bodies to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.4 Qualified and Competent Company Secretaries (Cont'd)

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

During the FPE 2026, all Board and Board committee meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The calendar provides the Directors with scheduled dates for meetings of the Board and Board committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

The notices of Board and Board committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.

The deliberations and conclusions of matters discussed in the Board or Board committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, board papers along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

1.6 Board Charter

The Board Charter is a governance document that outlines the role, structure, and processes related to key governance activities of the Board. It serves as a reference point for Board activities and provides guidance and clarity for Directors and Management. The Board Charter is designed to define the roles of the Board and its Committees, ED cum CEO, and the requirements of Directors in carrying out their duties towards the Company.

The Board Charter provides a clear delineation of relevant matters and applicable limits, including those reserved for the Board's approval and those which the Board may delegate to the Board committees, the ED cum CEO, and the Management. This delineation ensures that all parties involved understand their roles and responsibilities, thus promoting effective decision-making, risk management, and compliance.

The Board Charter is available on the Company's website at www.pdzlines.com.

The Board Charter would be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflects the latest compliance requirements as a result of changes in the regulatory framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.7 Code of Ethics and Conduct

The Code of Ethics and Conduct which forms part of the Board Charter is observed by all Directors, Management and employees of the Group and is available on the Company's website at www.pdzlines.com.

The Board adhered strictly to the Code of Ethics and Conduct for the Directors, in discharging its oversight role effectively. The Code of Ethics and Conduct requires all Directors, Management and employees of the Group to observe high ethical business standards and apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.

1.8 Whistleblowing Policy

The Board has adopted a Whistleblowing Policy to provide an avenue for all employees of the Group and members of the public to report or disclose any violations or wrongdoings that may be observed in the Group without fear of retaliation should they act in good faith when reporting such concerns.

The Whistleblowing Policy was last reviewed and approved by the Board on 1 June 2025 and is available on the Company's website at www.pdzlines.com.

The Board remains committed to reviewing the Whistleblowing Policy at least once in every three (3) years to ensure that it remains relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.

1.9 Anti-Bribery & Corruption Policy ("ABC Policy")

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place ABC Policy to encourage a culture of integrity and transparency in all the Group's activities. This policy which adheres to the Listing Requirements of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally sets out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABC Policy was last reviewed and approved by the Board on 1 June 2025 and is published on the Company's website at www.pdzlines.com.

The Board remains committed to reviewing the ABC Policy at least once in every three (3) years and in accordance with the needs of the Company and in compliance with Paragraph 15.29(1)(b) of the Listing Requirements of Bursa Securities.

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.10 Directors' Fit and Proper Policy

In line with the new Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board has adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the annual general meeting.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is available on the Company's website at www.pdzlines.com.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors.

1.11 Conflict of Interest Policy

The Board has adopted a Conflict of Interest Policy which sets forth guidelines and procedures to identify, disclose, and address conflicts of interest that may arise within the Group. This ensures that any actual, potential and perceived conflicts of interest are effectively managed. This policy is also designed to ensure compliance with the Listing Requirements of Bursa Securities and the provisions under the Companies Act 2016, as well as to uphold the highest standards of corporate governance and transparency.

The Board will review the Conflict of Interest Policy from time to time and make any necessary amendments to ensure it remains consistent with the Board's objectives, current law, and practices.

1.12 Sustainability Governance

The Board acknowledges the crucial role of sustainable business practices in generating lasting value and understands that responsible conduct is closely connected to attaining operational effectiveness. The Board is accountable for supervising the formulation of sustainability approaches, preferences, and objectives, with Management accountable for executing them across the Company's complete strategy and activities. This involves incorporating Economic, Environmental, Social, and Governance factors into investment decision-making procedures to stimulate and foster progress towards sustainability throughout the Company.

In its role as custodians of the Company's shareholders, the Board is resolute in upholding exemplary corporate governance practices that prioritise ethics, integrity, and corporate responsibility. The Board ensures that both internal and external stakeholders are well-informed about sustainability approaches, priorities, objectives, and overall performance, as expounded in the Sustainability Statement provided in this Annual Report.

The Board, through the ARMC, regularly reviews the sustainability framework of the Company to ensure its alignment with evolving local and global sustainability trends and developments, while also confirming its feasibility within the Company's existing resources and capabilities.

To further enhance its commitment to sustainability, the Board has incorporated an assessment of its understanding of sustainability issues into the annual performance evaluation process. This is critical to the Company's performance and reflects the Board's ongoing commitment to sustainability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

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

PART II - BOARD COMPOSITION

2.1 Board Composition

The Board's composition adheres to Paragraph 15.02 of the Listing Requirements of Bursa Securities, which mandates that the Company must ensure that either at least two (2) Directors or one-third (1/3) of the Board members, whichever is the higher, are Independent Non-Executive Directors and that there is at least one (1) women Director. Currently, the Board has a total of seven (7) members. More than half of the Board is comprised of Independent Non-Executive Directors, as outlined below:

No.	Names	Designations
1.	Dato' Sri Rusli Bin Ahmad	Independent Non-Executive Chairman
2.	Dato' Ahmad Zaffry Bin Hj. Sulaiman	Independent Non-Executive Director
3.	Wong Kok Seong	Independent Non-Executive Director
4.	Pang Siaw Sian	Independent Non-Executive Director
5.	Datuk Tan Chor How Christopher	ED cum CEO
6.	Dr. Rosli Bin Azad Khan	Executive Director
7.	Ho Jien Shiung	Executive Director

It also aligns with Practice 5.2 of the MCCG, ensuring that at least half the Board consists of Independent Non-Executive Directors. This structure provides independent and objective judgement and serves as a robust system of checks and balances to protect the interests of minority shareholders and other stakeholders, and ensure high ethical and moral standards are upheld.

The Board members have distinct backgrounds and expertise in various fields. Together, they bring a diverse set of skills, expertise, and knowledge to administer the Group's operations. The profiles of these Directors are provided in this Annual Report.

2.2 Tenure of Independent Directors

The Board acknowledges that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain an Independent Non-Executive Director who has served the Board for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting.

The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the independence of Independent Non-Executive Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

The NRC has reviewed and recommended to the Board regarding Dato' Ahmad Zaffry Bin Hj. Sulaiman ("Dato' Ahmad Zaffry"), who has diligently served the Company for over nine (9) years, to continue in his role as an Independent Non-Executive Director. This recommendation is subject to the approval of shareholders at the upcoming Thirtieth Annual General Meeting ("30th AGM") through a two-tier voting process.

The rationale behind the recommendation for Dato' Ahmad Zaffry's continuation as an Independent Non-Executive Director is elaborated in the Notice of the 30th AGM.

The decision to recommend Dato' Ahmad Zaffry's re-appointment is supported by several key justifications, which are outlined in detail in the Notice of the 30th AGM. These justifications highlight his strong performance, extensive experience, and valuable contributions to the Company during his tenure.

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

PART II - BOARD COMPOSITION (CONT'D)

2.3 New Appointment to the Board

The Board appoints its members through a formal and transparent selection process. The new candidates will be considered and evaluated by the NRC, and the NRC will then recommend the candidates to be approved and appointed by the Board. In making a recommendation to the Board on the candidates for directorship, the NRC will consider and nominate the candidates based on the objective criteria, including:-

(a) skills, knowledge, expertise and experience;
(b) professionalism;
(c) integrity;
(d) time commitment to the Company based on the number of directorships held; and
(e) in the case of candidates for the position of Independent Non-Executive Directors, the NRC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In identifying suitable candidates, the NRC may receive suggestions from existing Board members, Management and major shareholders. The NRC is also open to referrals from external sources available or independent search firms.

In fostering the commitment of the Board to devote sufficient time to carry out their responsibilities, each Director is required to notify the Chairman of the NRC and the Board prior to accepting any new directorships in other listed issuers. No Director shall hold more than five (5) directorships in listed issuers as required under Rule 15.06 of the Listing Requirements of Bursa Securities.

The new appointment of Senior Management would be reviewed by the NRC based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's website at www.pdzlines.com.

2.4 Board Diversity and Senior Management Team

The Board is committed to fostering diversity among its members and Senior Management Team while prohibiting discrimination based on race, age, religion, and gender throughout the organisation. It encourages a dynamic and diverse composition by identifying suitable candidates with competencies, skills, experiences, character, time commitment, integrity, and other attributes to meet future needs. A diverse composition enhances decision-making, performance, innovation, and inclusivity, providing the Group with a competitive edge in today's fast-changing business environment. The Board strongly supports the selection of exceptional individuals from various backgrounds to ensure that the Group's leadership team reflects the diversity of its stakeholders.

In the event of a vacancy in the Board, the Board, through the NRC, will consider female representation when identifying suitable candidates. However, the selection of a new Board member will not be solely guided by gender, but also consider the candidate's skill sets, experience, and knowledge. The Company's foremost responsibility in new appointments is always to select the most suitable candidate available, and hence, the selection criteria based on an effective blend of competencies, skills, extensive experience, and knowledge to strengthen the Board remains a priority.

Recognising the importance of boardroom diversity for a well-functioning organisation, the Board has put in place a Gender Diversity Policy. The policy provides a framework for the Company to improve gender diversity at the Board and Senior Management levels, and it is publicly available on the Company's website at www.pdzlines.com.

The Board currently comprises one (1) female Director, namely Ms. Pang Siaw Sian which demonstrates the Board's commitment to achieving greater gender diversity. The Board will continue to explore opportunities to attract and retain diverse talent while ensuring that all appointments are based on merit and suitability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

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

PART II - BOARD COMPOSITION (CONT'D)

2.5 Board Committees

The Board committees are set up to manage specific tasks for which the Board is responsible within clearly defined Terms of Reference. This ensures that the Board members can spend their time more efficiently while the Board committees are entrusted with the authority to examine particular issues.

The Board has two (2) Board committees and the membership of each committee is set out in the table below:-

Composition	ARMC	NRC
Dato' Sri Rusli Bin Ahmad *(Independent Non-Executive Chairman)*	Member	Member
Dato' Ahmad Zaffry Bin Hj. Sulaiman *(Independent Non-Executive Director)*	Member	Member
Wong Kok Seong *(Independent Non-Executive Director)*	Chairman	Chairman
Pang Siaw Sian *(Independent Non-Executive Director)*	N/A	N/A
Datuk Tan Chor How Christopher *(ED cum CEO)*	N/A	N/A
Dr. Rosli Bin Azad Khan *(Executive Director)*	N/A	N/A
Ho Jien Shiung *(Executive Director)*	N/A	N/A

2.6 NRC

The NRC is chaired by Mr. Wong Kok Seong, an Independent Non-Executive Director of the Company.

The NRC is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis. The Board will have the ultimate responsibility and final decision on the appointment of the Directors. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determine a skills matrix to support the strategic direction and needs of the Company.

The NRC has written Terms of Reference dealing with its authority and duties which include the selection and assessment of directors. It is published on the Company's website at www.pdzlines.com.

The activities undertaken by the NRC during the FPE 2026 were as follows:-

(a) Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether they could devote sufficient time to the role.

(b) Undertaken evaluation exercise of the Board and its committees as a whole with the objective of assessing its effectiveness.

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

PART II - BOARD COMPOSITION (CONT'D)

2.6 NRC (Cont'd)

The activities undertaken by the NRC during the FPE 2026 were as follows:- (Cont'd)

(c) Reviewed and assessed the contribution and performance of the Audit and Risk Management Committee and recommended to the Board for endorsement.

(d) Reviewed and recommended to the Board the re-election of the Directors who retired pursuant to the Company's Constitution at the last AGM held on 26 June 2025.

(e) Reviewed and assessed the independence of the Independent Directors of the Company.

(f) Reviewed and recommended to the Board the remuneration packages and Directors' fees and/or benefits of all Directors of the Company.

2.7 Board Appointment and Re-appointment Process

The NRC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NRC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Director, NRC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three (3) years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NRC considers their competencies, commitment, contribution, and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and continuation in office of any Director for shareholders' approval at the AGM.

2.8 Annual Assessment of the Directors, Board and Board Committees as a whole

The Board has, through the NRC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Director, making reference to the guides available and the good corporate governance compliance. The evaluation process was carried out by sending the following customised assessment forms to Directors:-

i. Performance of Executive Directors;
ii. Performance of Non-Executive Directors;
iii. Performance of Non-Executive Chairman;
iv. Independence of the Independent Directors;
v. Performance of the ARMC; and
vi. Effectiveness of the Board and Board committees as a whole.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

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

PART II - BOARD COMPOSITION (CONT'D)

2.8 Annual Assessment of the Directors, Board and Board Committees as a whole (Cont'd)

The assessment of the Board and Board committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer-review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NRC meeting and thereafter the NRC's Chairman will report the results and deliberation to the Board.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Board committees' meetings, regular contribution to Board or Board committees' meetings, personal input to the role and other contributions to the Board or Board committees as a whole.

In evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

Based on the evaluations conducted in FPE 2026, the NRC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

2.9 Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FPE 2026, the Board conducted six (6) Board meetings where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's budget, strategy, operational and financial performance.

The number of meetings held and attended by each member of the Board and Board committees during the FPE 2026 are as follows:-

	Attendance		
Name of Directors	**Board**	**ARMC**	**NRC**
Dato' Sri Rusli Bin Ahmad *(Independent Non-Executive Chairman)*	6/6	6/6	1/1
Dato' Ahmad Zaffry Bin Hj. Sulaiman *(Independent Non-Executive Director)*	6/6	6/6	1/1
Wong Kok Seong *(Independent Non-Executive Director)*	6/6	6/6	1/1
Pang Siaw Sian *(Independent Non-Executive Director)*	6/6	N/A	N/A
Datuk Tan Chor How Christopher *(ED cum CEO)*	6/6	N/A	N/A
Dr. Rosli Bin Azad Khan *(Executive Director)*	6/6	N/A	N/A
Ho Jien Shiung *(Executive Director)*	6/6	N/A	N/A

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

PART II - BOARD COMPOSITION (CONT'D)

2.10 Directors' Training

The Company encourages and supports the Directors' participation in such programs, recognising the importance of maintaining a skilled and knowledgeable Board. Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FPE 2026, all Directors had attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of the Bursa Securities:-

Name of Directors	Training/seminars attended
Dato' Sri Rusli Bin Ahmad	• Briefing on the Key Amendments to the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") • Briefing on the Key Amendments to the Listing Requirements of Bursa Securities in relation to enhance continuing disclosure requirements and exempted related party transaction
Dato' Ahmad Zaffry Bin Hj. Sulaiman	• Briefing on the Key Amendments to the Listing Requirements of Bursa Securities • Briefing on the Key Amendments to the Listing Requirements of Bursa Securities in relation to enhance continuing disclosure requirements and exempted related party transaction
Wong Kok Seong	• Briefing on the Key Amendments to the Listing Requirements of Bursa Securities • Anti Bribery and Anti-Corruption Training • Practical Compliance with Malaysia's Personal Data Protection Act (PDPA): Latest Updates and Corporate Responsibilities • Briefing on the Key Amendments to the Listing Requirements of Bursa Securities in relation to enhance continuing disclosure requirements and exempted related party transaction • MPERS: Understanding Current and Future Requirements • Audit Evidence in Practice: Mastering the ISA500 Series • NSRF Readiness & Sustainability Reporting
Pang Siaw Sian	• Briefing on the Key Amendments to the Listing Requirements of Bursa Securities • Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad • Anti-Bribery and Anti-Corruption Training • Practical Compliance with Malaysia's PDPA: Latest Updates and Corporate Responsibilities • NSRF Readiness & Sustainability Reporting • Briefing on the Key Amendments to the Listing Requirements of Bursa Securities in relation to enhance continuing disclosure requirements and exempted related party transaction

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

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

PART II - BOARD COMPOSITION (CONT'D)

2.10 Directors' Training (Cont'd)

The Company encourages and supports the Directors' participation in such programs, recognising the importance of maintaining a skilled and knowledgeable Board. Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FPE 2026, all Directors had attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of the Bursa Securities:- (Cont'd)

Name of Directors	Training/seminars attended
Datuk Tan Chor How Christopher	• Briefing on the Key Amendments to the Listing Requirements of Bursa Securities • Anti-Bribery and Anti-Corruption Training • Practical Compliance with Malaysia's PDPA: Latest Updates and Corporate Responsibilities • Mandatory Accreditation Programme (MAP) Part II - Leading for Impact (LIP) • The Journey into the AI Age: Game Change for Your Digital Transformation Era Programme • Briefing on the Key Amendments to the Listing Requirements of Bursa Securities in relation to enhance continuing disclosure requirements and exempted related party transaction • NSRF Readiness & Sustainability Reporting
Dr. Rosli Bin Azad Khan	• Briefing on the Key Amendments to the Listing Requirements of Bursa Securities • Briefing on the Key Amendments to the Listing Requirements of Bursa Securities in relation to enhance continuing disclosure requirements and exempted related party transaction
Ho Jien Shiung	• Briefing on the Key Amendments to the Listing Requirements of Bursa Securities • Briefing on the Key Amendments to the Listing Requirements of Bursa Securities in relation to enhance continuing disclosure requirements and exempted related party transaction • Centralised Sustainability Intelligence (CSI) by Bursa Malaysia: Practical Reporting, Data and Governance

The Board has continuously, evaluated and assessed the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

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

PART III – REMUNERATION

3.1 Remuneration Policy

The Board has in place a formal Remuneration Policy for Directors and Senior Management. The Remuneration Policy establishes a formal and transparent procedure for developing a structure for the remuneration of Directors and Senior Management of the Company to support and drive business strategy and the long-term interests of the Company.

The Remuneration Policy aims to:-

a. determine the level of remuneration of Directors and Senior Management;
b. attract, develop, and retain high-performing and motivated individuals by offering competitive remuneration packages;
c. remuneration is set to reflect the responsibilities of each position, considering factors such as merit, qualifications, competence, and the Company's operational performance, including individual and overall company performance metrics;
d. ensures a level of transparency that allows investors and shareholders to understand the rationale of the remuneration structure for Directors and/or Senior Management;
e. encourage value creation for the Company by aligning the interests of Directors with the long-term interests of shareholders.

The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible for ensuring that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

The Remuneration Policy is available on the Company's website at www.pdzlines.com.

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

PART III – REMUNERATION (CONT'D)

3.2 Remuneration of Directors

The remuneration payable to the Directors on the Company and the Group basis for the FPE 2026 is the same as follows:-

Name of Directors	RM						
	Fee	Allowance	Salary	Bonus	Benefits-in Kind	Other emolument	Total
The Company and Group level							
Dato' Sri Rusli Bin Ahmad	63,000	–	–	–	–	–	**63,000**
Dato' Ahmad Zaffry Bin Hj. Sulaiman	54,000	–	–	–	–	–	**54,000**
Datuk Tan Chor How Christopher	–	–	270,000	–	–	49,000	**319,000**
Dr. Rosli Bin Azad Khan	54,000	–	–	–	–	–	**54,000**
Ho Jien Shiung	54,000	–	–	–	–	–	**54,000**
Wong Kok Seong	54,000	–	–	–	–	–	**54,000**
Pang Siaw Sian	54,000	–	–	–	–	–	**54,000**
TOTAL	**333,000**	**–**	**270,000**	**–**	**–**	**49,000**	**652,000**

3.3 Remuneration of Senior Management

The Board has determined that disclosing the Senior Management's remuneration components on a named basis would not be in the best interest of the Company as it may have a negative impact on the Company's ability to attract and retain talent within the competitive construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Senior Management and therefore opted not to disclose on a named basis the remuneration or in bands of RM50,000.00. Instead, the Board is of the view that disclosing the Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Senior Management of the Group for the FPE 2026 are as follows:-

Range of Remuneration	Number of Senior Management
RM100,001 to RM150,000	–
RM150,001 to RM200,000	–
RM200,001 to RM250,000	–
RM250,001 to RM300,000	1

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - ARMC

4.1 Effective and Independent ARMC

The ARMC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as conflict of interest situations.

The ARMC is chaired by Mr. Wong Kok Seong, whereas the Board is chaired by Dato' Sri Rusli Bin Ahmad, both are Independent Non-Executive Directors of the Company. The positions of Board Chairman and ARMC Chairman are assumed by different individuals to ensure that the Board's review of the ARMC's findings and recommendations is not impaired.

The ARMC comprises three (3) members. The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Listing Requirements of Bursa Securities and Practice 9.4 of the MCCG whereby all three (3) ARMC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

The policy which requires a former audit partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC is incorporated in the Terms of Reference of the ARMC and the same is accessible on the Company's website at www.pdzlines.com.

Currently, none of the members of the ARMC were former audit partners and in order to upload utmost independence, the Board has no intention to appoint any former key audit partner as a member of the ARMC.

It is expected that they dedicate ample time to updating their knowledge and enhancing their skills through relevant continuing education programs. This ensures their active engagement and informed participation during deliberations. The ARMC members have consistently stayed informed about developments in accounting and auditing standards, practices, and regulations.

The term of office and performance of the ARMC and its members are reviewed by the NRC annually to determine whether such ARMC and members have carried out their duties in accordance with the Terms of Reference.

4.2 External Auditors

The Board has established the External Auditors Assessment Policy together with an annual performance evaluation form. The Policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors.

The ARMC reviewed the nature and extent of non-audit services rendered by the External Auditors during the financial period and concluded that the provision of these services did not compromise their independence and objectivity. In addition, the ARMC had received 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.

During the FPE 2026, the ARMC conducted an annual performance assessment of the External Auditors together with the ED cum CEO, Executive Directors and Financial Controller. Following the assessment, the ARMC is satisfied with the External Auditors' independence and suitability for the Company. Accordingly, the ARMC has recommended their reappointment of Morison LC PLT to the shareholders for approval at the upcoming AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

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

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

The Board acknowledges its responsibility to maintain a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

The Board has adopted a Risk Management Framework to manage its risks and opportunities and delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in this Annual Report.

5.2 Internal Audit Function

The Group's Internal Audit Function is outsourced to an independent professional service firm namely, Kloo Point Risk Management Services Sdn. Bhd. ("Internal Auditors") to assist the Board in maintaining a system of internal control to safeguard shareholders' investment and the Group's assets. The internal audit findings and investigations of business units of the Group will be reported directly to the ARMC.

The Board had established the Internal Auditors Assessment Policy ("IA Assessment Policy") together with an annual performance evaluation form. The IA Assessment Policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

The Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

The ARMC had obtained assurance from the Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FPE 2026 are as disclosed in the ARMC Report in this Annual Report.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Company recognises the need for stakeholders and the wider investment community to ensure that they are kept informed of all material business matters affecting the Group. This is done through timely dissemination of information on the Group's performance and major developments.

To ensure effective dissemination of information to the shareholders and stakeholders, the Group makes necessary announcements on the Group's affairs and development in accordance with the Listing Requirements of Bursa Securities through the website of Bursa Securities. In addition to that, the Company also maintains a corporate website at www.pdzlines.com where pertinent information on the Group can be easily accessible by the shareholders and stakeholders in matters as follows:-

- Interim financial reports to provide updates on the Group's operations and business development on a quarterly basis;
- Annual audited financial statements and annual reports to provide an overview of the Group's state of governance, state of affairs, financial performance and cash flows for the relevant financial year;
- Corporate announcements to Bursa Securities on material developments of the Group, as and when necessary and as mandated by the Listing Requirements of Bursa Securities; and
- The Company's corporate information includes Board Charter, Terms of Reference of the various Board Committees, ABC Policy and Whistle Blowing Policy.

6.2 Corporate Disclosure Policy

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, that information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Company has adopted a Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public.

The Corporate Disclosure Policy is available on the Company's website at www.pdzlines.com. The Board will review this policy from time to time and make any necessary amendments to ensure it remains consistent with the Board's objective and responsibilities.

