



FIRING ALL CYLINDER



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