PART II – CONDUCT OF GENERAL MEETINGS

7.1 Conduct of General Meetings

The Company's AGM is the principal forum to engage with shareholders, where they may seek clarifications on the Company's business and reports. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

In line with Practice 13.1 of the MCCG, the notice convening the Twenty-Ninth AGM ("29th AGM") of the Company held on 26 June 2025 was issued to the shareholders on 30 April 2025, which is more than 28 days prior to the date of the 29th AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

7.1 Conduct of General Meetings (Cont'd)

The Company's 29th AGM was held physically at a venue that was easily accessible. Board members, External Auditors, Company Secretaries and relevant senior management personnel were present to engage with shareholders and aid the Board in addressing any queries raised.

All resolutions set out in the Notice of the 29th AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

7.2 Effective Communication and Proactive Engagement

Save and except for Ms. Pang Siaw Sian, who was absent due to an urgent commitment, all the Directors of the Company attended the 29th AGM held on 26 June 2025 and were accountable to the shareholders for their stewardship of the Company.

The Chairman of the Board and its Board committees members (save for Ms. Pang Siaw Sian) were available to respond to shareholders' queries concerning the Company and the Group at the 29th AGM. The External Auditors were also invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company's perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and at the end of shareholders' meetings and ensures their queries are responded to in a proper and systematic manner.

The Board had ensured that a reasonable time is provided to the shareholders for discussion at the 29th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 29th AGM was also published on the Company's website for the shareholders' information.

STATEMENT BY THE BOARD ON CG STATEMENT

The Board has deliberated, reviewed and approved this CG Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FPE 2026, except for the departures set out in the CG Report.

The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all its business dealings.

Audit and Risk Management Committee Report

The primary objective of the Audit and Risk Management Committee ("ARMC") of the Company is to assist the Board of Directors ("the Board") to discharge its statutory duties and responsibilities. It provides an additional assurance to the Board through performing an objective and independent review of financial, operational and administrative controls and procedures, establishing and maintaining internal controls and reinforcing the independence of the Internal and External Auditors, thereby ensuring that the Auditors have free reign in their audit process.

COMPOSITION OF THE ARMC

Name	Designation
Mr. Wong Kok Seong	Chairman, Independent Non-Executive Director
Dato' Sri Rusli Bin Ahmad	Member, Independent Non-Executive Chairman
Dato' Ahmad Zaffry Bin Hj. Sulaiman	Member, Independent Non-Executive Director

The Company complied with Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as Practices 9.1 and 9.4 under Principle B of the Malaysian Code of Corporate Governance.

The Chairman of the ARMC, Mr. Wong Kok Seong is an Independent Non-Executive Director and a member of Malaysian Institute of Accountants (MIA) and a Fellow Member of Association of Chartered Certified Accountants (FCCA). Accordingly, the Company complies with Paragraphs 15.09(1)(c)(i) and 15.10 of the MMLR of Bursa Securities.

The Board through the Nomination and Remuneration Committee ("NRC") reviews the terms of office of the ARMC members and assesses the performance of the ARMC and its members through an annual ARMC effectiveness evaluation. The Board is satisfied that the ARMC and its members discharged their functions, duties and responsibilities in accordance with the Terms of Reference.

The duties and responsibilities of the ARMC are clearly governed by the Terms of Reference of the ARMC. The Terms of Reference of the ARMC can be accessed from the corporate website of the Company at www.pdzlines.com.

MEETINGS

The ARMC met six (6) times during the financial period ended 30 June 2026 ("FPE 2026") and the attendance record of each Committee member at the ARMC Meetings are set out below:-

ARMC Members	Designations	Attendance
Mr. Wong Kok Seong	Chairman, Independent Non-Executive Director	6/6
Dato' Sri Rusli Bin Ahmad	Member, Independent Non-Executive Chairman	6/6
Dato' Ahmad Zaffry Bin Hj. Sulaiman	Member, Independent Non-Executive Director	6/6

The Company and its subsidiaries' ("Group") Internal and External Auditors, Financial Controller and other Senior Management also attended the ARMC meetings by invitation to provide clarification on the audit issues, Group's operations and any other matters of interests. Other Board members may attend ARMC meetings by invitation from the ARMC.

Minutes of each ARMC meeting were recorded and tabled for confirmation at the next following ARMC meeting and subsequently presented to the Board for notation.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

[Cont'd]

RELATIONSHIP WITH THE AUDITORS

The Group has established a transparent and appropriate relationship with the Internal and External Auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party who reports directly and regularly to the ARMC of the Company. Similar to the External Auditors, the Internal Auditors also have direct reporting and access to the ARMC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the Management.

The ARMC meets the Internal and External Auditors without the presence of Management, whenever necessary, which demonstrate their independence, objectivity and professionalism. From time to time, the Internal and External Auditors inform and update the ARMC on matters that may require their attention. The Company has always maintained a transparent relationship with its Auditors in seeking their professional advice towards ensuring compliance advice with the relevant accounting standards.

The ARMC was satisfied with the suitability, technical competency, objectivity and independence of the External Auditors based on the professional staff assigned to the audit, quality of services and resources provided to the Group. The ARMC will make its recommendation to the Board for re-appointment, upon which the shareholders' approval will be sought at the Annual General Meeting of the Company.

FINANCIAL REPORTING

The ARMC reviews and scrutinises the information of the Group's quarterly results and annual audited financial statements to ensure material accuracy, adequacy, validity, timeliness and compliance with applicable financial reporting standards for disclosure to shareholders. Those reports which present a balanced and fair assessment of the Group's financial position and prospects are then tabled to the Board for approval and release to Bursa Securities accordingly.

SUMMARY OF ACTIVITIES OF ARMC

The activities of the ARMC carried out for the FPE 2026 in discharging their duties and responsibilities, included:-

1. Reviewed with ChengCo PLT ("ChengCo"), the former External Auditors, the Audit Review Memorandum upon completion of the annual audit, which covered the findings and issues arising from their audit of the financial statements of the Group, as well as the resolutions to the issues highlighted in their report to the ARMC.

2. Reviewed the unaudited quarterly financial results and annual audited financial statements of the Company including the announcements pertaining thereto prior to tabling of the same to the Board for approval and release to Bursa Securities.

3. The nomination of Morison LC PLT ("Morison") for appointment as the new External Auditors of the Company in place of ChengCo.

4. Considered and recommended to the Board the re-appointment of Morison as the new External Auditors, in place of ChengCo, which had resigned, together with the proposed audit fees, based on Morison's profile, competency, adequacy of resources and experience of its audit engagement team.

5. Reviewed with Morison, the new External Auditors, the Audit Planning Memorandum, which covered the audit objectives and approach, audit plan, key audit areas, applicable accounting standards, and proposed audit and non-audit fees, prior to the commencement of the audit, to ensure that the scope of external audit was comprehensive.

6. Considered matters relating to corporate governance in compliance with the MMLR and the Malaysian Code on Corporate Governance.

7. Reviewed with the Internal Auditors and the Management on the adequacy of the existing policies, procedures and systems of internal control of the Group, as well as recommended procedures for improvements or enhancements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

[Cont'd]

SUMMARY OF ACTIVITIES OF ARMC

The activities of the ARMC carried out for the FPE 2026 in discharging their duties and responsibilities, included:- (Cont'd)

8. Reviewed with the Internal Auditors, the internal audit plan and internal audit reports and ensured that appropriate action has been taken by the Management to implement the recommendations of the Internal Auditors.

9. Reviewed the Corporate Governance Overview Statement, Corporate Governance Report, ARMC Report, Statement on Risk Management and Internal Control as well as Additional Compliance Information to ensure adherence to legal and regulatory reporting requirement before recommending to the Board for approval for inclusion in the Company's Annual Report.

10. Evaluated the performance of the External Auditors and Internal Auditors of the Company for the FPE 2026.

11. Reviewed the related party transactions and/or recurrent related party transactions, if any, that transpired to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.

12. Reviewed the conflict of interest questionnaires submitted by the Group's Directors and key senior management. Based on this review, no significant conflicts of interest were identified that would necessitate further examination and implementation of specific mitigation measures.

13. Reviewed and verified the allocation and granting of new ordinary shares in the Company pursuant of the Employees' Share Option Scheme in accordance with MMLR.

14. Reported to the Board on its activities and risk management significant findings, if any.

15. Reviewed the quarterly assessment of the term deposit placement with Koperasi Maal Nizami Selangor Berhad.

16. Self-appraised the performance of the ARMC and submit the evaluation to the NRC for assessment.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent consulting firm specialising in internal auditing and risk management. The consulting firm is independent of the activities and operations of the Group. The principal objective of the internal audit function is to assist the Board in maintaining a sound system of internal control within the Group so as to safeguard the shareholders' investment and the Group's assets. The internal audit function is to provide independent assessments to ensure that the system of internal control of the Group is adequate, efficient and effective. The Internal Auditors report directly to the ARMC.

The internal audit function has adopted a risk-based approach to audit assessments and reviews. The Internal Auditors have carried out audit assignments in accordance with the approved plan and their findings, together with any recommendations, have been reported directly to the ARMC.

Internal audit reviews are carried out in accordance with the internal audit plan approved by the ARMC. Prior to the presentation of report to the ARMC, comments from the Management are obtained and incorporated into the internal audit findings and reports. The Management was made responsible for ensuring that recommendation actions plan on the reported weaknesses were taken within the proposed timeframe.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

[Cont'd]

INTERNAL AUDIT FUNCTION (CONT'D)

The reviews conducted by the Internal Auditors for the FPE 2026 were centered on the Fixed Asset Management:

Audit activities:
▪ To assess the adequacy and compliance of processes pertaining to acquisition, approval and disposal of fixed assets with the Company's current operating procedures; ▪ To review the procedures pertaining to the submission, approval and monitoring of the capital expenditure; ▪ To review the controls over the process of recording and updating of Fixed Assets Register; and ▪ To review the controls over movement and accountability of fixed assets.

In accordance with the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure.

The total cost incurred for the Group's internal audit function in respect of the FPE 2026 was RM14,595.00.

Statement on Risk Management and Internal Control

The Board of Directors ("Board") of PDZ Holdings Bhd. ("the Company") is committed to continuously improve the Company and its subsidiaries' ("the Group") risk management and internal control system and is pleased to present the following Statement on Risk Management and Internal Control for the financial period ended 30 June 2026. This Statement is made in pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Statement on Risk Management and Internal Control: Guidelines for Directors for Listed Issuers issued by the Task Force on Internal Control with the support and endorsement of the Bursa Securities.

BOARD'S RESPONSIBILITY

The Board recognises the importance of sound controls and risk management practices to good corporate governance. The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system within the Group. The Board is equally aware that the risk management framework and internal control system are designed to manage the Group's risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance against material misstatement of financial information and records or against financial losses or fraud.

RISK MANAGEMENT FRAMEWORK

The Risk Management Committee was established to act as a Committee of the Board with the primary objectives to assist the Board in:-

a. carrying out its responsibility of overseeing the Group risk management framework;
b. ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the Group's assets; and
c. determining the nature and extent of significant risks which it is willing to take in achieving its strategic objectives.

The overall risk management practice of the Group involves an ongoing process designed to identify the principal risks to the achievement of the Group's policies, goals and objectives to evaluate the nature and extent of those risks and to proactively manage them efficiently, effectively and economically. The Group adopts an enterprise wide risk management approach and all the active business of the companies within the Group are considered and categorised in accordance with their main functional activities.

Risk identification and evaluation process

The risks are identified through a series of interviews and discussions with the key personnel and Management of the Group. The risk identification process includes consideration of both internal and external environment factors. External environmental factors include economic and political changes, changes in the behaviour of competitors, new regulations or legislation and technological developments. Internal factors include changes in key personnel, introduction of new or revision of existing policies and procedures. Next, the risks identified are evaluated by examining the potential impact on the Group if a risk crystallised as well as the likelihood of occurrence. The risk level shall be rated low, medium or high accordingly. The risks are also classified into four categories according to their potential impact on the Group:

- Business Risks
- Strategic Risks
- Operational Risks
- Financial Risks

All the risks identified are documented into a "Group Key Risk Profile". The Group Key Risk Profile for the Group is updated on an ongoing basis and approved by the Board.

The Group Key Risk Profile serves as a tool for the heads of department and/or business unit for managing key risks applicable to their areas of business activities on a continuous basis. All key risks and issues are regularly reviewed and resolved by the Management team at regular meetings. Through these mechanisms, key risks identified in the Group Key Risks Profile are timely assessed and control procedures or mitigating factors are re-evaluated accordingly in order to ensure that the key risks are mitigated to an acceptable level.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

[Cont'd]

INTERNAL AUDIT

The Board recognises that continuous and effective monitoring is vital to maintaining a sound system of internal control. In this regard, the Board through the ARMC, oversees the review of internal control assessments and reports provided by the internal audit function.

The Group's internal audit function is outsourced to an independent professional firm, which reports directly to the ARMC. The internal audit function provides independent and objective assurance to the ARMC and the Board on the adequacy, integrity, and effectiveness of the Group's risk management, internal control, and governance systems.

The internal audit function carries out its duties in accordance with the annual risk-based internal audit plan, which is reviewed and approved by the ARMC. The internal audit scope is derived from the Group's risk profile and focuses on key operational, financial, compliance, and governance processes across core business units.

The ARMC reviews all internal audit reports, monitors the progress of agreed management action plans, and updates the Board on significant control findings and rectification measures. Based on the internal audit assessments conducted during the financial period, the Board noted that identified control weaknesses were immaterial or administrative in nature and are being addressed by the Management.

INTERNAL CONTROLS

The key elements of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system are as follows:

1. Control Environment

- The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations to achieve the Group's business objectives. We are maintaining a clear organisational structure with defined lines of responsibility, authority limits, and reporting lines.
- A strong corporate culture is reinforced by established codes of conduct, Anti-Bribery and Corruption policy and Whistleblowing procedures.
- Management is committed to building and maintaining a team of qualified and capable personnel through effective recruitment, continuous training, and employee retention, to ensuring that operations are conducted efficiently and professionally.

2. Control Activities

- The Group has an ongoing process for identifying, evaluating, and managing significant risks that threaten the achievement of its business objectives.
- To ensure the uniformity and consistency of practices and controls within the Group, Standard Operating Procedures have been formalised, documented and communicated across key business segments to govern daily operations and safeguard assets.
- Clear delegation of authority matrices and defined approval thresholds are established and enforced for capital expenditures, operating expenses, procurement, financial commitments, and key operational decisions to ensure appropriate oversight, accountability, and control.
- Annually internal audit reviews is conducted to ensure adherence to the Group's established policies and procedures. Management actively addresses identified internal control weaknesses and audit findings to drive continuous improvement in operational efficiency and overall work standards.
- Key duty and responsibilities are segregated to minimise fraud or error. Information security protocols, access controls, and data backup measures are maintained across IT systems.

INTERNAL CONTROLS (CONT'D)

The key elements of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system are as follows: (Cont'd)

3. Information and Communication

- The Whistleblowing Policy and procedure is in place for stakeholders and employees to raise concerns regarding improprieties or non-compliance.
- The Executive Director cum Chief Executive Officer ("ED cum CEO") act as the channel of communication between the Board and the Management. The ED cum CEO is empowered to manage the business of the Group and to implement the Board's directives and policies.
- Quarterly information, management reports, investment planning are provided by the Management to the Board on financial performance and key business indicators.

4. Monitoring

- Management continuously tracks identified control gaps and audit recommendations through regular follow-up reviews to ensure timely remediation and driver continuous enhancement of operational processes and internal controls.
- Internal audit reviews are carried out to provide independent assurance on the effectiveness of the Group's system of internal controls and advising Management on areas for further improvements.

ASSURANCE FROM MANAGEMENT

The Board's review of risk management and internal control effectiveness is based on information from:

- The Management within the organisation responsible for the development and maintenance of the risk management and internal control system; and

- The work by the internal audit function which submits reports to the ARMC together with the assessment of the internal controls systems relating to key risks and recommendations for improvement.

The Board considered the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment. Moreover, the Board and the Management will continue to take measures to strengthen the risk and control environment and monitor the risk and internal controls framework.

For the financial period under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control to safeguard the interest of shareholders. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group 's system of internal control that would require separate disclosure in the Group's Annual Report.

The Board also received assurance from the ED cum CEO and Finance Controller of the Company that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

[Cont'd]

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Securities' MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with the audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Integrated Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of process the Board has adopted in the review of the adequacy and integrity of internal control and risk management of the Group.

This Statement on Risk Management and Internal Control is made on the recommendation of the ARMC to the Board and is made in accordance with the Board's resolution dated 29 October 2026.

Additional Compliance Information

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

a. Rights Issue with Warrants B

The status of the utilisation of proceeds as at 30 June 2026 raised from the Rights Issue with Warrants B following the quotation for 434,660,560 Rights Shares together with 325,995,328 Warrants on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 7 February 2018 are as follows:

No	Purpose	Proposed utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Intended Timeframe for utilisation from date of receipt
(i)	Regional business expansion	1,800	–	1,800	Within 102 months[(1)]
(ii)	Working capital	8,150	(8,150)	–	Completed
(iii)	Security deposit for bank guarantee to port authorities	350	–	350	Within 102 months[(1)]
(iv)	Acquisition and/or investment in other complementary businesses and/or assets	12,346	(11,509)	837	Within 102 months[(1)]
(v)	Estimated expenses for the Corporate Exercises	920	(920)	–	Immediate
	Total	**23,566**	**(20,579)**	**2,987**	

Note:

(1) During the financial period ended 30 June 2026 ("FPE 2026"), the Board of Directors ("Board") approved two (2) extensions of timeframe for utilisation of proceeds, each for a period of 12 months, with the latest extension expiring on 5 August 2027.

b. Rights Issue with Warrants C

The status of the utilisation of proceeds as at 30 June 2026 raised from the Rights Issue with Warrants C following the quotation for 400,249,551 Rights Shares together with 133,416,423 Warrants C and 70,095,402 additional Warrants B on the Main Market of Bursa Securities on 2 November 2021 are as follows:

No	Purpose	Proposed utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Intended Timeframe for utilisation from date of receipt
(i)	Acquisition of factory building for the Gloves Business	25,000	–	25,000	Within 60 months[(1)]
(ii)	Capital expenditure for the Gloves Business	36,700	–	36,700	Within 60 months[(1)]
(iii)	Working capital	13,103	–	13,103	Within 60 months[(1)]
(iv)	Estimated expenses for the Corporate Exercises	1,131	(1,131)	–	Immediate
	Total	**75,934**	**(1,131)**	**74,803**	

Note:

(1) During the FPE 2026, the Board approved a further extension of timeframe for utilisation of proceeds for another 12 months until 2 November 2026.

ADDITIONAL COMPLIANCE INFORMATION

[Cont'd]

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/ payable to the External Auditors by the Company and the Group for the FPE 2026 are as follows:

		Company RM	Group RM
(a)	Audit fee	204,000	320,000
(b)	Non-audit fee	5,000	5,000
	Total	**209,000**	**325,000**

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

There were no material contracts entered into by the Group which involve Directors' and major shareholders' interests during the FPE 2026.

4. RECURRENT RELATED PARTY TRANSACTIONS

There was no recurrent related party transaction of a revenue or trading nature during the FPE 2026.

5. EMPLOYEE'S SHARE OPTION SCHEME ("ESOS")

The Company implemented an ESOS, which is in force for a period of five (5) years commencing from 16 December 2021 until 15 December 2026.

The maximum allocation of ESOS to Directors and employees of the Group shall not exceed 15% of the Company's total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

The details on the number of ESOS options granted, exercised, forfeited and outstanding since its commencement up to 30 June 2026 are set out in the table below:

	Total	Executive Director/ Chief Executive	Senior Management	Other Employees
Number of options granted	124,000,000	–	26,000,000	98,000,000
Number of options exercised	87,000,000	–	26,000,000	61,000,000
Number of options forfeited	37,000,000	–	–	37,000,000
Number of options outstanding as at 30 June 2026	–	–	–	–

The details on the ESOS options granted to the Senior Management of the Group during the FPE 2026 and since its commencement up to 30 June 2026 are set out in the table below:

	During the FYE 2026	Since the commencement of the ESOS up to 30 June 2026
Aggregate maximum allocation in percentage	–	30.0%
Actual percentage granted	28.5%	20.9%

The Directors of the Group have not, since the implementation of the ESOS, been granted any ESOS options.

Sustainability Statement

INTRODUCTION

Sustainability continues to sit at the centre of how PDZ Holdings Bhd., ("PDZ" or "the Company") and its subsidiaries (collectively, "the Group") define long-term value. As the Group repositions its container shipping and logistics business, we remain of the view that disciplined governance, ethical leadership and responsible operating practices are inseparable from durable financial performance.

This Statement sets out how the Group manages the economic, environmental, social and governance ("ESG") matters that our stakeholders have told us matter most, including how those matters are governed. Our objective is to provide investors and other stakeholders with a transparent account of performance that includes areas where data remains incomplete rather than a selective account. By anchoring our disclosures in traceable source data, we aim to give the market a reliable basis on which to assess the Group's resilience to sustainability-related risks.

REPORTING SCOPE AND BOUNDARIES

This Sustainability Statement ("This Statement") covers all operating divisions of PDZ, principally its container shipping services, and all reporting boundaries situated within Malaysia. Our disclosures focus on activities under the Group's direct operational control. Unless otherwise indicated, the reporting boundary comprises the Group's corporate head office at Jaya One, Petaling Jaya, which is occupied on a shared-tenancy basis. Utilities at the head offices are apportioned to PDZ by the building tenancy arrangement, and the apportionment basis used for reporting is disclosed in the relevant environmental sections below. The previous office at Port Klang and Johor subsidiary were discontinued, hence excluded from the operating boundary. Shipping capacity procured from third-party carriers, over which the Group exercises no direct management control, is also excluded from the operational boundary except where expressly stated, most notably in our Scope 3 disclosures.

Change in Financial Year End and Reporting Period

The Company changed its financial year end from 31 December to 30 June. Therefore, this Statement covers an 18-month financial period from 1 January 2025 to 30 June 2026 ("FPE 2026"), compared with the 12-month financial years ended 31 December 2024 ("FYE 2024") and 31 December 2023 ("FYE 2023").

The group has annualised the absolute quantitative indicators for FPE 2026, particularly energy consumption, water consumption and greenhouse gas ("GHG") emissions, for direct comparison on a like-for-like basis with the prior periods presented. Where a period-on-period movement is discussed, we show whether the movement is attributable to the extended reporting period, a change in activity or a change in methodology.

REPORTING FRAMEWORKS

This Statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and the Global Reporting Initiative ("GRI") Standards.

The Group is classified as a Group 2 entity under Malaysia's National Sustainability Reporting Framework ("NSRF") and will be required to prepare its first sustainability-related financial disclosures aligned with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures for FYE 2027. PDZ will apply the transition relief by aligning its FYE 2027 disclosures to IFRS S2.

In preparation for the transition to the NSRF requirements, the Group has commenced its sustainability reporting readiness efforts, including strengthening sustainability governance structures, reviewing climate-related risks and opportunities, assessing data availability and quality, and enhancing internal processes for the collection, monitoring and reporting of sustainability-related information. The Group is also evaluating its approach to climate-related disclosures, including greenhouse gas emissions data management and climate risk assessment, to support future reporting.

The Group will continue to progressively enhance its sustainability reporting processes and disclosures to facilitate compliance with the applicable NSRF implementation timeline and meet stakeholder expectations for transparent and decision-useful sustainability information.

SUSTAINABILITY STATEMENT

[Cont'd]

STATEMENT OF ASSURANCE

This Statement has not been subject to external assurance for the current financial period. However, this Statement has been reviewed by Management and the Sustainability Committee and subsequently approved by the Board of Directors. The Group maintains internal controls and validation procedures to support the accuracy and reliability of the reported information. The Group will continue to periodically assess the appropriateness of obtaining independent external assurance over its sustainability disclosures as its reporting processes, controls and data management systems continue to mature.

As disclosed in the previous Annual Report, the planned external assurance was contingent upon the availability of sufficiently comparable and reliable data. Following a review, Management determined that the data reported for FPE 2026, covering an 18-month reporting period, was not directly comparable with the data reported for FYE 2024 due to the change in financial year end. Accordingly, Management concluded that it would be more appropriate to defer external assurance until a stable 12-month reporting cycle has been established.

FPE 2026 will therefore serve as the basis for establishing a restated baseline against which future sustainability performance will be measured and monitored, providing a more consistent foundation for future assurance activities.

RESTATEMENTS

Due to improvements in data collection, the Group made the following restatements:

- The percentages of employees who attended anti-corruption training in FYE 2023 and FYE 2024. Restated from 80% (FYE 2024) to 50.0% for Management employees. Restated from 0% (FYE 2023) to 50.0% for Executive employees. Restated from 0% (FYE 2023) and 80% (FYE 2024) to 50.0% and 100.0% for Non-executive employees.
- FYE 2024 Scope 2 emissions. Restated from Not Measured 7.16 tCO_2e.
- FYE 2023 and FYE 2024 Scope 3.4 Upstream Transportation and Delivery emissions. The emissions factor was changed from 1 $kgCO_2e$ per USD 1000 to 0.7 tCO_2e per USD 1000. The emissions were also restated from 1.89 tCO_2e (FYE 2023) and 1.90 tCO_2e (FYE 2024) to 1,323 tCO_2e and 1,330 tCO_2e respectively.
- FYE 2024 Scope 3.7 Employee Commuting emissions and total distance travelled by vehicle, due to errors in the total days of commuting calculations. For Scope 3.7 emissions, 9,063.95 tCO_2e (car) and 1,911.92 tCO_2e (motorcycle) were restated to 7,188.6 tCO_2e and 1516.4 tCO_2e respectively. For total distances travelled, 55,100 km (car) and 16,820 km (motorcycle) were restated to 43,700 km and 13,340 km respectively.

OUR APPROACH TO SUSTAINABILITY

PDZ is committed to embedding sustainability into its operating model and ensuring that responsible ESG practices extend across its value chain. As a provider of third-party container shipping services, the Group recognises that its most significant opportunity to influence sustainability outcomes lies in how efficiently it configures supply chains rather than in the scale of its own physical footprint. The Group gives preference to logistics partners that can demonstrate credible sustainability practices. Through improved logistics planning, PDZ seeks to raise operational efficiency while reducing the carbon intensity associated with transportation activity. This includes advocating fuel-efficient routing and supporting green supply chain initiatives among our counterparties.

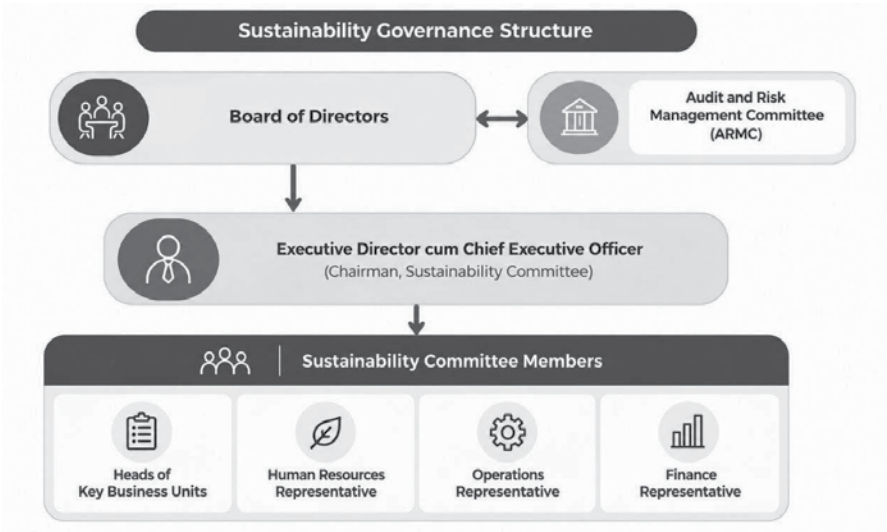
Social responsibility remains a core commitment. PDZ places emphasis on ethical conduct, structured stakeholder engagement and full compliance with the regulatory frameworks that govern our sector. The Group promotes a culture of integrity and expects its service providers to observe comparable standards. PDZ also remains committed to supporting community well-being through corporate social responsibility initiatives directed at education and local development.

Taken together, these efforts are intended to strengthen the Group's sustainability framework, align its operations with prevailing ESG expectations, and support long-term business resilience.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Directors ("the Board") assumes responsibility, together with Management, for the governance of sustainability within the Group, including the setting of sustainability strategies, priorities and targets. The Board takes sustainability considerations into account in discharging its duties, including in the development of Group strategy, business plans, major plans of action and risk management.

The Executive Director cum Chief Executive Officer ("ED cum CEO"), who also chairs the Sustainability Committee, provides the direct link between Management and the Board and ensures alignment with the Board's strategic direction. The Sustainability Committee is responsible for recommending sustainability strategies and monitoring their implementation. As the third tier of reporting, the Committee identifies material sustainability matters, implements approved action plans, and oversees the validation of data used for sustainability reporting.



The Board is supported in this work by two Board committees. The Audit and Risk Management Committee ("ARMC"), which comprises entirely Independent Non-Executive Directors, regularly reviews the Group's sustainability framework, oversees risk management and considers alignment with evolving sustainability developments as well as feasibility within the Group's existing resources. The Chairman of the Board assesses the training undertaken by each Director during the financial period to ensure the Board remains abreast of sustainability matters, including climate-related risks.

Performance of the Board in in addressing the Group's strategic and business plans which promote sustainability material matters is assessed through the annual Board effectiveness evaluation. For Senior Management, the equivalent assessment forms part of their annual key performance indicators. This clear structure establishes accountability and supports effectiveness in advancing the Group's sustainability goals.

Roles and Responsibilities in Sustainability Governance

Board of Directors

The Board drives the integration of sustainability into the Group's wider business strategy, providing strategic leadership and direction so that sustainability is embedded within long-term objectives. The Board also ensures that sustainability priorities and performance are communicated to stakeholders.

Chairman of the Sustainability Committee

The ED cum CEO chairs the Sustainability Committee, shaping sustainability strategy, recommending key initiatives, and providing the oversight necessary to keep sustainability considerations central to the Group's decision-making.

SUSTAINABILITY STATEMENT

[Cont'd]

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

Roles and Responsibilities in Sustainability Governance (Cont'd)

Sustainability Committee Members

Committee members identify material sustainability issues, implement approved initiatives and validate data supporting this Statement, ensuring that sustainability efforts remain aligned with Group objectives.

The Group is committed to maintaining strong corporate practices that deliver sustainable returns to shareholders. Adherence to high standards of corporate governance is fundamental to transparency and operational excellence, and these principles are set out in full in the Corporate Governance Overview Statement accompanying this Annual Report.

MATERIAL MATTERS AND ASSESSMENT PROCESSES

We recognise that the issues most relevant to our operations materially influence our capacity to generate long-term value. During FPE 2026, the Group revisited its materiality assessment, engaging internal and external stakeholders to confirm that our sustainability priorities remain aligned with their expectations. The process applied is set out below.



Defining Objectives and Scope

The assessment begins by defining the boundary of the exercise. This involves identifying the sustainability factors most pertinent to PDZ's operations and aligning them with the Group's strategic direction to ensure a meaningful outcome.

Stakeholder Identification and Engagement

Stakeholders comprise those groups affected by our business activities, as well as those whose decisions can influence the Group's performance. We engage with them to understand their priorities and integrate that insight into our sustainability strategy. Engagement takes place through multiple channels across the year, and the feedback obtained is used to refine our initiatives and improve ESG performance.

MATERIAL MATTERS AND ASSESSMENT PROCESSES (CONT'D)

Stakeholder Group	Engagement Methods	Key Areas of Interest
Shareholders and Investors	• Annual and extraordinary general meetings • Corporate website • Quarterly financial announcements Press releases and industry events	• Business and financial performance • Operational efficiency • Return on investment • Transparency of ESG disclosure
Suppliers, Service Providers and Consultants	• Performance assessments • Direct discussions and negotiations • On-site meetings and evaluations	• Service quality and reliability across the supply chain • Ethical and anti-corruption compliance
Employees	• Regular meetings and discussions • Company-wide town hall sessions • Training and development programmes • Performance appraisals	• A safe and supportive working environment • Internal communication and engagement • Career growth and professional development
Government and Regulatory Authorities	• Compliance inspections and audits • Participation in seminars, briefings and training • Consultations with local authorities	• Adherence to legal and regulatory requirements • Securing approvals, licences and certifications
Local Communities	• Participation in social and environmental programmes • Corporate social responsibility efforts • Employment opportunities for local talent	• Support for social development initiatives • Environmental conservation • Job creation within the local community

Identifying Significant Sustainability Issues

To ensure alignment with stakeholder expectations and corporate objectives, we undertake a structured assessment of sustainability matters. This involves analysing sector-specific challenges and global sustainability trends that bear on our operations. Our evaluation draws on authoritative sources, including the Bursa Securities Sustainability Reporting Guide. By considering external market influences, we systematically identify the sustainability factors of greatest relevance.

Prioritising Key Sustainability Issues

To support sustainable growth, we have evaluated which sustainability matters carry the greatest significance for the Group and for our stakeholders and have ranked them by reference to their influence on business operations and the level of stakeholder concern. The outcome of that analysis is presented in the materiality matrix below.

SUSTAINABILITY STATEMENT

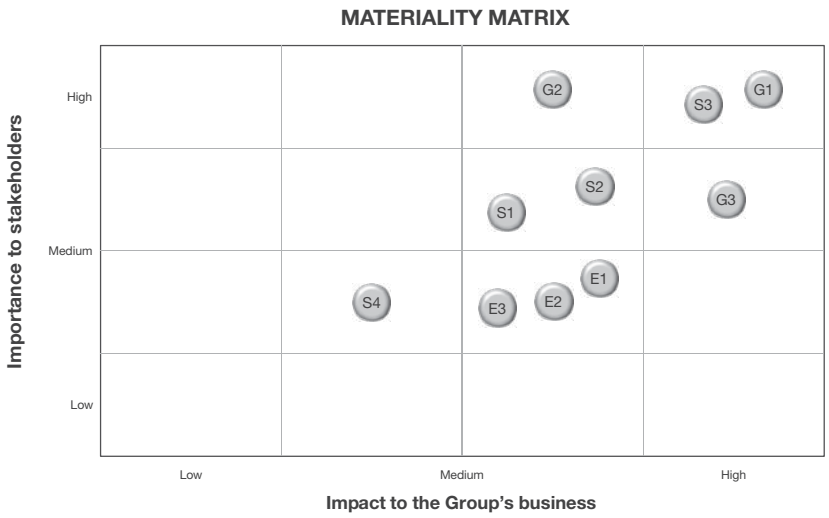
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MATERIAL MATTERS AND ASSESSMENT PROCESSES (CONT'D)

Monitoring and Reviewing Process

The Sustainability Committee retains an active role in overseeing and refining the materiality assessment so that it remains current. Reviews are conducted to reflect shifting stakeholder expectations, changes in business dynamics and emerging sustainability trends, enabling the Group to adapt and strengthen its sustainability strategy as circumstances evolve.

The outcome of this assessment is the refined list of material sustainability matters and a material matrix, as set out below.



Label	Material Matter	Description
E1	Energy Management	Reducing environmental impact by optimising energy consumption and adopting more sustainable energy solutions.
E2	Water Management	Promoting responsible water use and implementing measures that support long-term resource preservation.
E3	Waste Management	Minimising waste generation from office operations and directing recoverable materials away from disposal where practicable.
S1	Health and Safety	Establishing a safe and supportive workplace by minimising risk and prioritising employee well-being.
S2	Employee Management	Attracting, developing and retaining skilled employees while raising workforce productivity.
S3	Diversity	Fostering an equitable working environment in which employees are treated with respect and are free from discrimination based on gender, ethnicity, religion, age, nationality or disability.
S4	Community Investment	Delivering positive impact for underserved communities through meaningful engagement and social responsibility programmes.
G1	Anti-Corruption	Upholding business transparency and actively preventing corruption in all its forms.
G2	Data Privacy and Security	Safeguarding sensitive customer information and maintaining robust controls to prevent data breaches.
G3	Supply Chain Management	Implementing ethical and sustainable procurement practices and evaluating suppliers about their social and environmental impact.

GOVERNANCE

Anti-Bribery and Corruption

Business integrity and ethical conduct are central to the Group's licence to operate. The Code of Ethics and Conduct for Directors and employees, incorporated within Part 6 of the Board Charter and published on the Company's website at www.pdzlines.com, sets out the standards expected in relation to transparency, integrity, accountability, sustainability, conflicts of interest, anti-corruption and bribery, confidentiality, insider trading, fair dealing, use of Company assets and compliance with applicable laws. Misconduct involving gifts, gratuities, bribes, dishonest behaviour or sexual harassment is strictly prohibited, and all Directors and employees are required to make the necessary declaration where any conflict of interest arises.

Oversight of corruption-related risk sits with the ARMC, which comprises entirely Independent Non-Executive Directors and which reviews the Group's risk profile, internal control environment and compliance activity. The Group enforces the requirements of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, including Section 17A, and maintains a zero-tolerance Anti-Bribery and Corruption ("ABAC") Policy supported by a "No Gift" Policy. The ABAC Policy is reviewed at least once every three (3) years.

Across FYE 2023, FYE 2024 and FPE 2026, the Group recorded no substantiated complaints concerning bribery or gift-giving, consistent with its goal of maintaining a corruption-free operating environment.

During FPE 2026, the Group conducted internal ABAC training, with 66.7% of employees within the Management category having completed the programme and signed the accompanying declaration form.

The Group requires all contractors and suppliers to adopt and observe comprehensive ABAC policies, and the relevant requirements are communicated through the Group's contracting and procurement documentation. Corruption risk assessment covers the operational areas engaged in day-to-day business, due diligence is performed on prospective business partners, and employees are trained to recognise and escalate suspicious conduct. No operations were formally assessed for corruption-related risk under a documented assessment programme during the financial period, and the Group intends to formalise and evidence this assessment cycle going forward.

Anti-Bribery and Corruption	FYE 2023	FYE 2024	FPE 2026	Target
Substantiated complaints concerning anti-bribery and corruption or gift-giving incidents	0 case	0 case	0 case	0 case
Confirmed incidents of corruption and actions taken	0 case	0 case	0 case	0 case
Percentage of operations formally assessed for corruption risk	0.0%	0.0%	0.0%	No targets
Percentage of Management employees receiving training on anti-corruption	50.0%	50.0%*	66.7%	100.0%
Percentage of Executive employees receiving training on anti-corruption	50.0%*	0.0%*	0.0%	No targets
Percentage of Non-executive employees receiving training on anti-corruption	50.0%*	100%	0.0%	No targets

Note: The percentages of employees attending anti-corruption training by employee category marked with an asterisk (*) have been restated.

SUSTAINABILITY STATEMENT

[Cont'd]

GOVERNANCE (CONT'D)

Whistleblowing

The Group has established a Whistleblowing Policy, available on the Company's website at www.pdzlines.com, which fosters an environment in which integrity and ethical behaviour are maintained through protocols permitting the exposure of violations, improper conduct or wrongdoing. The policy applies to all associated parties, including employees, contractors and suppliers.

The Board is responsible for overseeing implementation of the policy. Concerns should in the first instance be raised with the immediate superior. Where that is not possible or appropriate, the concern should be reported to the ED cum CEO. Where reporting to Management is itself a concern or is otherwise inappropriate, the concern should be reported to the Chairman of the ARMC. An employee who reports improper conduct in good faith will not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation, harassment, discrimination or any other retaliatory action.

All employees additionally complete an annual Conflict-of-Interest Declaration. Reports may be submitted through the designated channel below and may be made anonymously.

The whistleblowing channel is available by email at general@pdzlines.com.my.

Reports should contain sufficient detail to enable a proper investigation, including the nature of the concern, relevant dates, the individuals involved and any supporting evidence. Confidentiality is fundamental to the process: all reports are treated in the strictest confidence, and the identity of the whistleblower is protected and consistent with the requirements of any investigation. The Board reviews and updates the Whistleblowing Policy as necessary to ensure it remains relevant to the Group's circumstances and to applicable law.

Data Privacy and Security

The Group maintains fair and ethical practices across its operations, supported by an internal audit function that has been outsourced to Kloo Point Risk Management Services Sdn. Bhd., an independent professional consulting firm that reports directly to the ARMC and is independent of the operations and activities of the Group.

PDZ adheres to the requirements of the Personal Data Protection Act 2010 and is committed to safeguarding personal and sensitive information through appropriate data security measures designed to prevent unauthorised access or disclosure to external parties. Critical documents, including authority-approved documentation and pricing information, are stored in locations accessible only to personnel holding the appropriate authorisation. During FPE 2026, members of Management attended external training on practical compliance with the Personal Data Protection Act, including recent regulatory updates and the corresponding corporate responsibilities.

No substantiated complaints concerning breaches of customer privacy or losses of customer data were recorded during the financial period, nor in either of the two preceding financial years.

Data Privacy and Security	FYE 2023	FYE 2024	FPE 2026	Target
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0 case	0 case	0 case	0 case

GOVERNANCE (CONT'D)

Supply Chain Management

Effective supply chain management is essential to the reliable delivery of goods and services across our operations. A well-structured supply chain allows the Group to meet customer expectations, control cost and embed sustainable practices within the business model. By strengthening supplier relationships, we improve operational agility, reduce the risk of disruption and build durable partnerships.

The Group places strong emphasis on sourcing from local suppliers, particularly for corporate and general services, to support economic activity within the communities in which we operate. This approach also reduces the emissions associated with long-distance transportation, aligning procurement with our wider sustainability commitments.

In meeting customer requirements, we assess factors such as service port accessibility, pricing competitiveness and the ability to fulfil specialised requirements. While local partnerships are prioritised, the Group maintains an inventory of alternative suppliers from across the ASEAN region to improve supply resilience.

Proportion of Procurement Spend

Supplier Type	FYE 2024	FPE 2026
Local suppliers	100%	100%
Foreign suppliers	0%	0%

ENVIRONMENTAL SUSTAINABILITY

As a third-party logistics provider operating through a network of contracted carriers, PDZ recognises that the environmental impact of shipping activity forms the dominant component of its sustainability footprint. Consistent with our commitment to transparency, we consider it important to quantify and address the indirect (Scope 3) emissions associated with vessel operations, notwithstanding that we do not exercise direct control over them.

The Group continues to engage its principal shipping partners to obtain data on fuel consumption and associated carbon dioxide emissions for the routes servicing our logistics network. Where direct control is limited, we are more inclined to work with carriers that prioritise fuel efficiency, including those adopting slow-steaming practices, route optimisation and cleaner fuel alternatives such as low-sulphur marine fuel.

GHG emissions are calculated using the method of activity data multiplied by the emission factor, consistent with the operational control approach.

Electricity and water consumption for the shared corporate office are apportioned to PDZ in accordance with the tenancy computation prepared by the building lessor, under which PDZ is invoiced for shared facilities on a fixed percentage basis (PDZ accounts for 25% of both the electricity and water meters).

The emissions and water usage figures are annualised to facilitate direct comparison between FPE 2026 and FYE 2024 or FYE 2023.

Scope 1 — Direct Emissions

As an external provider of logistics solutions, the Group's direct environmental impact is inherently limited. PDZ does not own or operate vessels, aircraft or heavy transport assets; the movement of goods is undertaken by third-party carriers and service providers. Direct emissions therefore arise principally from petrol consumed by Company vehicles.

As of FPE 2026, Scope 1 emissions from the Company vehicles were not quantitatively measured due to incomplete petrol consumption and claim records. In response to this, the necessary data collection systems have been established in 2026, disclosure will commence in the FYE 2027, and the resulting figure will form the Scope 1 baseline against which future performance is measured.

SUSTAINABILITY STATEMENT

[Cont'd]

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Scope 1 Source	FPE 2026 Consumption (L)	FPE 2026 Emissions (tCO_2e)
Petrol — Company vehicles	Not measured	Not measured

Emission factors: petrol, 2.33984 kgCO_2e per litre. Source: UK Department for Environment, Food and Rural Affairs ("UK DEFRA") 2025.

Scope 2 — Indirect Emissions from Purchased Electricity

The Group's non-asset-based business model means that Scope 2 emissions are limited to electricity consumed within its corporate office. Unlike operators with manufacturing plants or terminal facilities, our administrative workspace requires comparatively modest energy for lighting, information technology equipment and air conditioning.

The corporate office is occupied on a shared-tenancy basis and the electricity meter serving the unit is shared with the co-occupant. In accordance with the tenancy computation prepared by the lessor, PDZ is allocated 25% of the metered electricity consumption of the unit, reflecting the estimated proportion of shared usage attributable to the Company. Consumption has been recorded monthly and forms the activity data underlying the disclosure below.

FPE 2026 marks the first year of recording shared meter figures for office electricity consumption and Scope 2 GHG emissions, demonstrating our commitment towards more transparent sustainability disclosure and preparation for future Scope 1 and 2 assurances as we set up the necessary data mechanisms.

During FPE 2026, the Group consumed 17,640.75 kWh of purchased electricity, giving rise to 13.05 tonnes of carbon dioxide equivalent on a location-based method. The increase against the 9.67 MWh reported for FYE 2024 principally reflects the six additional months included in the 18-month reporting period. On an average monthly basis, consumption was approximately 980 kWh in FPE 2026 compared with approximately 806 kWh in FYE 2024.

Scope 2 Source	FYE 2024 Consumption (kWh)	FYE 2024 Emissions (tCO_2e)	FPE 2026 Consumption (kWh)		FPE 2026 Emissions (tCO_2e)	
			18-month	Annualised	18-month	Annualised
Purchased electricity — corporate office	9,670.00	7.16*	17,640.75	11,760.50	13.05	8.70

Emission factor: 0.74 kgCO_2e per kWh. Source: Energy Commission of Malaysia 2022-2024. Emissions are reported on a location-based method. The Group did not generate or procure renewable energy. Note: The FYE 2024 Scope 2 emissions marked with an asterisk (*) have been restated.

The Group maintains reasonable energy conservation practices, including encouraging employees to power down equipment when not in use and the use of energy-efficient lighting and power-saving settings on office equipment. Given the limited scale of office energy consumption, the Group's immediate focus remains on responsible energy use and efficiency measures.

Scope 3 — Value Chain Indirect Emissions

PDZ focuses its Scope 3 management on Category 3.4 (upstream transportation and distribution) arising from third-party logistics partners, and on Category 3.7 (employee commuting). Category 3.6 (business travel) is also monitored; no business travel was undertaken during the financial period. These categories together represent the areas in which the Group can most meaningfully influence indirect environmental outcomes.

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Scope 3.4 — Upstream Transportation and Distribution

As a non-asset-based logistics provider, PDZ's carbon footprint is driven principally by indirect emissions from outsourced shipping activity across ocean, road and, where applicable, air freight. Because the Group does not own or operate transportation assets, primary activity data such as carrier fuel consumption is not held directly by the Group.

From FYE 2023 to FPE 2026, the Group applied a revenue-based emission factor of 0.7 tCO_2e per USD 1,000 of revenue, referencing the United States Environmental Protection Agency ("US EPA") Supply Chain Greenhouse Gas Emission Factors Dataset (EEIO Model 2018, NAICS 483000) at a purchaser price which is assumed to be converted 100% to the Group revenue, a methodology recognised for logistics providers where primary carrier data is unavailable. On that basis, estimated Scope 3.4 emissions in FPE 2026 were 2,197.3 metric tonnes. The Group periodically explores opportunities to improve the quality of Scope 3 data by requesting information such as tonnage and distance travelled by carriers to be made available by service providers.

Period	Revenue (RM'000)	Revenue (USD'000)	Scope 3.4 Emissions (tCO_2e)
FYE 2023	8,508	1,890	1,323.0*
FYE 2024	8,535	1,900	1,330.0*
FPE 2026	14,167	3,139	2,197.3
FPE 2026 (annualised)	9,447	2,093	1,465.1

Note: The emission factor is 0.7 tCO_2e per USD 1,000 of revenue. Prior-period revenue was converted at an average rate of USD 1 = RM 4.50. The factor reflects a modal mix of sea, road and air freight and serves as a sector benchmark rather than a measurement of actual carrier activity. The FPE 2026 revenue was taken as of June 2026. The calculated Scope 3.4 emissions are only rough approximations for baseline estimation. The Scope 3.4 emissions of FYE 2023 and FYE 2024 have been restated due to an arithmetic error and incorrect emission factor used.

Scope 3.6 — Business Travel

No business travel was undertaken by employees during FPE 2026, leading to zero emissions attributable to this Scope 3 category, which is consistent with previous financial years.

SUSTAINABILITY STATEMENT

[Cont'd]

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Scope 3.7 — Employee Commuting

Employees of the Group commuted on more working days in the longer 18-month reporting period relative to FYE 2024, leading to an increase in commuting emissions in FPE 2026.

During FPE 2026, employees collectively travelled 44,175 km by car and 24,169 km by motorcycle. Applying DEFRA average-vehicle emission factors, car commuting generated 7,188.2 $kgCO_2e$ and motorcycle commuting 2,747.3 $kgCO_2e$, giving total employee commuting emissions of 9,935.5 $kgCO_2e$, or 9.9 tonnes of carbon dioxide equivalent.

Mode of Transport	FYE 2024 Total Distance (km)	FPE 2026 Total Distance (km)	FYE 2024 Emissions ($kgCO_2e$)	FPE 2026 Emissions ($kgCO_2e$)	FPE 2026 Emissions (Annualised) ($kgCO_2e$)
Cars	43,700*	44,175	7,188.6*	7,188.2	4,792.1
Motorcycles	13,340*	24,169	1,516.4*	2,747.3	1,831.5
Total Employee Commuting	57,040*	68,344	8,705.0*	9,935.5	6,623.6

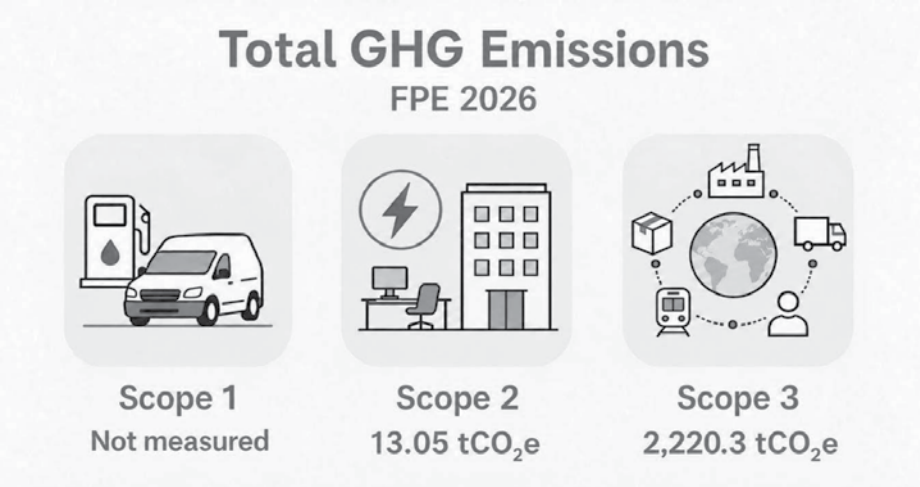
Note: The total distances travelled and the employee commuting emissions in FYE 2024 marked with an asterisk (*) have been restated.

Emission factors: average petrol car, 0.16272 $kgCO_2e$/km; average motorcycle 0.11367 $kgCO_2e$/km. The emission factors are sourced from UK DEFRA 2025. Comparative FYE 2024 figures were calculated using a UK DEFRA 2024 average car factor of 0.16450 $kgCO_2e$/km and average motorcycle 0.11367 $kgCO_2e$/km . 145 average work-from-home days per calendar year assumption was applied.

The Group encourages employees to consider practical commuting options where appropriate and will continue monitoring employee commuting emissions.

Total GHG Emissions

The total GHG emissions of PDZ in FPE 2026 amounted to 2,220.3 tonnes CO_2e, whereby the unmeasured Scope 1 emissions were excluded.



ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Water Management

The Group's corporate office is located within a rented commercial building in which shared facilities, including the water supply, are managed by the building administration. Direct water management therefore falls largely within the lessor's jurisdiction. Notwithstanding this, the Group recognises the importance of responsible water use and promotes water-saving practices among employees.

During FPE 2026, water consumption attributable to the Group's office operations totalled 7.30 m3 Consumption was recorded monthly and remained consistently low throughout the period, averaging approximately 0.41 m3 per month, reflecting the limited nature of office water use. The decrease against the 0.126000 megalitres reported for FYE 2024 is attributable to a change in the basis of measurement, moving from an estimated building-level allocation to the metered consumption recorded for the Group's occupied area.

Most of the water use associated with our wider business activities falls within Scope 3 and relates to shipping operations conducted by third parties. Although this lies beyond our direct control, we recognise its environmental significance and continue to engage shipping carriers, where data is available, to monitor and assess water use in line with sustainability practice.

Water Management	FYE 2024	FPE 2026	FPE 2026 (annualised)
Total volume of water used (megalitres)	0.1260	0.0073	0.0049
Total volume of water used (m^3)	126.0	7.3	4.9
Water recycled or harvested (m^3)	0.0	0.0	0.0

Note: The water consumption periods are not directly comparable because FYE 2024 usage was estimated using a building allocation basis (based on annual headcount), while FPE 2026 usage was measured on a metered basis (25% of monthly shared water meter measurements).

Waste Management

The Group's operations are office-based and generate limited volumes of waste, consisting principally of food and beverages waste, general office refuse, used paper and spent printer consumables. Waste collection and disposal at the corporate office is arranged by the Jaya One building management as part of the shared tenancy services.

The Group did not maintain a formal waste weighing and segregation record during FPE 2026. Using a standard commercial office waste generation metric based on employee headcount, we estimate that a total of 1,200 kg of waste was generated in the Group's office during FPE 2026. As waste segregation and recycling records were not available during FPE 2026, the Group is unable to reliably determine the quantities of waste diverted from disposal and waste directed to disposal. Accordingly, the diversion and disposal data will be reported once a suitable tracking mechanism has been established. Moving forward, we will continue evaluating practical methods to improve waste-related data collection.

SUSTAINABILITY STATEMENT

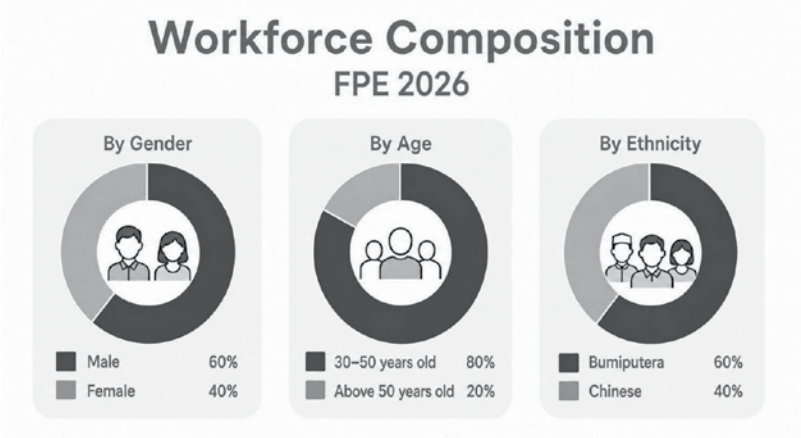
[Cont'd]

SOCIAL SUSTAINABILITY

PDZ is committed to cultivating a workplace that values diversity, promotes equity and fosters inclusion. A diverse workforce strengthens organisational culture, supports better decision-making and improves engagement and performance. By recognising difference, we create an environment in which individuals feel respected, valued and able to contribute. To reinforce this commitment, the Group maintains policies that support fairness, equality and inclusivity throughout the employment relationship, including the Remuneration Policy and the Gender Diversity Policy, the latter of which provides the framework for improving gender diversity at Board and Senior Management levels and is published on the Company's website. We uphold the principle of non-discrimination and respect for fundamental human rights in line with legal and ethical standards. Our workplace embraces diversity of age, gender, ethnicity and background, fostering an inclusive culture in which employees can develop and collaborate.

Workforce Composition

PDZ's workforce comprises Management, Executive and Non-Executive (Technical Staff). In FPE 2026, men represented 60% of the workforce and women 40%. By age band, 80% of employees were between 30 and 50 years of age and 20% were above 50; the Group employed no personnel below the age of 30. By ethnicity, Bumiputera employees comprised 60% of the workforce and Chinese employees 40%. No employees were below 30 years of age during FPE 2026. The Group did not employ any General Workers.



Employee Category	By Gender		By Age		By Ethnicity	
	Male	Female	30 to 50 years old	Above 50 years old	Bumiputera	Chinese
Management	66.7%	33.3%	66.7%	33.3%	33.3%	66.7%
Executive	0%	100%	100%	0%	100%	0%
Non-Executive	100%	0%	100%	0%	100%	0%
Total	60%	40%	80%	20%	60%	40%

SOCIAL SUSTAINABILITY (CONT'D)

Board Diversity

As at the end of FPE 2026, the Board comprised seven Directors, of whom one was a woman, representing 14.29% female representation at Board level. The Company has yet to meet the recommendation of at least 30% women directors under the Malaysian Code on Corporate Governance and has disclosed this departure in its Corporate Governance Report. The Board will continue to consider diversity attributes, including gender diversity, alongside skills, experience and business needs when evaluating future appointments.

By age, 42.86% of Directors were between 30 and 50 years of age and 57.14% were above 50. No Director was below 30 years of age. This composition balances mid-career perspective with the depth of industry experience necessary for effective oversight and continuity of governance.

Board Diversity		FYE 2024 (%)	FPE 2026 (%)
By Gender	Male	86.0	85.7
	Female	14.0	14.3
By Age	Below 30 years old	0.0	0.0
	Between 30 and 50 years old	57.0	42.9
	Above 50 years old	43.0	57.1

TRAINING AND DEVELOPMENT

The Group regards its employees as the principal driver of operational performance and long-term sustainability. Investment in their development and well-being supports a motivated workforce and a more competitive organisation. We believe that a supportive working culture, combined with access to professional development, improves job satisfaction, career progression and overall business performance.

Our commitment to development extends to continuous learning. During FPE 2026, employees attended a combination of classroom-based and online programmes covering anti-bribery and anti-corruption, statutory reporting through the Malaysian Business Reporting System (MBRS 2.0), practical compliance with the Personal Data Protection Act, and NSRF readiness and sustainability reporting. Collectively, employees completed 51 training hours over the 18-month period, comprising 44 hours within the Management category and 7 hours within the Executive category. The concentration of training within the Management category reflects both the regulatory and governance focus of the programmes delivered and the Group's current headcount profile.

Beyond development, the Group supports employee well-being through a benefits package that includes annual leave and paternity leave entitlements, together with Group insurance coverage comprising Group Personal Accident and Group Hospitalisation and Surgical cover. Employees also have access to healthcare support, including medical check-ups, blood tests and consultations.

Employee Category	FYE 2023 (Hours)	FYE 2024 (Hours)	FPE 2026 (Hours)
Management	10	92	44
Executive	60	0	7
Non-Executive	0	128	0
Total	70	220	51

Note: Training hours are calculated as the duration of each programme multiplied by the number of participants from the relevant employee category.

SUSTAINABILITY STATEMENT

[Cont'd]

TRAINING AND DEVELOPMENT (CONT'D)

Employee Turnover

Employee turnover measures the rate at which employees leave the organisation and are replaced. For a group of PDZ's scale, monitoring turnover provides insight into employee satisfaction, organisational stability and the effectiveness of retention practices.

During FPE 2026, the Group recorded one departure within the Non-Executive category, and one new hire within the Management category. These movements represent a non-material proportion of the workforce, and the Group continues to monitor turnover trends to support operational continuity and preserve institutional knowledge.

Employee Category	Turnover FYE 2024 (No. of employees)	Turnover FPE 2026 (No. of employees)	New Hires FPE 2026 (No. of employees)
Management	0	0	1
Executive	1	0	0
Non-Executive / Technical Staff	0	1	0
Total	1	1	1

HUMAN RIGHTS

During FPE 2026, the Group recorded no substantiated complaints concerning human rights violations across any of its operations. This outcome reflects the Group's continued commitment to ethical business conduct, sound service delivery and proactive stakeholder engagement. The absence of complaints also indicates that internal controls, customer service protocols and grievance mechanisms are functioning as intended in addressing potential issues before escalation. The Group remains committed to maintaining this standard through the continued improvement of its communication channels and feedback processes.

Substantiated Complaints Concerning Human Rights Violations	FYE 2023	FYE 2024	FPE 2026
Number of complaints	0	0	0

LABOUR PRACTICES

To support operational efficiency and meet varying business demands, the Group maintains a workforce comprising both permanent employees and non-permanent workers, including contractors and temporary staff. Contractors and temporary personnel are primarily engaged to provide operational flexibility to remotely support fluctuating shipping volumes, vessel movements, port operations and other project-specific requirements from the office. All workers engaged by the Group are expected to comply with the Group's policies, procedures and workplace standards.

The proportion of contractors and temporary staff increased from 16.67% in FYE 2023 to 20.0% in FYE 2024 and remained stable at 20.0% in FPE 2026. This reflects the Group's workforce management strategy to maintain operational agility while ensuring business continuity and service excellence within the shipping and logistics sector.

Employment Type	FYE 2023	FYE 2024	FPE 2026
Percentage of contractors and temporary staff	16.67%	20.0%	20.0%

TRAINING AND DEVELOPMENT (CONT'D)

HEALTH AND SAFETY

The health, safety and well-being of employees are a priority for the Group. A safe working environment protects our workforce and supports productivity, morale and organisational resilience.

To support a culture of health and safety, the Group provides access to medical check-ups, conducts workplace assessments and promotes health awareness. By identifying and mitigating potential workplace hazards in advance, we seek to maintain a secure and supportive environment for all employees, while ensuring compliance with applicable safety regulations and industry practice. As the Group's operations are office-based and it does not own or operate vessels, terminals or heavy vehicles, the inherent occupational safety risk profile is low relative to asset-owning operators in the shipping sector.

Health and Safety	FYE 2023	FYE 2024	FPE 2026
Number of work-related fatalities	0	0	0
Number of lost time incidents	0	0	0
Lost time incident rate ("LTIR")	0.00	0.00	0.00
Number of employees trained on health and safety standards	0	4	0

COMMUNITY INVESTMENT

Community investment forms part of our commitment to social responsibility and sustainable growth. By supporting the communities in which we operate, we seek to improve well-being, strengthen relationships and create lasting benefit for stakeholders. Our initiatives span education, healthcare, environmental sustainability and social welfare.

We prioritise collaboration with local stakeholders to identify areas of need and to implement initiatives consistent with our corporate values and sustainability objectives, directing effort towards tangible outcomes in the communities where we are present.

During FPE 2026, Directors of PDZ continued to make personal contributions to charitable organisations aligned with their individual values and causes, reinforcing the Group's culture of giving. Corporate community investment at Group level remained constrained by the scale of the business during the period. Looking ahead, the Group will continue to assess community engagement opportunities that are appropriate to its operational scale and available resources.

Community Investment	FYE 2023	FYE 2024	FPE 2026
Total amount invested in the community where beneficiaries are external to the Group (RM)	0.00	0.00	0.00
Total number of beneficiaries	0	0	0

CONCLUSION

FPE 2026 marked a step forward for PDZ in the quality of sustainability data because electricity and water consumption were recorded monthly and reconciled to the underlying tenancy computation, while employee commuting emissions were calculated from employee-level records rather than aggregate estimates. This Statement also identifies several indicators relating to Scope 1 fuel consumption and waste records for which the Group's data collection is not yet complete. We are planning to close these gaps in the next reporting period.

The Group remains committed to maintaining an appropriate sustainability framework proportionate to the scale and nature of its business operations. Management will continue to review sustainability-related risks, opportunities and data collection practices as part of ongoing business operations.

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Anti-Corruption	Percentage of management employees who have received training on anti-corruption	Percentage	-	66.7%	100.0%	No assurance	
Anti-Corruption	Percentage of executive employees who have received training on anti-corruption	Percentage	-	0.0%	-	No assurance	
Anti-Corruption	Percentage of non-executive employees who have received training on anti-corruption	Percentage	-	0.0%	-	No assurance	
Anti-Corruption	Percentage of operations assessed for corruption--related risks	Percentage	-	0.0%	-	No assurance	
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	-	0	0	No assurance	
Community Investment	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	-	0	-	No assurance	
Community Investment	Total number of beneficiaries of the investment in communities	Number	-	0	-	No assurance	
Diversity	Management Under 30	Percentage	-	0.0%	-	No assurance	
Diversity	Management between 30-50	Percentage	-	66.7%	-	No assurance	
Diversity	Management above 50	Percentage	-	33.3%	-	No assurance	
Diversity	Executives under 30	Percentage	-	0.0%	-	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Diversity	Executive between 30-50	Percentage	-	100.0%	-	No assurance	
Diversity	Executive above 50	Percentage	-	0.0%	-	No assurance	
Diversity	Non-executive under 30	Percentage	-	0.0%	-	No assurance	
Diversity	Non-executive between 30-50	Percentage	-	100.0%	-	No assurance	
Diversity	Non-executive above 50	Percentage	-	0.0%	-	No assurance	
Diversity	Management male	Percentage	-	66.7%	-	No assurance	
Diversity	Management female	Percentage	-	33.3%	-	No assurance	
Diversity	Executive male	Percentage	-	0.0%	-	No assurance	
Diversity	Executive female	Percentage	-	100.0%	-	No assurance	
Diversity	Non-executive male	Percentage	-	100.0%	-	No assurance	
Diversity	Non-executive female	Percentage	-	0.0%	-	No assurance	
Diversity	Male directors	Percentage	-	85.7%	-	No assurance	
Diversity	Female directors	Percentage	-	14.3%	-	No assurance	
Diversity	Directors below 30	Percentage	-	0.0%	-	No assurance	
Diversity	Directors between 30-50	Percentage	-	42.9%	-	No assurance	
Diversity	Directors above 50	Percentage	-	57.1%	-	No assurance	
Energy Management	Total energy consumption	kWh	-	17640.75	-	No assurance	
Health and Safety	Number of work-related fatalities	Number	-	0	0	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Health and Safety	Lost time incident rate ("LTIR")	Rate	-	0.00	0.00	No assurance	
Health and Safety	Number of employees trained on health and safety standards	Number	-	0	-	No assurance	
Labour Practices and Standards	Total hours of training - Management	Hours	-	44	-	No assurance	
Labour Practices and Standards	Total hours of training - Executive	Hours	-	7	-	No assurance	
Labour Practices and Standards	Total hours of training - Non-executive	Hours	-	0	-	No assurance	
Labour Practices and Standards	Percentage of employees that are contractors or temporary staff	Percentage	-	0.0%	-	No assurance	
Labour Practices and Standards	Management turnover	Number	-	0	-	No assurance	
Labour Practices and Standards	Executive turnover	Number	-	0	-	No assurance	
Labour Practices and Standards	Non-executive turnover	Number	-	1	-	No assurance	
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number	-	0	0	No assurance	
Supply Chain Management	Proportion of spending on local suppliers	Percentage	-	100.0%	-	No assurance	
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Water Management	Total volume of water used	Cubic metres	-	4.9	-	No assurance	
Waste Management	Total waste generated	Metric tonnes	-	1.2	-	No assurance	
Waste Management	Total waste diverted from disposal	Metric tonnes	-	0.0	-	No assurance	
Waste Management	Total waste directed to disposal	Metric tonnes	-	1.2	-	No assurance	
Emissions Management	Scope 1 emissions	Tonnes of CO2e	-	0.0	-	No assurance	Not measured.
Emissions Management	Scope 2 emissions	Tonnes of CO2e	-	13.05	-	No assurance	
Emissions Management	Scope 3 emissions (at least for the categories of business travel and employee commuting)	Tonnes of CO2e	-	2,220.3	-	No assurance	Upstream transportation and distribution, business travel and employee commuting

PDZ HOLDINGS BHD
Registration No. 199501031213 (360419-T)

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Directors' Report

The Directors of **PDZ HOLDINGS BHD.** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial period from 1 January 2025 to 30 June 2026.

PRINCIPAL ACTIVITIES

The Company is an investment holding company.

The information on the name of subsidiary company, place of incorporation, principal activities and effective equity interest held by the Company in each subsidiary company and associate are as disclosed in Note 16 and 17 to the financial statements, respectively.

There were no significant changes in the nature of the activities during the financial period.

CHANGE OF FINANCIAL YEAR END

The Company changed its financial year end from 31 December to 30 June. Therefore, the financial period covered in these financial statements is for a period of 18 months, from 1 January 2025 to 30 June 2026. Thereafter, the financial year of the Company shall revert to 12 months ending 30 June, for each subsequent year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial period are as follows:

	Group RM'000	Company RM'000
Profit/(Loss) for the financial period	3,620	(1,353)
Profit/(Loss) attributable to:		
Equity holders of the Company	3,632	(1,353)
Non-controlling interests	(12)	–

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in notes to the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend for the financial period ended 30 June 2026.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial period have been disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no new shares and debentures issued during the financial period.

DIRECTORS' REPORT

[Cont'd]

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial period, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, had been written-down to an amount which they might be expected so to realise.

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

(i) which would render the amount written-off as 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) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

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

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

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial period.

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

In the opinion of the Directors:

(i) the results of the Group's and of the Company's operations during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the notes to the financial statements; and

(ii) there has not arisen in the interval between the end of the financial period 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 period in which this report is made.

DIRECTORS

The Directors who have held office since the beginning of the financial period and up to the date of this report are:

Dato' Sri Rusli Bin Ahmad
Dato' Ahmad Zaffry Bin Hj. Sulaiman
Datuk Tan Chor How Christopher*
Dr Rosli Bin Azad Khan
Ho Jien Shiung*
Wong Kok Seong
Pang Siaw Sian

The Directors of the subsidiary companies in the office during the financial period and during the period from the end of the financial period to the date of this report are:

Yap Young Onn

* Director of the Company and its subsidiary companies

DIRECTORS' INTEREST IN SHARES

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016, the interests of Directors in office at the end of the financial period in shares and options over share in the Company during the financial period were as follows:

	Number of ordinary shares			
	At 01.01.2025	Acquired	Sold	At 30.06.2026
Direct interest				
Datuk Tan Chor How Christopher	35,889,285	–	–	35,889,285
Ho Jien Shiung	630,090	–	–	630,090

By virtue of the above Directors' interest in the shares of the Company, they are deemed to have interest in the shares of all the subsidiary companies to the extent the Company has an interest.

The other Directors in office at the end of the financial period did not hold shares, nor had interest in the shares of the Company or its related corporation during or at the beginning and end of the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors or fixed salaries of full time employees of the Company or related corporations as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial period, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

[Cont'd]

DIRECTORS' REMUNERATION

The Directors' remuneration of the Group and of the Company during the financial period are as follows:

	Group RM'000	Company RM'000
Executive:		
Wages, salaries and bonus	270	270
Defined contribution plan	49	34
Total Executive Directors' remuneration	319	304
Non-executive:		
Fees	333	333
Total Non-executive Directors' fee and allowance	333	333
Total Directors' remuneration	652	637

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or liability insurance effected for any Director or Officer of the Group or the Company during the financial period.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 16 to the financial statements.

SIGNIFICANT EVENT

The significant event is disclosed in Note 36 to the financial statements.

SUBSEQUENT EVENT

The subsequent event is disclosed in Note 37 to the financial statements.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for the financial period ended 30 June 2026 are as follows:

	Group RM	Company RM
Auditors' remuneration:		
Statutory audits	320,000	204,000
Non-statutory audits:	5,000	5,000
	325,000	209,000

AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

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

DATUK TAN CHOR HOW CHRISTOPHER

HO JIEN SHIUNG

Petaling Jaya,
29 October 2026

Statement by Directors

The directors of **PDZ HOLDINGS BHD.** state that, in their opinion, the accompanying financial statements 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 30 June 2026 and of their financial performance and their cash flows for the financial period then ended.

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

DATUK TAN CHOR HOW CHRISTOPHER

HO JIEN SHIUNG

Petaling Jaya
29 October 2026

Declaration by the Officer Primarily Responsible for the Financial Management of the Company

I, **MOHD MUKHLIS BIN ZAINAL ABIDIN**, being the officer primarily responsible for the financial management of **PDZ HOLDINGS BHD.** do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MOHD MUKHLIS BIN ZAINAL ABIDIN

Subscribed and solemnly declared by the abovenamed **MOHD MUKHLIS BIN ZAINAL ABIDIN** at **PETALING JAYA** in **SELANGOR DARUL EHSAN** on 29th day of October, 2026.

Before me,

COMMISSIONER FOR OATHS

No. B519
CHUA FONG LING
COMMISSIONER FOR OATHS

Independent Auditors' Report
TO THE MEMBERS OF PDZ HOLDINGS BHD.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **PDZ HOLDINGS BHD.**, which comprise the statements of financial position as at 30 June 2026 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 the Company for the financial period 1 January 2025 to 30 June 2026, and notes to the financial statements, including material accounting policy information, as set out on pages 73 to 132.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2026, and of their financial performance and their cash flows for the financial period 1 January 2025 to 30 June 2026 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), 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 IESBA Code.

Emphasis of Matter

Fixed Deposits Placed with a cooperative

We draw attention to Note 20 to the financial statements, which discloses that the Group and the Company have placed deposits with a registered cooperative under the Suruhanjaya Koperasi Malaysia. The placement is subject to the regulatory framework applicable to cooperatives, which differs from that applicable to licensed financial institutions. Our opinion is not modified in respect of this matter.

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

INDEPENDENT AUDITORS' REPORT

[Cont'd]

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
Expected credit loss of fixed deposits placed with a cooperative Refer to Notes 3, 4, 20 and 33 to the financial statements. As at 30 June 2026, the Group held deposits of RM66,435,000 placed with a cooperative registered under the Co-operative Societies Act 1993 (Act 502) and regulated by Suruhanjaya Koperasi Malaysia ("SKM"), the statutory commission established under the Malaysia Cooperative Societies Commission Act 2007 (Act 665), an agency under the Ministry of Entrepreneur and Cooperative Development ("MECD"). We considered this a key audit matter due to management's significant judgement in establishing the credit policy and assessing the expected credit loss model ("ECL") under MFRS 9, which includes the application of forward-looking assumptions and macroeconomic overlays.	Our audit procedures, amongst others, included the following: a) Reviewed the Group's treasury and investment framework and the governance oversight and approval process for deposit placements, and assessed the design and implementation of relevant controls over placement approval and ongoing monitoring; b) Made inquiries of the Audit Committee and the cooperative's representatives to understand the nature, terms and conditions of the deposit placements, including any withdrawal restrictions; c) Performed independent background searches on relevant parties; d) Obtained direct confirmation from the cooperative on balances of deposits placed as at the reporting date. e) Tested recent withdrawal transactions and corroborated the evidence obtained against the assumptions used in management's credit policy and ECL model; f) Evaluated the management's ECL estimation methodology, including: • Reasonableness of credit policy established for deposit placements; • Analysis of historical withdrawal patterns and default history; • Review of relevant financial metrics and ratios; and • Appropriateness of macroeconomic overlays and external market data applied in the ECL model.

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 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 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 the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and 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 the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the Directors are responsible for assessing the Group's and 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 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 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 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 the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT

[Cont'd]

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

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, related safeguards.

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary, of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other Matters

(a) The financial statements of the Group and of the Company for the financial year ended 31 December 2024 were audited by another auditors who expressed an unqualified opinion on these financial statements on 29 April 2025.

(b) 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.

MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants

LIM WAN YINN
03262/04/2027 J
Chartered Accountant

Petaling Jaya
29 October 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL PERIOD 1 JANUARY 2025 TO 30 JUNE 2026

	Note	Group 01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
Revenue	5	14,167	8,535
Cost of sales		(12,834)	(7,700)
Gross profit		1,333	835
Other income		3,914	8,414
Administrative expenses		(2,267)	(1,619)
Net gain on financial assets		452	856
Profit from operations		3,432	8,486
Finance cost	6	(37)	–
Share of results of an associate		396	(264)
Profit before taxation	7	3,791	8,222
Income tax (expense)/credit	10	(171)	272
Profit for the financial period/year		3,620	8,494
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Gain on disposal of FVOCI equity investments		–	265
Other comprehensive income for the financial period/year		–	265
Total comprehensive income for the financial period/year		3,620	8,759
Profit attributable to			
Equity holders of the Company		3,632	8,499
Non-controlling interests		(12)	(5)
Profit for the financial period/year		3,620	8,494
Total comprehensive income attributable to			
Equity holders of the Company		3,632	8,764
Non-controlling interests		(12)	(5)
Total comprehensive income for the financial period/year		3,620	8,759
Basic and diluted earnings per share attributable to the equity holders of the Company (sen)	11	0.62	1.44

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

Consolidated Statement of Financial Position
AS AT 30 JUNE 2026

	Note	Group 30.06.2026 RM'000	Group 31.12.2024 RM'000 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	12	7,437	4,579
Right-of-use asset	13	164	–
Intangible asset	15	–	–
Other investment	17	9,615	9,147
Total non-current assets		17,216	13,726
Current assets			
Trade receivables	18	6,645	3,169
Other receivables and deposits	19	9,536	50,861
Amount due from an associate	19	871	108
Tax recoverable		263	662
Fixed deposits with a cooperative	20	64,824	32,683
Fixed deposits with licensed banks	21	656	59
Cash and bank balances	22	10,740	3,576
		93,535	91,118
Asset held for sale	23	3,135	–
Total current assets		96,670	91,118
TOTAL ASSETS		113,886	104,844

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

[Cont'd]

	Note	Group 30.06.2026 RM'000	Group 31.12.2024 RM'000 Restated
EQUITY			
Share capital	24	158,573	158,573
Accumulated losses		(55,865)	(59,497)
Equity attributable to owners of the Company		102,708	99,076
Non-controlling interests ("NCI")		568	288
TOTAL EQUITY		103,276	99,364
LIABILITIES			
Non-current liability			
Lease liabilities	26	1,161	–
Bank borrowings	27	402	–
Deferred taxation	28	500	–
Total non-current liability		2,063	–
Current liabilities			
Trade payables	29	5,230	2,837
Other payables and accruals	30	1,381	2,626
Lease liabilities	26	392	–
Bank borrowings	27	1,518	–
Tax payable		26	17
Total current liabilities		8,547	5,480
TOTAL LIABILITIES		10,610	5,480
TOTAL EQUITY AND LIABILITIES		113,886	104,844

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL PERIOD 1 JANUARY 2025 TO 30 JUNE 2026

	Attributable to owners of the Company					
	Non-distributable					
	Share capital RM'000	Other reserves RM'000 (Restated)	Accumulated losses RM'000 (Restated)	Total RM'000 (Restated)	Non-controlling interests RM'000 (Restated)	Total equity RM'000
At 1 January 2024 (As previously stated)	158,573	5,812	(73,883)	90,502	103	90,605
Transfer of revaluation reserves (Note 40)	–	(886)	886	–	–	–
Non-controlling interests (Note 40)	–	–	(190)	(190)	190	–
At 1 January 2024 (Restated)	158,573	4,926	(73,187)	90,312	293	90,605
Profit for the financial year	–	–	8,499	8,499	(5)	8,494
Warrant expired (Note 25)	–	(5,191)	5,191	–	–	–
Other comprehensive income for the financial year	–	265	–	265	–	265
At 31 December 2024 (Restated) and 1 January 2025	158,573	–	(59,497)	99,076	288	99,364
Acquisition of subsidiary	–	–	–	–	292	292
Profit for the financial period	–	–	3,632	3,632	(12)	3,620
At 30 June 2026	158,573	–	(55,865)	102,708	568	103,276

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL PERIOD 1 JANUARY 2025 TO 30 JUNE 2026

	Group	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000 (Restated)
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	3,791	8,222
Adjustments for:		
Amortisation of right-of-use assets	55	–
Bargain purchase	(295)	–
Depreciation of property, plant and equipment	377	179
Gain on disposal of property, plant and equipment	–	(388)
Impairment loss on other investment	–	343
Interest expense	37	–
Interest income	(931)	(762)
Loss on disposal of quoted shares	–	265
Reversal of impairment loss on:		
- amount due from an associate	(343)	–
- fixed deposits with a cooperative	(109)	(1,199)
- other investment	(72)	–
Reversal for provision of liabilities	(2,504)	(7,529)
Share of results of an associate	(396)	264
Operating loss before working capital changes	(390)	(605)
Changes in:		
Decrease/(Increase) in trade and other receivables	39,627	(18,436)
Increase/(Decrease) in trade and other payables	1,734	(2,817)
Cash from/(used) in operations	40,971	(21,858)
Interest received	931	762
Income tax paid	(392)	–
Income tax refunded	617	28
Net cash from/(used in) operating activities	42,127	(21,068)
CASH FLOW GENERATED FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,400)	(1,393)
Acquisition of a subsidiary, net of cash acquired	(1,313)	–
Amount due from an associate	(420)	–
Proceeds from disposal of quoted shares	–	1,190
Proceeds from disposal of property, plant and equipment	–	406
Placements of deposits with maturity of more than three months	(16,677)	(884)
Net cash generated from/(used in) investing activities	(20,810)	(681)

CONSOLIDATED STATEMENT OF CASH FLOWS

[Cont'd]

	Group	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000 (Restated)
CASH FLOW USED IN FINANCING ACTIVITIES		
Interest paid	(37)	–
Repayment of lease liabilities	(80)	–
Repayment of term loans and other borrowings	(17)	–
Net cash used in financing activities	(134)	–
Net change in cash and cash equivalents	21,183	(21,749)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	3,635	25,384
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR (NOTE 22)	24,818	3,635

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

Statement of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL PERIOD 1 JANUARY 2025 TO 30 JUNE 2026

	Note	Company 01.01.2025 to 30.06.2026 (18 months) RM'000	Company 01.01.2024 to 31.12.2024 (12 months) RM'000
Revenue	5	246	–
Other income		3,503	8,025
Administrative expenses		(8,729)	(1,091)
Net reversal of impairment on financial assets		3,409	856
(Loss)/Profit from operations		(1,571)	7,790
Finance cost	6	(7)	–
Share of results of an associate		396	(264)
(Loss)/Profit before tax	7	(1,182)	7,526
Income tax (expense)/credit	10	(171)	280
(Loss)/Profit for the financial period/year		(1,353)	7,806
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Gain on disposal of FVOCI equity investments		–	265
Other comprehensive income for the financial period/year		–	265
Total comprehensive (loss)/income for the financial period/year		(1,353)	8,071

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

Statement of Financial Position
AS AT 30 JUNE 2026

	Note	Company 30.06.2026 RM'000	Company 31.12.2024 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	12	321	4,705
Right-of-use asset	13	164	–
Investment properties	14	3,191	–
Investment in subsidiary companies	16	22,475	20,913
Other investment	17	9,615	9,147
Total non-current assets		35,766	34,765
Current assets			
Other receivables and deposits	19	8,824	50,787
Amount due from subsidiary companies	19	528	5,860
Amount due from an associate	19	871	108
Tax recoverable		193	52
Fixed deposits with a cooperative	20	64,824	32,683
Cash and bank balances	22	10,629	3,475
		85,869	92,965
Asset held for sale	23	3,261	–
Total current assets		89,130	92,965
TOTAL ASSETS		124,896	127,730
EQUITY			
Share capital	24	158,573	158,573
Accumulated losses		(60,224)	(58,871)
TOTAL EQUITY		98,349	99,702
LIABILITIES			
Non-current liabilities			
Lease liability	26	58	–
Deferred taxation	28	5	–
Total non-current liabilities		63	–
Current liabilities			
Other payables and accruals	30	291	2,578
Amount due to subsidiary companies	30	26,084	25,450
Lease liability	26	109	–
Total current liabilities		26,484	28,028
TOTAL LIABILITIES		26,547	28,028
TOTAL EQUITY AND LIABILITIES		124,896	127,730

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

Statement of Changes in Equity

FOR THE FINANCIAL PERIOD 1 JANUARY 2025 TO 30 JUNE 2026

	Company			
	Share capital RM'000	Other reserves RM'000 (Restated)	Accumulated losses RM'000 (Restated)	Total equity RM'000
At 1 January 2024 (As previously stated)	158,573	5,812	(72,754)	91,631
Transfer of revaluation reserves (Note 40)	–	(886)	886	–
At 1 January 2024 (Restated)	158,573	4,926	(71,868)	91,631
Profit for the financial year	–	–	7,806	7,806
Warrant expired (Note 25)	–	(5,191)	5,191	–
Disposal of financial asset (Note 25)	–	265	–	265
At 31 December 2024 (Restated) and 1 January 2025	158,573	–	(58,871)	99,702
Loss for the financial period	–	–	(1,353)	(1,353)
At 30 June 2026	158,573	–	(60,224)	98,349

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

Statement of Cash Flows

FOR THE FINANCIAL PERIOD 1 JANUARY 2025 TO 30 JUNE 2026

	Company	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000 (Restated)
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,182)	7,526
Adjustments for:		
Amortisation of right-of-use asset	55	–
Depreciation of investment properties	109	–
Depreciation of property, plant and equipment	223	101
Impairment loss on:		
- investment in subsidiary companies	6,862	–
- receivables and deposits	–	343
Reversal of impairment loss on:	–	–
- amount due from an associate	(343)	–
- amount due from subsidiary companies	(2,957)	–
- fixed deposits with a cooperative	(109)	(1,199)
- other investment	(72)	–
Interest expenses	7	–
Interest income	(927)	(761)
Loss on disposal of quoted shares	–	265
Reversal for provision of liabilities	(2,504)	(7,529)
Share of results of an associate	(396)	264
Operating loss before working capital changes	(1,234)	(990)
Changes in working capital:		
Decrease/(Increase) in receivables	42,072	(21,447)
Increase/(Decrease) in payables	217	(25)
Cash from/(used in) operations	41,055	(22,462)
Interest received	927	761
Tax paid	(384)	–
Tax refunded	77	28
Net cash from/(used in) operating activities	41,675	(21,673)

STATEMENT OF CASH FLOWS

[Cont'd]

	Company	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
CASH FLOW USED IN INVESTING ACTIVITIES		
Proceeds from disposal of quoted shares	–	1,190
Acquisition of investment properties	(2,400)	(900)
Acquisition of property, plant and equipment	–	(493)
Net movement in amount due from subsidiary companies	(244)	195
Net movement in amount due from an associate	(420)	–
Placements of deposits with maturity of more than three months	(16,677)	(884)
Net cash used in investing activities	(19,741)	(892)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(7)	–
Net movement in amount due to subsidiary companies	634	832
Repayment of lease liability	(52)	–
Net cash generated from financing activities	575	832
Net changes in cash and cash equivalents	22,509	(21,733)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	3,475	25,208
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR (NOTE 22)	25,984	3,475

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

Notes to the Financial Statements
FOR THE FINANCIAL PERIOD 1 JANUARY 2025 TO 30 JUNE 2026

1. GENERAL 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 Company is an investment holding company.

The information on the name of subsidiary company, principal place of business, principal activities and effective equity interest held by the Company in each subsidiary company is as disclosed in Note 16.

The Company changed its financial year end from 31 December to 30 June. Therefore, the financial period covered in these financial statements is for a period of 18 months, from 1 January 2025 to 30 June 2026. Thereafter, the financial year of the Company shall revert to 12 months ending 30 June, for each subsequent year.

The registered office is located at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.

With the effect from 31 December 2025, the principal place of business of the Company was changed from No.1, Jalan Sungai Aur, 42000 Port Klang, Selangor Darul Ehsan to 100-3.013, Block J, 129 Offices, Jaya One, No.72A, Jalan Profesor Diraja Ungku Aziz, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The financial statements of the Group and of the Company were authorised by the Board of directors for issuance on 29 October 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of amended MFRSs

During the financial period, 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 period:

Amendments to MFRS 121	Lack of Exchangeability

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

New MFRSs and amendments to MFRSs in issue but not yet effective

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

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11[1]
MFRS 18	Presentation and Disclosure in Financial Statements[2]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to MFRS 19	Subsidiaries without Public Accountability Disclosures[2]
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency[2]

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

New MFRSs and amendments to MFRSs in issue but not yet effective (Cont'd)

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

Amendments to MFRS 128	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures[2]
MFRS 20	Regulatory Assets and Regulatory Liabilities[3]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] Effective for annual periods beginning on or after 1 January 2026.
[2] Effective for annual periods beginning on or after 1 January 2027.
[3] Effective for annual periods beginning on or after 1 January 2029.
[4] Deferred to a date to be determined and announced by MASB.

The Directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable. The adoption of these new MFRSs and amendments to MFRSs may not have an impact on the financial statements of the Group and of the Company in the period of initial application except as further discussed below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 *Presentation and Disclosure in Financial Statements* sets out overall requirements for the presentation and disclosure in the financial statements, and will replace MFRS 101 *Presentation of Financial Statements* upon its adoption. The International Accounting Standard Board ("IASB") did not reconsider all aspects of MFRS 101 when developing MFRS 18, but instead focused on the statement of profit or loss. The IASB retained some paragraphs from MFRS 101 in MFRS 18 and moved some paragraphs from MFRS 101 to MFRS 108 *Basis of Preparation of Financial Statements* and MFRS 7 *Financial Instruments: Disclosures*.

MFRS 18 aims to improve financial reporting by:

- requiring an entity to classify income and expenses included in the statement of profit or loss into five categories, namely operating, investing, financing, income taxes and discontinued operations;
- requiring an entity to present two new defined subtotals in the statement of profit or loss, including "operating profit or loss" and "profit or loss before financing and income taxes";
- requiring an entity to disclose management-defined performance measure; and
- adding new principles for aggregation and disaggregation of items.

An entity is required to apply MFRS 18 for annual periods beginning on or after 1 January 2027, with earlier application permitted. MFRS 18 requires retrospective application with specific transition provisions.

NOTES TO THE FINANCIAL STATEMENTS

[Cont'd]

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis unless otherwise indicated in the accounting policy information below.

Functional and presentation currency

Items included in the financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency. All financial information presented in RM has been rounded to the nearest RM'000 unless otherwise stated.

Basis of consolidation and equity accounting

(i) Subsidiary companies

Subsidiary companies are those corporations, partnerships or other entities (including special purpose entities) over which the Group has power to exercise control over variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

(ii) Acquisition-related costs are expensed as incurred

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in the statement of profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Basis of consolidation and equity accounting (Cont'd)

(ii) Acquisition-related costs are expensed as incurred (Cont'd)

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Non-controlling interests represent that portion of the profit or loss, other comprehensive income and net assets of a subsidiary company attributable to equity interests that are not owned, directly or indirectly through subsidiary companies, by the Company. It is measured at the non-controlling's share of the fair value of the subsidiary companies' identifiable assets and liabilities at the date of acquisition and the non-controlling's share of changes in the subsidiary companies' equity since that date.

All earnings and losses of the subsidiary are attributed to the parent and non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance.

(iii) Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. Effects of transactions with non-controlling interests are directly recognised in equity to the extent that there is no change in control. The difference between the fair value of any consideration paid/ received and the carrying amount of the share of net assets acquired/sold are recorded in equity. Accordingly, such transactions will no longer result in goodwill or gains and losses upon disposal.

Investment in an associate

An associate is an entity over which the Group has significant influence, being the power to participate in its financial and operating policy decisions without control or joint control.

Investment in an associate is accounted for using the equity method in the consolidated financial statements and, as permitted by MFRS 127.10(c), in the Company's separate financial statements. The investment is initially recognised at cost and adjusted thereafter for the Group's share of the associate's post-acquisition profit or loss and other comprehensive income, less distributions received. Goodwill is included in the carrying amount, and unrealised gains on transactions with the associate are eliminated to the extent of the Group's interest.

Recognition of losses ceases when the carrying amount is reduced to zero, unless the Group has incurred obligations or made payments on behalf of the associate.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If there is, the entire carrying amount is tested as a single asset under MFRS 136, and any impairment loss, or subsequent reversal, is recognised in profit or loss.

On loss of significant influence, any retained interest is measured at fair value, and the resulting gain or loss is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of nonmonetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

Revenue

Revenue is recognised when or as the Group satisfies its performance obligations by transferring control of the promised goods or services to customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Shipping, freight and land transportation services

Revenue from shipping, freight and land transportation services is recognised over time as the services are rendered, as customers simultaneously receive and consume the benefits provided by the Group's performance. Revenue is recognised as the respective performance obligations are satisfied.

Significant financing component

Revenue from freight and shipping, the Group applies the practical expedient under paragraph 63 of MFRS 15 Revenue from Contracts with Customers and does not adjust the transaction price for the effects of a significant financing component where the period between the transfer of services to customers and the receipt of consideration is expected, at contract inception, to be one year or less.

Management fees

Management fees are recognised over time in the period in which the management and administrative services are rendered, as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

Other income

Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest income

Interest income from financial assets that are held for cash management purposes is recognised in the period that they are earned on accrual basis.

Interest income is calculated using by applying the effective interest rate to the gross carrying amount of a financial asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Employee benefits

Short term employee benefits

Short term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Company.

Defined contribution plans

As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

Share-based compensation benefits

Share-based compensation benefits are provided to employees via the Employee Share Option Scheme ("ESOS"). Where the Group and the Company pay for services of employees using the share options and shares, the fair value of the share options, share grants and shares acquired in exchange for the services of the employees are recognised as an employee benefit expense in the statement of profit or loss over the vesting periods, with a corresponding increase in equity.

In circumstances where employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement and grant date.

Non-market vesting conditions attached to the transactions are not taken into account in determining fair value. Non-market vesting and service conditions are included in assumptions about the number of options or shares that are expected to vest.

When share options or share grants are exercised, the proceeds received, if any, from the exercise of the share options or share grants together with the corresponding share-based payments reserve, net of any directly attributable transaction costs are transferred to equity. If the share options or share grants expire or lapse, the corresponding share-based payments reserve attributable to the share options or share grants are transferred to retained earnings.

When share options or share grants are forfeited due to failure by the employee to satisfy the service and/or performance conditions, any expenses previously recognised in relation to such share options or share grants are reversed effective on the date of the forfeiture.

When shares of the Company are acquired from the open market at market price using cash incentive payable to employees, the transactions are recorded in share-based payments reserve.

In the separate financial statements of the Company, the share options, share grants and shares acquired, over the Company's equity instruments for the employees of subsidiary undertakings in the Group, are treated as a capital contribution. The fair value of the share options, share grants and shares acquired for employees of the subsidiary in exchange for the services of employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity.

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

Subsequent to the initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation respectively.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Property, plant and equipment (Cont'd)

Depreciation of property, plant and equipment is calculated on the straight-line basis at the following annual rates based on their estimated useful lives:

Leasehold lands	2.0%
Buildings	2.0%
Office equipment	10.0%
Plant and machinery	10.0%
Motor vehicles	20.0%
Furniture, fixtures and equipment	10.0% - 33.3%
Renovation	12.5% - 33.3%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each reporting date, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Non-current assets held for sale

Non-current assets and disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Immediately before classification as held for sale, the assets (or all the assets and liabilities in a disposal group) are remeasured in accordance with the Group's applicable accounting policies. Thereafter, on initial classification as held for sale, the assets or disposal groups are measured at the lower of carrying amount and fair value less costs to sell ("FVLCS"). Any differences are charged to the profit or loss. FVLCS represents the amount that would be received from the sale of an asset or disposal group in an orderly transaction between market participants at the measurement date, less incremental costs directly attributable to the disposal, excluding finance costs and income tax expenses.

Intangible assets

Computer software is initially recorded at cost. After initial recognition, software is carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight-line basis over its estimated useful life. Useful lives and amortisation methods are reviewed at each reporting date.

Software is derecognised when retired from active use or when no future economic benefits are expected from its use. Fully amortised software that is no longer in use is written off by removing both its cost and accumulated amortisation, with zero net impact on profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Leases

Lessee accounting

The Group recognise a Right of use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or at the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Buildings	Over the lease period

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Lessor accounting

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. An investment property is recorded at cost on initial recognition. Cost of an investment property comprises purchase price plus all directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. Cost of a self-constructed investment property comprises all direct and indirect construction costs but exclude internal profits.

All investment properties are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

All investment properties are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life of 50 years.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's and in the Company's statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group and the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (ii) below).

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

(i) *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below).

For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Group recognises interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

(ii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated investment in quoted unit trust and other investment as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss from other financial assets are recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income" or "administrative expenses" line item.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment of financial assets

The Group and the Company recognise a loss allowance for ECL on trade receivables, other receivables and deposits, amount due from subsidiary companies, fixed deposits with licensed banks and cooperative as well as cash and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The Group considers past loss experience, timing of billing and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions.

The Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

Probability of default

The Group and the Company consider the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

The Group and the Company consider that default has occurred when a financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Measurement and recognition of expected credit losses (Cont'd)

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determine at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Segments reporting

For management purposes, the Group is organised into operating segments based in a manner consistent with internal reporting provided to the chief operating decision maker. The management of the Group regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. The chief operating decision-makers are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash and bank balances, short-term deposits and bank overdrafts, and exclude pledged deposits with financial institutions.

Provisions

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

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

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

Contingent liabilities

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

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company but discloses its existence in the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts.

(a) Significant judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the Directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements, except as follows:

(i) Principal versus agent considerations

The Group exercises significant judgement in determining whether it acts as a principal or an agent in providing freight and other shipping-related services to its customers in accordance with MFRS 15 Revenue from Contracts with Customers.

In making this assessment, the Group considers whether it controls the specified services before transferring them to customers, taking into account its primary responsibility for fulfilling the services, exposure to risks associated with the services and discretion in establishing prices.

Based on the assessment of its contractual arrangements, the Group has determined that it acts as a principal in the providing freight and other shipping-related services, as it is primarily responsible for fulfilling the services to customers, assumes risks associated with the services and has discretion in determining the prices charged to customers. Accordingly, revenue from these arrangements is recognised on a gross basis.

(ii) Classification of investment in an associate

Management exercises significant judgement in evaluating whether the Group exercises joint control or significant influence over an investee. In conducting this assessment, management evaluates the Group's equity ownership percentage, representation on the board of directors, contractual governance rights and active participation in the financial and operating policy decisions of the investee.

Based on this evaluation, management concluded that the Group possesses significant influence, but does not hold joint control or control, over EC Victory Sdn. Bhd. Consequently, the investment is classified and accounted for as an associate in accordance with MFRS 128 Investments in Associates and Joint Ventures.

(b) 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:

(i) Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS

[Cont'd]

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

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: (Cont'd)

(ii) Expected credit loss on deposits placed with a cooperative

The Group applies the ECL model in accordance with MFRS 9 Financial Instruments for deposits placed with a cooperative. Estimation of ECL involves significant judgement, particularly in determining the probability of default, loss given default, and exposure at default ("EAD"). Management incorporates historical experience, available financial information of the counterparty, and forward-looking assumptions reflecting prevailing macroeconomic conditions.

At the reporting date, the management assessed and determined that there are no indicators of significant increase in credit risk since initial recognition. Accordingly, the deposits are classified under Stage 1 of the impairment model, and a 12-month expected credit loss has been applied.

(iii) Provisions for liabilities and charges

The Group and the Company recognise provisions when it has a present legal or constructive obligation arising from a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The recognition, measurement and timing of reversal of provisions involve significant management judgement in assessing the probability and timing of outflows and the ultimate resolution of legal or operational obligations. Provisions are reviewed at each reporting date and adjusted to reflect management's current best estimate and reversed when an outflow of economic resources is no longer probable, in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets.

The Company exercised significant management judgement in assessing the timing of reversal of a provision previously recognised in respect of a corporate guarantee issued for the charter hire obligations of a third party. Following the dismissal of the leave application by the Federal Court on 9 January 2024, management undertook a deliberate monitoring period to assess any remaining legal exposure, including potential claims and enforcement actions by the obligee or other relevant parties. The assessment involved judgement in determining whether any residual obligations remained and when the recognition criteria for the provision were no longer met.

During the current financial period, following further assessment of the Company's legal exposure and taking into consideration the absence of further claims or enforcement actions, management concluded that an outflow of economic resources was no longer probable. Accordingly, the provision was reversed and recognised in profit or loss during the current financial period.

(iv) Useful lives of property, plant and equipment and right of use assets and investment properties

The cost of property, plant and equipment, right-of-use assets and investment properties are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment, right-of-use assets and investment properties to be within 3 to 50 years. These are common life expectancies applied in the freight shipping and shipping activities, land transportation and investment holding. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

5. REVENUE

	Group		Company	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
Revenue from contracts with customers:				
Freight revenue and other shipping related income	13,650	8,535	–	–
Land transportation services	517	–	–	–
	14,167	8,535	–	–
Revenue from other sources:				
Rental income	–	–	246	–
	14,167	8,535	246	–
Timing of revenue recognition:				
Over time	14,167	8,535	–	–

Revenue from freight and shipping activities during the financial period was attributable to a single major customer. During the financial period, the Group broadened its revenue base through the acquisition of a land transportation subsidiary, thereby diversifying its customer profile and mitigating customer concentration risk in future.

6. FINANCE COST

	Group		Company	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
Interest expenses on:				
Lease liability	8	–	7	–
Bank borrowings	29	–	–	–
	37	–	7	–

NOTES TO THE FINANCIAL STATEMENTS

[Cont'd]

7. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation for the financial period/year is arrived at after charging/(crediting):

	Group		Company	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
Auditors' remuneration:				
statutory audit current year	320	99	204	60
other services	5	7	5	7
Amortisation of right-of-use asset	55	–	55	–
Depreciation of investment properties	–	–	109	–
Depreciation of property, plant and equipment	377	179	223	101
Impairment losses on:				
investment in subsidiary companies	–	–	6,862	–
amount due from an associate	–	343	–	343
Gain on disposal of property, plant and equipment	–	(388)	–	–
Bargain purchase	(295)	–	–	–
Interest income from:				
bank	(23)	(149)	(23)	(149)
fixed deposits with a cooperative	(904)	(612)	(904)	(612)
fixed deposits with licensed banks	(4)	–	–	–
Reversal of impairment losses on:				
amount due from an associate	(343)	–	(343)	–
amount due from a subsidiary company	–	–	(2,957)	–
fixed deposits with a cooperative	(109)	(1,199)	(109)	(1,199)
other investment	(72)	–	(72)	–
Reversal for provision of liabilities	(2,504)	(7,529)	(2,504)	(7,529)
Share of results from an associate	(396)	264	(396)	264
Employee benefits (Note 8)	717	567	304	225
Non-executive directors' fee and allowance (Note 9)	333	222	333	222

8. EMPLOYEE BENEFITS

	Group		Company	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
Wages, salaries and bonus	637	510	270	202
Defined contribution plan	80	57	34	23
	717	567	304	225

Included in employee benefits of the Group are Executive Directors' remuneration amounting to RM319,000 (31.12.2024: RM225,000) as disclosed in Note 9 to the financial statements.

9. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The aggregate amount of emolument received/receivable by the Directors of the Company during the financial period is as follows:

	Group		Company	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
Executive:				
Wages, salaries and bonus	270	202	270	202
Defined contribution plan	49	23	34	23
Total Executive Directors' remuneration	319	225	304	225
Non-executive:				
Fees	333	222	333	222
Total Non-executive Directors' fee and allowance	333	222	333	222
Total Directors' remuneration	652	447	637	447

Key management personnel comprise persons including Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The aggregate amount of emoluments received/receivable by key management personnel of the Group excluding Directors of the Company during the financial period are as follows:

	Group	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
Wages, salaries and bonus	234	157
Defined contribution plan	27	18
	261	175

10. INCOME TAXATION

	Group		Company	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
Tax expense recognised in profit or loss				
Current financial period/year	2	10	–	–
Under provision in prior financial years	164	1	166	–
	166	11	166	-
Deferred tax (Note 28)				
Origination and reversal of temporary differences	1	(4)	1	–
Under/(Over) provision in prior financial years	4	(279)	4	(280)
	5	(283)	5	(280)
Income tax expense	171	(272)	171	(280)

Malaysia income tax is calculated at the Malaysian statutory income tax rate of 24% (31.12.2024: 24%) of the estimated assessable profit for the financial period.

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

	Group		Company	
	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
Profit/(Loss) before tax	3,791	8,222	(1,182)	7,526
Tax at statutory tax rate of 24%	910	1,973	(284)	1,806
Non-deductible expenses	911	344	1,814	280
Non-taxable income	(1,604)	(2,105)	(1,531)	(2,086)
Deferred tax assets not recognised during the year/period	2	–	2	–
Utilisation of deferred tax asset previously not recognised	(216)	(206)	–	–
Under provision of income tax in prior financial years	164	1	166	–
Under/(Over) provision of deferred tax in prior financial years	4	(279)	4	(280)
	171	(272)	171	(280)

11. EARNINGS PER SHARE

Basic earnings per share for the financial period/year is calculated by dividing the profit for the financial period/year attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the financial period, calculated as follows:

	Group	
	30.06.2026	**31.12.2024**
Profit attributable to ordinary shareholders of the Company (RM'000)	3,632	8,499
Number of ordinary shares in issue ('000)	588,367	588,367
Basic earnings per share (sen)	0.62	1.44

Diluted earnings per share are not separately presented as there are no dilutive potential ordinary shares outstanding during the financial period/previous financial year.

12. PROPERTY, PLANT AND EQUIPMENT

Group 30.06.2026	Leasehold lands RM'000	Buildings RM'000	Motor vehicles RM'000	Furniture, fixtures and equipment RM'000	Office equipment RM'000	Plant and machinery RM'000	Renovation RM'000	Total RM'000
Cost								
At beginning of the financial period	3,096	2,526	900	–	–	–	–	6,522
Arise from acquisition of subsidiary	–	–	7,203	159	403	550	1,116	9,431
Addition	1,800	600	–	–	–	–	–	2,400
Transfer to asset held for sale	(2,796)	(1,926)	–	--	–	–	–	(4,722)
At end of the financial period	2,100	1,200	8,103	159	403	550	1,116	13,631
Accumulated depreciation								
At beginning of the financial period	691	820	432	–	–	–	–	1,943
Arise from acquisition of subsidiary	–	–	4,123	111	340	289	598	5,461
Charge for the period/year	120	65	181	1	1	3	6	377
Transfer to asset held for sale	(738)	(849)	–	–	–	–	–	(1,587)
At end of the financial period	73	36	4,736	112	341	292	604	6,194
Carrying value								
At end of the financial period	2,027	1,164	3,367	47	62	258	512	7,437

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

Group 31.12.2024	Leasehold lands RM'000	Buildings RM'000	Motor vehicles RM'000	Furniture, fixtures and equipment RM'000	Others RM'000	Total RM'000
Cost						
At beginning of the financial year	2,796	1,926	1,296	1,194	836	8,048
Addition	300	600	493	–	–	1,393
Disposal	–	–	(781)	–	–	(781)
Written off	–	–	(108)	(1,194)	(836)	(2,138)
At end of the financial year	3,096	2,526	900	–	–	6,522
Accumulated depreciation						
At beginning of the financial year	658	782	1,195	1,194	836	4,665
Charge for the financial year	33	38	108	–	–	179
Disposal	–	–	(763)	–	–	(763)
Written off	–	–	(108)	(1,194)	(836)	(2,138)
At end of the financial year	691	820	432	–	–	1,943
Carrying value						
At end of the financial year	2,405	1,706	468	–	–	4,579

Company 30.06.2026	Leasehold lands RM'000	Buildings RM'000	Motor Vehicles RM'000	Total RM'000
Cost				
At beginning of the financial period	2,670	2,020	493	5,183
Transfer to investment properties (Note 14)	(300)	(600)	–	(900)
Transfer to asset held for sale (Note 23)	(2,370)	(1,420)	–	(3,790)
At end of the financial period	–	–	493	493
Accumulated depreciation				
At beginning of the financial period	241	212	25	478
Charge for the financial period	47	29	147	223
Transfer to asset held for sale (Note 23)	(288)	(241)	–	(529)
At end of the financial period	–	–	172	172
Carrying value				
At end of the financial period	–	–	321	321

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

Company 31.12.2024	Leasehold lands RM'000	Buildings RM'000	Motor Vehicles RM'000	Total RM'000
Cost				
At beginning of the financial year	2,370	1,420	–	3,790
Addition	300	600	493	1,393
At end of the financial year	2,670	2,020	493	5,183
Accumulated depreciation				
At beginning of the financial year	193	184	–	377
Charge for the financial year	48	28	25	101
At end of the financial year	241	212	25	478
Carrying value				
At end of the financial year	2,429	1,808	468	4,705

Included in property, plant and equipment of the Group is motor vehicles under hire purchase arrangements with net carrying amount RM1,421,728 (31.12.2024: RM Nil). The motor vehicle has been charged to leasing company for hire purchase obligations as disclosed in Note 26.

13. RIGHT-OF-USE ASSETS

	Group and Company	
	Office premise RM'000	Total RM'000
30.06.2026		
At beginning of financial period	–	–
Additions	219	219
At end of financial period	219	219
Accumulated amortisation		
At beginning of financial period	–	–
Charge for the financial period	55	55
At end of financial period	55	55
Carrying amount		
At end of financial period	164	164

14. INVESTMENT PROPERTIES

	Company		
30.06.2026	Leasehold lands RM'000	Buildings RM'000	Total RM'000
Cost			
At beginning of the financial period	–	–	–
Addition	1,800	600	2,400
Transfer from property, plant and equipment (Note 12)	300	600	900
At end of the financial period	2,100	1,200	3,300
Accumulated depreciation			
At beginning of the financial period	–	–	–
Charge for the financial period	73	36	109
At end of the financial period	73	36	109
Carrying value			
At end of the financial period	2,027	1,164	3,191

During the financial period, the Company reclassified its leasehold land and building, previously presented under property, plant and equipment, to investment properties following a change in its use which were previously owner-occupied, are now leased out to a subsidiary to earn rental income.

The fair value of the investment properties of RM4,100,000 was determined by an independent registered valuer with an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. The valuation was made on 24 January 2024 using the comparison approach. Under this approach, the properties are compared with recent transactions of similar properties in the same locality, and adjustments are made for differences in factors such as location, size, tenure and condition. The fair value measurement is categorised as Level 2 of the fair value hierarchy, as the significant inputs are observable market transaction prices.

The following amounts have been recognised in profit or loss in respect of investment properties:

	Company	
	30.06.2026 RM'000	31.12.2024 RM'000
Rental income from investment properties	246	–
Direct operating expenses arising from investment properties that generated rental income during the period/year	(137)	–

15. INTANGIBLE ASSETS

	Group	
	30.06.2026 RM'000	31.12.2024 RM'000
Software development		
Cost		
At beginning financial period/year	1,725	1,725
Written off	(1,725)	–
At end of the financial period/year	–	1,725
Accumulated amortisation		
At beginning financial period/year	(1,725)	(1,725)
Written off	1,725	–
At end of the financial period/year	–	(1,725)
Carrying value		
At beginning and end of the financial period/year	–	–

During the financial period, the Group derecognised the fully amortised intangible assets that were no longer in use or expected to produce future economic benefits. The write-off has no impact on the profit or loss for the current financial period.

16. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	30.06.2026 RM'000	31.12.2024 RM'000
At cost:		
Unquoted ordinary shares	14,897	6,473
Redeemable preference shares	63,000	63,000
Deemed investment - capital contribution	909	909
As at 30 June 2026	78,806	70,382
Less: Accumulated impairment loss		
At beginning of the financial period/year	(49,469)	(49,469)
Addition	(6,862)	–
At end of the financial period/year	(56,331)	(49,469)
	22,475	20,913

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Additional investment in subsidiary companies

(i) On 30 January 2026, the Company subscribed for 420,000 ordinary shares in Arus Marine Sdn. Bhd. ("AMSB"), at an issue price of RM1.00 per share for a total consideration of RM420,000, which was satisfied by way of capitalisation and set-off against the amount owed by AMSB to the Company.

(ii) On 30 January 2026, the Company subscribed for 5,219,000 ordinary shares in Erat Marine Sdn. Bhd. ("EMSB"), at an issue price of RM1.00 per share for a total consideration of RM5,219,000, which was satisfied by way of capitalisation and set-off against the amount owed by EMSB to the Company.

(iii) On 30 January 2026, the Company subscribed for 597,000 ordinary shares in Fokus Marine Sdn. Bhd. ("FMSB"), at an issue price of RM1.00 per share for a total consideration of RM597,000, which was satisfied by way of capitalisation and set-off against the amount owed by FMSB to the Company.

(iv) On 30 January 2026, the Company subscribed for 626,000 ordinary shares in PDZ Shipping Agency Sdn. Bhd. ("PSASB"), at an issue price of RM1.00 per share for a total consideration of RM626,000, which was satisfied by way of capitalisation and set-off against the amount owed by PSASB to the Company.

(v) On 30 January 2026, the Company subscribed for 1,552,000 ordinary shares in Beta Marine Sdn. Bhd. ("BMSB"), at an issue price of RM1.00 per share for a total consideration of RM1,552,000, which was satisfied by way of capitalisation and set-off against the amount owed by BMSB to the Company.

(b) Acquisition of subsidiary

On 10 June 2026 ("acquisition date"), the Company subscribed for 2,219,800 new ordinary shares in Speed Logistics Sdn. Bhd. ("SLSB") at an issue price of RM0.0045 per share, for a total consideration of RM9,989, representing a 51% equity interest. The consideration of RM9,989 was satisfied in full by capitalising advances owed by SLSB to the Company. No cash consideration was paid. The advances were settled at their carrying amount, which approximates fair value, and no gain or loss arose on settlement of this pre-existing relationship.

Identifiable assets acquired and liabilities assumed

Fair value of identifiable assets acquired and liabilities assumed at the acquisition date on 10 June 2026:

	SLSB RM'000
Net assets/(liabilities) as at date of acquisition	
Property, plant and equipment	3,970
Trade receivables	1,387
Other receivables, deposits and prepayments	391
Fixed deposits with licensed banks	593
Cash and bank balances	52
Deferred taxation	(495)
Bank borrowings	(597)
Overdrafts	(1,365)
Lease liabilities	(1,414)
Trade payables	(550)
Other payables and accruals	(1,358)
Provision for taxation	(17)
Net identifiable assets acquired	597
Less: Non-controlling interests	(292)
	305
Less: Gain on bargain purchase	(295)
Total purchase consideration	10
Less: Consideration satisfied by capitalisation of amount due (non-cash)	(10)
Less: Cash and equivalents acquired (net of overdraft)	1,313
Net cash outflow on acquisition	1,313

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary (Cont'd)

Identifiable assets acquired and liabilities assumed (Cont'd)

The fair value of the identifiable net assets acquired exceeded the aggregate of the consideration transferred and the non-controlling interests, resulting in a gain on bargain purchase, which was recognised in "Other income" in profit or loss.

The gain arose principally from the terms of the acquisition negotiated with the existing shareholders, who sought to introduce a strategic investor to strengthen SLSB's working capital position and support its ongoing business operations and future growth.

(c) Impairment of investments in subsidiaries

During the financial period, the Company assessed the recoverability of its investments in subsidiaries. Impairment indicators were identified in respect of Arus Marine Sdn. Bhd., Erat Marine Sdn. Bhd., Fokus Marine Sdn. Bhd. and PDZ Shipping Agency Sdn. Bhd., as these subsidiaries were dormant and had no active business operations.

Accordingly, the Company recognised full impairment losses on its investments in these subsidiaries during the current financial period, as their recoverable amounts were assessed to be negligible. The impairment assessment involved significant judgement in determining the recoverable amounts, taking into consideration the dormant status of the subsidiaries, their financial positions, and the absence of expected future economic benefits from these investments.

The details of the subsidiary companies are as follows:

Name of Company	Place of Business/ Country of incorporation	Percentage of equity held		Principal activities
		30.06.2026	31.12.2024	
Perkapalan Dai Zhun (Johore) Sdn. Bhd.	Malaysia	99.99%	99.99%	Shipping and provision of related services
Beta Marine Sdn. Bhd.	Malaysia	100.00%	100.00%	Provision of administrative and support service activities
Fokus Marine Sdn. Bhd.	Malaysia	99.99%	99.99%	Dormant
PDZ Shipping Agency (Kuching) Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant
PDZ Shipping Agency Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant
PDZ Shipping Agency (Johor) Sdn. Bhd.	Malaysia	60.00%	60.00%	Dormant

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Impairment of investments in subsidiaries The details of the subsidiary companies are as follows: (Cont'd)

The details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Place of Business/ Country of incorporation	Percentage of equity held 30.06.2026	31.12.2024	Principal activities
Arus Marine Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant
Jati Marine Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant
Erat Marine Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant
Speed Logistics Sdn. Bhd. *	Malaysia	51.00%	–	Transportation services

* Morison LC PLT has not yet been appointed as the statutory auditors as of the reporting period.

(d) Non-controlling interests

	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	30.06.2026 %	31.12.2024 %	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000 (Restated)
Name of Company						
PDZ Shipping Agency (Johor) Sdn. Bhd.	40	40	(5)	(5)	283	288
Speed Logistics Sdn. Bhd.	49	–	(7)	–	285	–
					568	288

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

The summarised financial information for subsidiary companies, PDZ Shipping Agency (Johor) Sdn. Bhd. and Speed Logistics Sdn. Bhd. that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

NOTES TO THE FINANCIAL STATEMENTS

[Cont'd]

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Non-controlling interests (Cont'd)

(i) Summarised statement of financial position

	PDZ Shipping Agency (Johor) Sdn. Bhd.		Speed Logistics Sdn. Bhd.
	30.06.2026	31.12.2024	30.06.2026
	RM'000	RM'000	RM'000
Non-current assets	–	–	3,925
Current assets	713	722	2,424
Non-current liabilities	–	–	(2,000)
Current liabilities	(6)	(2)	(3,766)
Net assets/(liabilities)	707	720	583

(ii) Summarised statement of profit or loss and other comprehensive income

	PDZ Shipping Agency (Johor) Sdn. Bhd.		Speed Logistics Sdn. Bhd.
	01.01.2025 to 30.06.2026 (18 months)	01.01.2024 to 31.12.2024 (12 months)	10.06.2026 to 30.06.2026
	RM'000	RM'000	RM'000
Revenue	–	–	517
Loss for the financial period/year	(13)	(12)	(14)
Total comprehensive loss for the financial period/year	(13)	(12)	(14)

(iii) Summarised statement of cash flows

	PDZ Shipping Agency (Johor) Sdn. Bhd.		Speed Logistics Sdn. Bhd.
	01.01.2025 to 30.06.2026 (18 months)	01.01.2024 to 31.12.2024 (12 months)	10.06.2026 to 30.06.2026
	RM'000	RM'000	RM'000
Net cash generated from/(used in) operating activities	(9)	(12)	48
Net cash (used in)/ generated from investing activities	–	–	–
Net cash generated/(used in)/from financing activities	9	12	(45)
Net (decrease)/increase in cash and cash equivalents	–	–	3

17. OTHER INVESTMENTS

	Group and Company	
	30.06.2026 RM'000	31.12.2024 RM'000
Unquoted shares	9,000	9,000
Share of post-acquisition results and reserves	615	219
Share of net assets in an associate	9,615	9,219
Less: Accumulated impairment loss		
At beginning of the financial period/year	(72)	(72)
Reversal of impairment loss	72	–
At end of the financial period/year	–	(72)
	9,615	9,147

The details of the Group's and the Company's associate are as follows:

Name of associate	Place of incorporation	Percentage of equity held 30.06.2026	Percentage of equity held 31.12.2024	Principal activities
EC Victory Sdn. Bhd.	Malaysia	40.00%	40.00%	Transportation and warehousing

Summarised financial information of the associate

The following table presents the summarised financial information of the material associate, based on its financial statements prepared in accordance with MFRS, adjusted where necessary for differences in accounting policies and fair value adjustments arising on acquisition. The audited financial statements cover the 12-month period from 1 April 2025 to 31 March 2026. To align the equity-accounted results with the Group's and the Company's 18-month period, the Group and the Company also used unaudited financial information for the three months ended 31 March 2025 and 30 June 2026.

(i) Summarised audited statement of financial position

	31.03.2026 RM'000	31.03.2025 RM'000
Current assets	25,073	24,309
Current liabilities	(619)	(514)
Net assets	24,454	23,795

(ii) Summarised audited statement of profit or loss and other comprehensive income

	31.03.2026 RM'000	31.03.2025 RM'000
Revenue	773	708
Profit before tax	759	31
Total comprehensive income/(loss) for the financial year	659	(23)

18. TRADE RECEIVABLES

	Group	
	30.06.2026 RM'000	31.12.2024 RM'000
Trade receivables	6,645	3,169

The Group's normal trade credit terms range from 30 days to 270 days (31.12.2024: 270 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amount which represent their fair value on initial recognition.

The Group has applied a provision matrix in calculating loss allowance for trade receivables at an amount equal to lifetime ECL. The Group estimated the loss allowance on trade receivables by applying an ECL rate at each reporting period.

Analysis of the trade receivables ageing as at the end of the financial period/year is as follows:

	Gross amount RM'000	Lifetime ECL RM'000	Net amount RM'000
Group			
30.06.2026			
Neither past due nor impaired	6,645	–	6,645
31.12.2024			
Neither past due nor impaired	3,169	–	3,169

Receivables that are neither past due nor impaired

Trade receivables of the Group that are neither past due nor impaired are creditworthy debtors with long term relationship and good payment records with the Company.

19. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Other receivables	1,465	84	764	10
Deposits	8,071	55,802	8,060	55,777
Amount due from subsidiaries	–	–	1,163	9,451
Amount due from an associate	871	451	871	451
	10,407	56,337	10,858	65,689
Less: Impairment loss				
At beginning of the financial period/year	(5,368)	(13,784)	(8,934)	(17,350)
Addition	–	(343)	–	(343)
Reversal	343	–	3,300	–
Write-off	5,025	8,759	4,999	8,759
At end of the financial period/year	–	(5,368)	(635)	(8,934)
	10,407	50,969	10,223	56,755

19. OTHER RECEIVABLES AND DEPOSITS (CONT'D)

Amounts due from/(to) subsidiary companies and an associate represent unsecured advances that were non-trade in nature, non-interest bearing and were receivable/(repayable) on demand.

During the current financial period, management approved the write-off of other receivables against the existing accumulated allowance for impairment losses, which included an amount due from a former subsidiary amounting to RM3.85 million that was previously fully impaired in prior financial years. The former subsidiary was placed under court-ordered winding-up with the appointment of a liquidator in September 2018. The write-off had no net impact on the profit or loss for the current financial period.

20. FIXED DEPOSITS WITH A COOPERATIVE

	Group and Company	
	30.06.2026	31.12.2024
	RM'000	RM'000
Fixed deposits with a cooperative	66,435	34,403
Less: Expected credit loss	(1,611)	(1,720)
	64,824	32,683

Movement of expected credit loss:

	Group and Company	
	30.06.2026	31.12.2024
	RM'000	RM'000
At beginning of the financial period/year	1,720	2,919
Reversal of allowance for expected credit loss	(109)	(1,199)
At end of the financial period/year	1,611	1,720

Deposits of the Group and of the Company are placed with a registered cooperative under the Malaysia Cooperative Societies Commission (Suruhanjaya Koperasi Malaysia) operating under the purview of the Ministry of Entrepreneur and Cooperatives Development. These placements are subject to a distinct regulatory and supervisory framework governed by cooperative laws and guidelines, which differs from the regulatory framework applicable to licensed financial institutions regulated by Bank Negara Malaysia.

The fixed deposits with the cooperative earn interest at rates ranging from 3.00% to 3.15% (31.12.2024: 3.10%) per annum and have a maturity ranging from 3 to 12 months (31.12.2024: 6 months).

21. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of the Group amounting to RM593,202 (31.12.2024: RM Nil) have been pledged to licensed banks as security for credit facilities granted to certain subsidiary companies within the Group.

The fixed deposits earn interest at rates ranging from 1.86% to 2.60% (31.12.2024: 1.86%) per annum and have maturity of 3 months to 12 months (31.12.2024: 3 months).

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Cash in hand	25	–	5	–
Cash at bank	10,715	3,576	10,624	3,475
	10,740	3,576	10,629	3,475

For the purpose of presenting the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Cash and bank balances	10,740	3,576	10,629	3,475
Fixed deposit with a cooperative (Note 20)	64,824	32,683	64,824	32,683
Fixed deposit with licensed bank (Note 21)	656	59	–	–
Bank overdraft	(1,340)	–	–	–
	74,880	36,318	75,453	36,158
Less:				
Fixed deposit with a cooperative held more than 3 months	(49,469)	(32,683)	(49,469)	(32,683)
Fixed deposit pledge with licensed bank	(593)	–	–	–
	24,818	3,635	25,984	3,475

Cash and cash equivalents comprise cash and bank balances, bank overdrafts and short-term deposits with licensed banks and a cooperative which have original maturities of three months or less, are readily convertible to known amounts of cash.

23. ASSET HELD FOR SALE

On 15 June 2026, the Company committed to a plan to dispose of a piece of leasehold land and building. As at the reporting date, the Company had identified a potential buyer and entered into active negotiations for an indicative consideration of RM3,300,000.

Management assessed that the proposed disposal met the criteria under MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, as the asset was available for immediate sale in its present condition and the sale was highly probable of completion within twelve months. Accordingly, the carrying amount of the property was reclassified from property, plant and equipment to non-current assets held for sale. As at the date of authorisation of these financial statements, negotiations on the final terms and conditions precedent remain ongoing, and the transaction has not been completed.

The carrying amount of the assets classified as held for sale of the Group and of the Company are RM3,135,000 and RM3,261,000 respectively.

24. SHARE CAPITAL

	Group and Company			
	30.06.2026	31.12.2024	30.06.2026	31.12.2024
	Number of ordinary shares ('000)		RM'000	RM'000
Issued and fully paid (no par value)				
At beginning and end of the financial period/year	588,367	588,367	158,573	158,573

Employee Share Option Scheme ("ESOS")

The ESOS was established for a period of five years commencing from 16 December 2021 until 15 December 2026. The Company will make available new shares, not exceeding in aggregate 15% of total shares during the existence of the ESOS, to be issued under the share options granted. Participation in the plan is at the discretion of the Remuneration Committee and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The ESOS is for the benefit of eligible employees of the Group. The ESOS is for a period of 5 years and is governed by the ESOS By-Laws.

The Remuneration Committee comprising Directors of the Company administers the ESOS. The Remuneration Committee may from time to time, offer share options to eligible employees of the Group to subscribe for new ordinary shares in the Company.

25. OTHER RESERVES

Group/Company	Warrant reserve RM'000	Financial assets at FVOCI RM'000	Revaluation reserve RM'000 Restated	Total RM'000
31.12.2024				
At beginning of the financial year (As previously stated)	5,191	(265)	886	5,812
Transfer of revaluation reserves	–	–	(886)	(886)
At beginning of the financial year (Restated)	5,191	(265)	–	4,926
Disposal of financial asset	–	265	–	265
Expiry of Warrants B	(5,191)	–	–	(5,191)
At end of the financial year (Restated)	–	–	–	–

26. LEASE LIABILITIES

	Group 30.06.2026 RM'000	Company 30.06.2026 RM'000
Group		
At beginning of the financial period	–	–
Arise from acquisition of subsidiary	1,414	–
Addition	219	219
Interest expense	8	7
Interest paid	(8)	(7)
Repayments	(80)	(52)
At end of the financial period	1,553	167
Presented as:		
Non-current	1,161	58
Current	392	109
	1,553	167

The maturity analysis of lease liabilities of the Group and the Company at the end of the reporting period:

	Group 30.06.2026 RM'000	Company 30.06.2026 RM'000
Minimum lease payments		
Within one year	513	118
Later than one year and not later than two years	454	59
Later than two years and not later than five years	870	–
	1,837	177
Less: Future finance charges	(284)	(10)
Present value of lease liabilities	1,553	167

The Group and the Company do not face a significant liquidity risk with regard to their lease liabilities.

The lease liabilities are denominated in Ringgit Malaysia and comprise obligations under finance lease on office premise and motor vehicles.

Obligations under finance lease

The Company's obligations under finance lease bear effective interest rates ranging from 3.45% to 7.00% (31.12.2024: Nil) per annum. The obligations under finance lease are secured by property, plant and equipment as disclosed in Note 12.

27. BANK BORROWINGS

	Group 30.06.2026 RM'000
Secured	
Bank overdrafts	1,340
Term loans	580
	1,920
Analysed as:	
Current	
Bank overdrafts	1,340
Term loans	178
	1,518
Non-current	
Term loan	402

The effective interest rates for bank borrowings (per annum) as at reporting date are as follows:

	30.06.2026 %
Bank overdrafts	7.41 - 10.65
Term loans	5.51 - 6.03

The bank borrowings are secured by way of:

- Against guarantee under the Working Capital Guarantee Scheme issued by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
- Letter of set-off over a third-party charged fixed deposit amounting to RM500,000, together with accrued interest thereon, held in the name of a director of a subsidiary;
- Joint and several personal guarantees executed by a director of a subsidiary company and a third party.

28. DEFERRED TAX LIABILITIES

	Group		Company	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Deferred tax liabilities	(500)	–	(5)	–

28. DEFERRED TAX LIABILITIES (CONT'D)

The movements in deferred tax during the financial period/year are as follows:

	Group		Company	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
At beginning of the financial period/year	–	–	–	–
Arise from acquisition of a subsidiary	(495)	–	–	–
Property, plant and equipment	(5)	–	(5)	–
At end of the financial period/year	(500)	–	(5)	–

Deferred tax liabilities of the Company derived from property, plant and equipment.

The tax effects of unabsorbed capital allowances and unutilised tax losses which would give rise to deferred tax assets not recognised to the extent that it is probable that future taxable profits will be available against which unabsorbed capital allowances and unutilised tax losses can be utilised. As at the end of reporting period, the estimated amount of unabsorbed capital allowances and unutilised tax losses for which deferred tax assets has not been recognised in the financial statements due to uncertainty of its realisation are as follows:

	Group	
	30.06.2026 RM'000	31.12.2024 RM'000
Unabsorbed capital allowances	27,715	28,570
Unutilised tax losses	2,946	2,980
	30,661	31,550

The comparative information has been restated to reflect the revised unabsorbed capital allowances and unutilised tax losses to conform with the actual income tax computation submitted to the tax authorities.

The unabsorbed capital allowances and unused tax losses which are subject to agreement by the tax authorities, are available for offset against the future chargeable profits.

The unabsorbed capital allowances do not expire under current tax legislation.

Expiry date of the unutilised tax losses is summarised below:

	Group	
	30.06.2026 RM'000	31.12.2024 RM'000
Unutilised tax losses to be carried forward until:		
Year Assessment 2028	2,604	2,604
Year Assessment 2029	210	210
Year Assessment 2030	132	166
	2,946	2,980

29. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 days to 270 days (31.12.2024: 30 days to 270 days) depending on the terms of the contracts. These balances are unsecured and non-interest bearing.

30. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Other payables	572	10	76	2
Accruals	809	112	215	72
Amount due to subsidiary companies (a)	–	–	26,084	25,450
Provision (b)	–	2,504	–	2,504
	1,381	2,626	26,375	28,028

(a) The amount due to subsidiary companies represents unsecured, interest-free advances and is repayable on demand.

(b) During the financial period, the Company reversed a provision of RM2,503,763 in respect of a corporate guarantee previously issued for the charter hire obligations of a third party. Based on its assessment during the financial period, including the absence of further claims or enforcement actions, management concluded that an outflow of economic resources was no longer probable and accordingly reversed the provision to profit or loss.

31. RELATED PARTY TRANSACTIONS

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where 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 Company either directly or indirectly. The key management personnel comprise the directors and management personnel of the Company, having authority and responsibility for planning, directing and controlling the activities 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 to the financial statements, the significant related party transactions of the Company are as follows:

	01.01.2025 to 30.06.2026 (18 months) RM'000	01.01.2024 to 31.12.2024 (12 months) RM'000
The Company		
Transaction with a subsidiary		
Rental received from	(246)	–

31. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Compensation of key management personnel

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

The remuneration of key management personnel is disclosed in Note 9. The Company does not have any other key management personnel during the financial period.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows (used in)/from financing activities:

	Note	As at 01.01.2025 RM'000	Non-cash changes RM'000	(Repayment)/ Advances RM'000	As at 30.06.2026 RM'000
Group					
30.06.2026					
Lease liabilities	26	–	1,633	(80)	1,553
Term loans	27	–	597	(17)	580
		–	2,230	(97)	2,133
Company					
30.06.2026					
Lease liabilities	26	–	219	(52)	167
Amount due to subsidiary companies		25,450	–	634	26,084
		25,450	219	582	26,251
31.12.2024					
Amount due to subsidiary companies		24,618	–	832	25,450
		24,618	–	832	25,450

33. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses are recognised.

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	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Financial assets:				
Trade receivables	6,645	3,169	–	–
Other receivables and deposits	9,536	50,861	8,824	50,787
Amount due from an associate	871	108	871	108
Amount due from subsidiary companies	–	–	528	5,860
Fixed deposits with a cooperative	64,824	32,683	64,824	32,683
Fixed deposits with licensed banks	656	59	–	–
Cash and bank balances	10,740	3,576	10,629	3,475
Financial assets at amortised costs	93,272	90,456	85,676	92,913
Financial liabilities:				
Trade payables	5,230	2,837	–	–
Other payables and accruals	1,381	122	291	74
Amount due to subsidiary companies	–	–	26,084	25,450
Lease liabilities	1,553	–	167	–
Borrowings	1,920	–	–	–
Financial liabilities at amortised costs	10,084	2,959	26,542	25,524

Financial risk management objectives and policies

The Group and the Company are exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, market risk and foreign currency risk.

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 those risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk mainly from trade receivables, other receivables, fixed deposits with licensed banks and with a cooperative and refundable deposits; whereas Company's exposure to credit risk mainly from amount due from subsidiary companies, amount due from an associate and fixed deposits with a cooperative.

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via the Company's management reporting procedures and action will be taken for long overdue debts. The trade receivables are from shipping and land transportation activities and are due from independent customers with no recent history of default.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines 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, trade receivables that are written off could still be subject to enforcement activities. There are no significant changes as compared to previous year.

Concentration of credit risk

At the end of the financial period/year, the Group has 1 (31.12.2024: 1) major customer owing to RM5,186,056 (31.12.2024: RM3,168,825) and accounted for approximately 78% (31.12.2024: 100%) of the trade receivables outstanding.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group's debt recovery process is that when invoices are exceeded credit terms or the outstanding has over more than 12 months, the Group will start to initiate a structured debt recovery process which is monitored by the contract and legal team.

Other receivables and deposits

Risk management objectives, policies and processes for managing the risk

Credit risk on other receivables and deposits arises primarily from refundable deposits placed under various business arrangements with several industry partners and consultants in connection with the Group's and the Company's commitments for business ventures, operational expansion, and strategic diversification plans aimed at expanding the Group's operational footprint beyond its existing shipping activities.

The Group and the Company actively monitor the operational and commercial progress of these arrangements. Following changes in market conditions, management reassessed the viability of these expansion plans. Consequently, measures were taken to renegotiate terms, adjust execution timelines and realign strategic priorities toward core logistics operations. The Group subsequently terminated the respective arrangements and engaged with counterparties to request the full refund of deposit balances. As a result of these recovery efforts, the substantial majority of the total refundable deposits has been received during the current financial period. Management remains in ongoing communication with the relevant counterparties to facilitate the recovery of the remaining outstanding balances.

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss

Management assesses the credit risk of each deposit on an individual basis by evaluating counterparty creditworthiness, progress of refund arrangements and forward-looking economic conditions. Management considers a significant increase in credit risk to occur where settlement timelines have been extended or counterparty performance is delayed. Subsequent to the end of the financial period, management successfully recovered the remaining outstanding deposit balances in full. Consequently, management assessed that the balance as at the reporting date is fully recoverable, and no allowance for expected credit loss is required under MFRS 9.

In assessing the recoverability of the outstanding balance from a former subsidiary, management considered the latest liquidator's account of receipts and payments dated 8 October 2026, which indicated substantial unsecured liabilities relative to the limited funds available for distribution. Taking into consideration the financial position of the former subsidiary, the status of the liquidation proceedings and the remote prospect of recovery, management concluded that there was no reasonable expectation of recovering the outstanding amount.

Amount due from subsidiary companies and associate

Risk management objectives, policies and processes for managing the risk

The Company provided unsecured advances to its subsidiary companies and associate to support their operational and financial requirements. The Company monitored the repayment ability of the subsidiary companies and associate on an individual basis, considering its overall financial performance and liquidity position with reference to available financial information. Where necessary, appropriate actions are taken to mitigate credit risk, including restructuring of repayment terms or implementation of additional controls.

Recognition and measurement of impairment loss

The Company considered advances to subsidiary companies and associate have low credit risk except as disclosed in Note 19.

Cash at banks, fixed deposits with licensed banks and fixed deposits with a cooperative

Risk management objectives, policies and processes for managing the risk

The Group and the Company minimise credit risk on cash and cash equivalents by placing deposits with banks and financial institutions with good credit ratings.

For deposits placed with a cooperative, counterparties are subject to strict due diligence and require approval from the relevant authorities, including Suruhanjaya Koperasi Malaysia, under the Ministry of Entrepreneur and Cooperative Development. This process involves assessing the legal enforceability of arrangements and reviewing the financial stability and position of the cooperative. These deposits are closely monitored by the Board through periodic confirmations and reviews.

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss

The deposits placed with a cooperative are short-term, with remaining maturities of 3 to 12 months, so the 12-month ECL equals lifetime ECL. The Group and the Company apply three-stage ECL model and assess if any significant increase in credit risk by comparing the risk of default at the reporting date with that at the date of each placement. Indicators considered include timely settlement of maturities and withdrawals, changes in the deposit rates offered, the financial position of the cooperative, and regulatory developments. As at 30 June 2026, no significant increase in credit risk was identified and the deposits are classified as Stage 1.

ECL is measured as the probability of default, mapped to an internal credit grade derived from the cooperative's audited financial statements and external default data, multiplied by the loss given default (an unsecured exposure not covered by deposit insurance) and the exposure at default, adjusted for forward-looking information.

In developing the ECL estimate, management incorporates forward-looking macroeconomic factors, external market data, and applying relevant overlays to reflect risks most significant to the Group.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company encounter difficulty in meeting its obligations due to shortage of funds. The Group's and Company's exposure to liquidity risk arises primarily from trade payables, other payables and accruals.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Analysis of financial instruments by remaining contractual maturities

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

	Effective rate %	On demand or within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Total contractual undiscounted cash flows RM'000	Total carrying amount RM'000
Group						
30.06.2026						
Non-interest bearing:						
Trade payables	–	5,230	–	–	5,230	5,230
Other payables and accruals	–	1,381	–	–	1,381	1,381
Interest bearing:						
Lease liabilities	3.45 - 7.00	513	454	870	1,837	1,553
Bank borrowings	5.51 - 10.65	1,552	144	306	2,002	1,920
		8,676	598	1,176	10,450	10,084

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

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

	Effective rate %	On demand or within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Total contractual undiscounted cash flows RM'000	Total carrying amount RM'000
Group						
31.12.2024						
Non-interest bearing:						
Trade payables	–	2,837	–	–	2,837	2,837
Other payables and accruals	–	122	–	–	122	122
		2,959	–	–	2,959	2,959

	Effective rate %	On demand or within 1 year RM'000	1 - 2 years RM'000	Total contractual undiscounted cash flows RM'000	Total carrying amount RM'000
Company					
30.06.2026					
Non-interest bearing:					
Other payables and accruals	–	291	–	291	291
Amount due to subsidiary companies	–	26,084	–	26,084	26,084
Interest bearing:					
Lease liabilities	7.00	118	59	177	167
		26,493	59	26,552	26,542
31.12.2024					
Non-interest bearing:					
Other payables and accruals	–	74	–	74	74
Amount due to subsidiary companies	–	25,450	–	25,450	25,450
		25,524	–	25,524	25,524

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates risk which will affect the Group's and the Company's financial position or cash flows.

Interest rate risk

The Group's and the Company's deposits with licensed banks and with a cooperative are exposed to a risk of change in their fair value due to changes in interest rates. The Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manages the interest rate risk of its fixed deposits with licensed banks and with a cooperative by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short-term and long-term deposits.

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

	Group		Company	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Fixed rate instrument				
Financial assets				
Fixed deposits with a cooperative	64,824	32,683	64,824	32,683
Fixed deposits with licensed banks	656	59	–	–
	65,480	32,742	64,824	32,683
Financial liability				
Lease liability	1,553	–	167	–
Floating rate instruments				
Financial liability				
Bank borrowings	1,920	–	–	–

Interest rate risk sensitivity analysis

Sensitivity analysis is not disclosed for fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

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

	Effects on profit after tax		Effects on equity	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Group				
Increase of 100 basis points	(15)	–	(15)	–
Decrease of 100 basis points	15	–	15	–

33. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(iv) Foreign currency risk

The Group's exposure to foreign currency is as follows:

	United States Dollar RM'000
30.06.2026	
Financial asset	
Trade receivable	5,186
	5,186
Financial liability	
Trade payable	(4,669)
	(4,669)
Net currency exposure	517
31.12.2024	
Financial asset	
Trade receivable	3,169
	3,169
Financial liability	
Trade payable	(2,837)
	(2,837)
Net currency exposure	332

Foreign currency risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit, net of tax to a reasonably possible change in the exchange rates against the respective other currencies of the Group, with all other variables held constant:

	Effects on profit after tax		Effects on equity	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Group				
Strengthen by 5% (31.12.2024: 5%)	(20)	(13)	(20)	(13)
Weaken by 5% (31.12.2024: 5%)	20	13	20	13

33. FINANCIAL INSTRUMENTS (CONT'D)

Fair values of financial instruments

The carrying amounts of cash and bank balances, short-term receivables and payables are reasonable approximation to their fair values due to relatively short-term nature of these financial instruments.

The carrying amount of long-term and short-term floating rate borrowings approximates their fair value as the borrowings will be re-priced to market interest rate on or near reporting date.

The fair value of lease liabilities is determined by discounting the relevant cash flows using current interest rates for similar instruments at the end of the reporting period.

34. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure the Group and the Company maintain an optimal capital structure so as to support the businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares. The Group's and the Company's strategies were unchanged from the previous financial year.

The gearing ratio of the Group and the Company as at the financial period end was as follows:

	Group		Company	
	30.06.2026 RM'000	31.12.2024 RM'000	30.06.2026 RM'000	31.12.2024 RM'000
Total liabilities	10,610	5,480	463	2,578
Less:				
Fixed deposits - not pledged	64,887	32,742	64,824	32,683
Cash and bank balances	10,740	3,576	10,629	3,475
	75,627	36,318	75,453	36,158
Net debt	(65,017)	(30,838)	(74,990)	(33,580)
Total equity	103,276	99,364	98,349	99,702
Gearing ratio (times)	–	–	–	–

Net debt is calculated as total liabilities (excluding intercompany advances) less deposits with banks (not pledged) and cash and bank balances. Total capital is calculated as equity plus net debt. The debt-to-equity ratio is calculated as net debt divided by total equity. There is no external capital requirement imposed on the Group and the Company.

35. COMMITMENTS AND CONTINGENT LIABILITIES

(i) Injunction against Formosa Plastics Marina Corporation ("Formosa") and Eastgate Ventures Sdn. Bhd. ("Eastgate") Group

On 21 September 2016, the Company obtained an ex-parte injunction against Formosa and the Eastgate Group to restrain them from arresting the Company's vessels, cargo, or freight. On 2 May 2017, the High Court granted a stay of proceedings pending arbitration while upholding the validity of the injunction.

The High Court subsequently awarded Eastgate Group's counter-claim against the Company and its former subsidiary, Perkapalan Dai Zhun Sdn. Bhd. ("PDZSB"), amounting to RM5,200,000 for operational expenses, together with interest of RM900,000 and costs of RM100,000, which were fully accrued in the financial period ended 31 December 2019. The Company and PDZSB filed an appeal on 18 November 2019 and obtained a stay of execution, subject to depositing RM1,200,000 into a joint stakeholder account and placing a private caveat on the Company's office building.

On 17 November 2022, the Court of Appeal set aside the High Court's decision. Eastgate Group subsequently filed an application for leave to appeal to the Federal Court, which was dismissed on 9 January 2024. Following the final dismissal by the Federal Court, the total accrued liability was fully reversed and recognised as other income in the prior financial year ended 31 December 2024.

36. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

On 26 January 2024, the Company entered into a conditional Subscription Agreement with a private limited company incorporated in Malaysia, Speed Logistics Sdn. Bhd. ("SLSB") and its existing shareholders, Yap Young Onn and Yap Mun Kie for the proposed subscription of new ordinary shares representing a 51% equity interest in the enlarged issued share capital of SLSB for a subscription consideration determined prior to completion ("Proposed Investment").

During the financial period, all conditions precedent stipulated in the Subscription Agreement including corporate and regulatory approvals, restructuring of bank signing mandates, execution of personal guarantees by the existing shareholders, and the execution of definitive Sale and Purchase Agreements for four leasehold properties located in Kuala Lumpur and Perak were fully satisfied.

Consequently, on 10 June 2026, the Company completed the Proposed Investment by subscribing for 2,219,800 new ordinary shares in Speed Logistics, representing a 51% equity interest, for a total purchase consideration of RM9,989. The consideration was fully satisfied through the capitalisation of existing advances owing by Speed Logistics to the Company. Following the share allotment, Speed Logistics became a 51%-owned subsidiary of the Company. Accordingly, the financial position and results of Speed Logistics have been consolidated into the Group's financial statements with effect from 10 June 2026 in accordance with MFRS 3 Business Combinations.

37. SUBSEQUENT EVENT

Subsequent to the end of financial period, on 14 September 2026, the Company announced a proposed reduction of RM65,400,000 of its issued share capital pursuant to Section 117 of the Companies Act 2016 ("Proposed Capital Reduction").

The credit arising from the Proposed Capital Reduction will be utilised to set off against the accumulated losses of the Company.

Subsequently, on 9 October 2026, the Company issued a Circular to Shareholders in relation to the Proposed Capital Reduction for the purpose of seeking shareholders' approval at the forthcoming Extraordinary General Meeting on 3 December 2026.

The Proposed Capital Reduction is subject to shareholders' approval and the fulfilment of the relevant statutory requirements under the Companies Act 2016.

The above event occurred after the reporting date and does not provide evidence of conditions that existed as at 30 June 2026. Accordingly, no adjustments have been made to the amounts recognised in these financial statements.

38. SEGMENTAL INFORMATION

The Group operates as a single reportable segment, principally involved in integrated logistics services encompassing shipping, related logistics operations, land transportation and haulage services following the acquisition of a new subsidiary during the financial period.

As these activities share similar economic characteristics, regulatory environments, and customer bases, they are evaluated collectively by the chief operating decision maker. Geographically, all business operations are predominantly located and conducted within Malaysia.

39. COMPARATIVE FIGURES

The Company changed its financial year end from 31 December to 30 June. The previous reporting period covered a period of 12 months from 1 January 2024 to 31 December 2024. The current reporting period covers a period of 18 months from 1 January 2025 to 30 June 2026. Consequently, the comparative amount for the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows and related notes to the financial statements are not directly comparable.

Certain comparative figures have been reclassified to conform with the current financial period's presentation.

40. PRIOR YEAR ADJUSTMENT

During the financial period ended 30 June 2026, the Group identified the following errors relating to prior financial years, which have been corrected retrospectively in the financial statements:

(a) The revaluation surplus of RM886,000 relating to properties transferred in prior financial years, which remained within other reserves, has been transferred to accumulated losses.

(b) In prior financial years, the non-controlling interests in PDZ Shipping Agency (Johor) Sdn. Bhd. and the accumulated losses attributable to owners of the Company were understated by RM190,000 due to an incorrect allocation of the subsidiary's net assets.

The comparative financial information of the Group and of the Company have been restated accordingly.

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statement of financial position			
Group			
At 01.01.2024			
Other reserves	5,812	(886)	4,926
Accumulated losses	(73,883)	696	(73,187)
Equity attributable to owners of the Company	90,502	(190)	90,312
Non-controlling interests	103	190	293
Total equity	90,605	–	90,605
At 31.12.2024			
Other reserves	886	(886)	–
Accumulated losses	(60,193)	696	(59,497)
Equity attributable to owners of the Company	99,266	(190)	99,076
Non-controlling interests	98	190	288
Total equity	99,364	–	99,364
Company			
At 01.01.2024			
Other reserves	5,812	(886)	4,926
Accumulated losses	(72,754)	886	(71,868)
At 31.12.2024			
Other reserves	886	(886)	–
Accumulated losses	(59,757)	886	(58,871)

Disclosure of Financial Data for Shariah Screening

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

(A) Group Total Income and Total Assets

		Group	
		01.01.2025 to 30.06.2026 (18 months)	01.01.2024 to 31.12.2024 (12 months)
Total Income	**Remarks**	**RM**	**RM**
Revenue		14,167,000	8,535,000
Other income		407,000	388,000
Interest income		931,000	761,000
Share of result of associates		396,000	–
Others	Reversal of impairment and provision for liabilities	3,028,000	8,728,000
Total		**18,929,000**	**18,412,000**
Total Assets		**113,886,000**	**104,844,000**

(B) Business Activities

		Group	
		01.01.2025 to 30.06.2026 (18 months)	01.01.2024 to 31.12.2024 (12 months)
Shariah Non-Compliant Activities	**Remarks**	**RM**	**RM**
N/A		N/A	N/A
Total		**N/A**	**N/A**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

[Cont'd]

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group 2026 (RM)	Group 2024 (RM)
Cash in hand		25,000	–
Total		**25,000**	–
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		10,715,000	3,576,000
Deposits with licensed bank		656,000	59,000
Short-term deposits		64,824,000	32,683,000
Total		**76,195,000**	**36,318,000**

(ii) Debt Component

Islamic Financing	Remarks	Group 2026 (RM)	Group 2024 (RM)
Current		–	–
Non-Current		–	–
Total		–	–

Conventional Borrowing	Remarks	Group 2026 (RM)	Group 2024 (RM)
Current			
Bank overdrafts		1,340,000	–
Term loans		178,000	–
Hire purchase payables		392,000	–
Non-Current			
Term loans		402,000	–
Hire purchase payables		1,161,000	–
Total		**3,473,000**	–

List of Properties
AS AT 30 JUNE 2026

Location	Description/ Existing Use	Approximate Age of Building	Land Area (Sq.m)	Tenure	Net Book Value as at 30.06.2026 (RM)	Date of Acquisition
Lot 6, Seksyen 13, Bandar Pelabuhan Klang, Daerah Klang, Selangor No. 1, Jalan Sungai Aur, 42000 Port Klang, Selangor	Land & building/ 3-storey commercial buildings	64 years	1,011.71	Leasehold expires on 20.02.2058	3,135,000	27.01.2003
Lot 34841 Mukim Batu Wilayah Persekutuan Kuala Lumpur No. 4 & 4-1, Jalan Sibu 8, Taman Wahyu, 68100 Kuala Lumpur, Wilayah Persekutuan	Land & building/ Intermediate 2-storey terraced shophouse	46 years	143	Leasehold expires on 25.12.2078	872,000	31.12.2024
Lot 34840 Mukim Batu Wilayah Persekutuan Kuala Lumpur No. 2, 2-1, Jalan Sibu 8, Taman Wahyu 68100 Kuala Lumpur, Wilayah Persekutuan	Land & building/ Corner 2-storey terraced shophouse	46 years	178	Leasehold expires on 25.12.2078	873,000	15.01.2025
Lot 315334 Mukim Sungai Terap Daerah Kinta Perak Darul Ridzuan PT 34585, Jalan Johan 2/1B Kawasan Perindustrian Pengkalan II, 31550 Pusing Perak Darul Ridzuan	Industries Land/ Factory Lot	17 years	2,537	Leasehold expires on 23.05.2067	723,000	15.01.2025
Lot 315335 Mukim Sungai Terap Daerah Kinta Perak Darul Ridzuan PT 34586, Jalan Johan 2/1B Kawasan Perindustrian Pengkalan II, 31550 Pusing Perak Darul Ridzuan	Industries Land/ Factory Lot	17 years	2,604	Leasehold expires on 23.05.2067	723,000	15.01.2025

Analysis of Shareholdings
AS AT 1 OCTOBER 2026

Total Number of Issued Shares	:	588,367,022 ordinary shares
Class of Equity Securities	:	Ordinary Shares (“Shares”)
Voting Rights	:	One (1) vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	(%)	No. of Shares	(%)
Less than 100	1,526	16.60	49,945	0.01
100-1,000	2,518	27.39	1,290,837	0.22
1,001-10,000	2,907	31.62	12,405,464	2.11
10,001-100,000	1,593	17.33	59,687,833	10.14
100,001-Less than 5% of the Issued Shares	649	7.06	479,068,658	81.42
5% and above of the Issued Shares	1	0.01	35,864,285	6.10
TOTAL	**9,194**	**100.00**	**588,367,022**	**100.00**

SUBSTANTIAL SHAREHOLDERS’ SHAREHOLDINGS
(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%
Datuk Tan Chor How Christopher	35,889,285	6.10	–	–
Florence Wong Wei Wei	57,392,285	9.75	–	–

DIRECTORS’ SHAREHOLDINGS
(As per the Register of Directors’ Shareholdings)

Name of Directors	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%
Dato’ Sri Rusli Bin Ahmad	–	–	–	–
Dato’ Ahmad Zaffry Bin Hj. Sulaiman	–	–	–	–
Datuk Tan Chor How Christopher	35,889,285	6.10	–	–
Dr. Rosli Bin Azad Khan	–	–	–	–
Ho Jien Shiung	630,090	0.11	–	–
Wong Kok Seong	–	–	–	–
Pang Siaw Sian	–	–	–	–

ANALYSIS OF SHAREHOLDINGS

[Cont'd]

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 1 OCTOBER 2026

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
1.	Tan Chor How Christopher	35,864,285	6.10
2.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Doris Wong Sing Ee (Margin)*	28,000,000	4.76
3.	Tan Kok Hui	25,000,000	4.25
4.	Florence Wong Wei Wei	23,300,000	3.96
5.	AA Resources (M) Sdn. Bhd.	12,880,000	2.19
6.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Florence Wong Wei Wei (Margin)*	12,450,000	2.12
7.	Tan Yau Lam	11,937,800	2.03
8.	HLIB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Khek Keng Tian (CCTS)*	8,280,000	1.41
9.	Zeng Xingli	8,110,000	1.38
10.	Chua Eng Ho Wa'a @ Chua Eng Wah	7,999,000	1.36
11.	Ong Eng Chuan	7,303,000	1.24
12.	Moomoo Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Koh Mei Chuin*	7,236,000	1.23
13.	Ng Sin Yin	7,140,000	1.21
14.	Apex Nominees (Tempatan) Sdn. Bhd. *Firstborn Top Capital Sdn. Bhd. for Lee Mei Yeng*	5,000,000	0.85
15.	Chung Kin Chuan	4,700,000	0.80
16.	Moomoo Nominees (Asing) Sdn. Bhd. *Pledged Securities Account for Zeng Xingli*	4,447,000	0.76
17.	Koh Mei Chuin	4,100,000	0.70
18.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Khek Keng (E-Tai)*	4,000,000	0.68
19.	Sabarudin Bin Abu Bakar	3,981,200	0.68
20.	Ho Yit Lin @ Ho Yuet Ling	3,800,000	0.65
21.	Caring Tay Swee Nee	3,500,000	0.59
22.	Yeap Han Chien	3,130,100	0.53
23.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securites Account for Choo Poh Tit (Penang-CL)*	3,000,000	0.51
24.	Sanichi Technology Berhad	3,000,000	0.51
25.	Lim Chin Huat	2,998,300	0.51
26.	Jasmi Bin Mohd Ismail	2,832,500	0.48
27.	Khek Cheng Lee	2,800,000	0.48
28.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Lay Peng (E-Tai)*	2,800,000	0.48
29.	Khoh Kien Seong	2,791,000	0.47
30.	Maybank Nominees (Tempatan) Sdn. Bhd. *Chua Eng Ho Wa'a @ Chua Eng Wah*	2,693,000	0.46

Directors' Responsibility Statement

In connection with the preparation of the annual audited financial statements of the Company and its subsidiaries ("the Group"), the Directors are required to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 in Malaysia, Malaysia Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company and the Group as at 30 June 2026 and of their financial performances and cash flows for the financial period ended 30 June 2026 ("FPE 2026").

In the preparation of the financial statements for the FPE 2026, the Directors have taken steps to ensure that the Group has adopted appropriate accounting policies and has applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

The Directors are responsible for ensuring adequacy of accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016 in Malaysia. The Directors have a general responsibility for taking reasonable steps towards safeguarding the assets of the Group and to prevent and detect fraud and other irregularities.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting ("30th AGM" or "Meeting") of PDZ HOLDINGS BHD. ("the Company") will be held at Level 9, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan on Thursday, 3 December 2026 at 10:30 a.m. or at any adjournment thereof, to transact the following businesses:-

A G E N D A

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial period ended 30 June 2026 together with the Reports of the Directors and Auditors thereon. ***Please refer to Explanatory Note 1***

2. To approve the payment of Directors' fees and benefits of up to RM264,000.00 for the period commencing from the date immediately after this 30th AGM until the next Annual General Meeting of the Company ("AGM"). ***Ordinary Resolution 1***

3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution:-

   i. Dato' Ahmad Zaffry Bin Hj. Sulaiman; ***Ordinary Resolution 2***
   ii. Mr. Ho Jien Shiung; and ***Ordinary Resolution 3***
   iii. Ms. Pang Siaw Sian ***Ordinary Resolution 4***

4. To re-appoint Morison LC PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

AS SPECIAL BUSINESS:

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

5. **RETENTION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR** ***Ordinary Resolution 6***

   "THAT subject to the passing of Ordinary Resolution 2, Dato' Ahmad Zaffry Bin Hj. Sulaiman, who has served as an Independent Non- Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."

6. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** ***Ordinary Resolution 7***

   "THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of Shares to be issued does not exceed ten per centum (10%) of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional Shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

[Cont'd]

AND THAT the new Shares to be issued pursuant to the Mandate shall, upon issuance and allotment, rank pari passu 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 may be declared, made or paid before the date of allotment of such new Shares."

7. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No. 201908001272)
LIM KEE SAN (MAICSA 7067348) (SSM PC No. 202308000295)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
30 October 2026

Notes:

(a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

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

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) To be valid, the instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof at which the person named in the appointment proposes to vote:-

(1) In Hardcopy Form

The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(2) By Electronic Means

The proxy form shall be electronically lodged via email to info@sshsb.com.my.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 26 November 2026. Only members whose names appear in the General Meeting Record of Depositors as at 26 November 2026 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

[Cont'd]

Notes: (Cont'd)

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) Kindly check Bursa Securities' website at www.bursamalaysia.com and the Company's website at www.pdzlines.com for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial period ended 30 June 2026

This Agenda is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

The estimated Directors' fees and benefits were calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits for the period from 4 December 2026 until the next AGM of the Company to be held in the year 2027. In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for such shortfall.

3. Item 3 of the Agenda – Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Following thereto, Dato' Ahmad Zaffry Bin Hj. Sulaiman, Mr. Ho Jien Shiung and Ms. Pang Siaw Sian will retire by rotation pursuant to Clause 85 of the Company's Constitution (collectively referred to as "Retiring Directors"). The Retiring Directors, being eligible, have offered themselves for re-election at the 30th AGM.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors, as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Directors' Profile of the Company's Annual Report 2026.

4. Item 4 of the Agenda - Re-appointment of Auditors

The Audit and Risk Management Committee ("ARMC") has conducted an annual assessment of the suitability, effectiveness and independence of Morison LC PLT as the Auditors of the Company. Based on the outcome of the assessment, the ARMC was satisfied with the suitability, performance and independence of Morison LC PLT and recommended its re-appointment as the Auditors of the Company.

The Board has endorsed the ARMC's recommendation and will seek shareholders' approval for the re-appointment of Morison LC PLT as Auditors for the financial year ending 30 June 2027, and to hold office until the conclusion of the next AGM.

NOTICE OF ANNUAL GENERAL MEETING

[Cont'd]

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS (CONT'D)

5. Item 5 of the Agenda – Retention of Independent Non-Executive Director

The Board had assessed the independence of Dato' Ahmad Zaffry Bin Hj. Sulaiman, who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. The Board is satisfied that he has met the independence requirements and recommends him to continue to act as the Independent Non-Executive Director of the Company based on the following reasons:-

(a) he has declared and confirmed that he fulfilled the criteria under the definition of Independent Director as set out in Paragraph 1 of the Listing Requirements of Bursa Securities;
(b) he has vast experience in his industry which could provide the Board with a diverse set of experience, expertise and independent judgement;
(c) he has good knowledge of the Group's business operations;
(d) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision-making; and
(e) he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his duties in the best interest of the Company and shareholders of the Company.

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, the retention of Dato' Ahmad Zaffry Bin Hj. Sulaiman as the Independent Non-Executive Director of the Company is subject to the shareholders' approval through a two-tier voting process.

6. Item 6 of the Agenda – General Authority for the Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 7 proposed under item 6 of the Agenda is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future project(s), working capital, acquisitions, investments and/or for issuance of shares as a form of settlement of purchase consideration or repayment of borrowings or debt settlement/repayment or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

The Company had at its Twenty-Ninth AGM held on 26 June 2025 ("29th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time.

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the 29th AGM, which will lapse at the conclusion of the 30th AGM, and accordingly, no proceeds were raised.

ADMINISTRATIVE NOTES FOR THE THIRTIETH ANNUAL GENERAL MEETING OF PDZ HOLDINGS BHD.

("PDZ" OR "COMPANY") ("30TH AGM" OR "MEETING")

Date	Time	Venue
Thursday, 3 December 2026	10:30 a.m.	Level 9, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan

APPOINTMENT OF PROXY

1. A member who is entitled to participate and vote at the Meeting is entitled to appoint more than one (1) proxy to participate and vote in his/her stead. If you are not able to participate in the 30th AGM, you are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form.

2. The appointment of a proxy may be made in a hardcopy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof:-

   (i) In hardcopy form
   The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

   (ii) By electronic form
   The proxy form shall be electronically lodged by email to info@sshsb.com.my.

   Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

4. If you wish to participate in the Meeting yourself, please do not submit any proxy form for the Meeting. You will not be allowed to participate in the 30th AGM together with the proxy(ies) appointed by you.

5. If you have submitted your Proxy Form prior to the Meeting and subsequently decide to personally participate in the Meeting, please write in to info@sshsb.com.my to revoke the earlier appointment of your proxy(ies) at least forty-eight (48) hours before the commencement of the Meeting. Upon revocation, your proxy(ies) will not be allowed to participate in the 30th AGM. In such event, kindly advise your proxy(ies) accordingly.

CORPORATE MEMBER

Any corporate member who wishes to appoint a representative instead of a proxy to attend the 30th AGM should submit the original Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority, under the corporation's seal to the Company's Share Registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan at any time before the time appointed for holding the 30th AGM or to the registration staff on the meeting day for the Company's records.

RECORD OF DEPOSITORS FOR THE 30TH AGM

The date of Record of Depositors for the 30th AGM is 26 November 2026. As such, only members whose name appears in the Record of Depositors of PDZ as at 26 November 2026 shall be entitled to attend the 30th AGM and to participate, speak and vote thereat.

RECORDING OR PHOTOGRAPHY

STRICTLY NO unauthorised recording or photography of the 30th AGM proceedings is allowed. PDZ reserves the rights to take appropriate legal actions against anyone who violates this rule.

ADMINISTRATIVE NOTES FOR THE THIRTIETH ANNUAL GENERAL MEETING OF PDZ HOLDINGS BHD.

[Cont'd]

ENQUIRY

If you have any enquiry regarding the 30th AGM, please contact our Share Registrar during office hours from 9.00 a.m. to 5.30 p.m. on Monday to Friday (except public holidays) prior to the Meeting: -

Securities Services (Holdings) Sdn. Bhd.

Contact Persons	:	Mr. Wong Piang Yoong / Ms. Julia Lim
Tel No.	:	+603-2084 9168 / +603-2084 9010
Email	:	piang.yoong.wong@sshsb.com.my / julia.lim@sshsb.com.my

PDZ HOLDINGS BHD.
199501031213 (360419-T)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.
No. of Shares held

I/We* _____
(Full name in block and NRIC No. / Registration No.)

Tel. No.: _____ of _____
(Address)

_____
(Address)

with email address _____ mobile phone no. _____

being a member of PDZ Holdings Bhd. ("the Company"), hereby appoint(s):-

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address	Email address & contact number		

and / or* (*delete as appropriate)

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address	Email address & contact number		

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Thirtieth Annual General Meeting ("30th AGM" or "Meeting") of the Company to be held at Level 9, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan on Thursday, 3 December 2026 at 10:30 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	**Ordinary Resolutions**	**For**	**Against**
1.	To approve the payment of Directors' fees and benefits of up to RM264,000.00 for the period commencing from the date immediately after this 30th AGM until the next Annual General Meeting of the Company.		
2.	To re-elect Dato' Ahmad Zaffry Bin Hj. Sulaiman as a Director who retires by rotation pursuant to Clause 85 of the Company's Constitution.		
3.	To re-elect Mr. Ho Jien Shiung as a Director who retires by rotation pursuant to Clause 85 of the Company's Constitution.		
4.	To re-elect Ms. Pang Siaw Sian as a Director who retires by rotation pursuant to Clause 85 of the Company's Constitution.		
5.	To re-appoint Morison LC PLT as Auditors of the Company.		
6.	To retain Dato' Ahmad Zaffry Bin Hj. Sulaiman as an Independent Non-Executive Director of the Company.		
7.	To approve the authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

** Delete whichever is not applicable*

Dated this _____ day of _____ 2026.

_____
Signature of Member(s)/Common Seal

Notes:

(a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

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

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) To be valid, the instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof at which the person named in the appointment proposes to vote:-

(1) In Hardcopy Form

The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(2) By Electronic Means

The proxy form shall be electronically lodged via email to info@sshsb.com.my.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 26 November 2026. Only members whose names appear in the General Meeting Record of Depositors as at 26 November 2026 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) Kindly check Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com and the Company's website at www.pdzlines.com for the latest updates on the status of the Meeting.

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AFFIX
STAMP

The Share Registrar
PDZ HOLDINGS BHD. [199501031213 (360419-T)]
SECURITIES SERVICES (HOLDINGS) SDN. BHD.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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Fold This Flap For Sealing

PDZ HOLDINGS BHD.
[Registration No. 199501031213 (360419-T)]

100-3.013, Block J, 129 Offices, Jaya One
No.72A, Jalan Profesor Diraja Ungku Aziz
Section 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Tel : +603-7493 0222 / +6012-628 6054
Email : general@pdzlines.com.my

www.pdzlines.com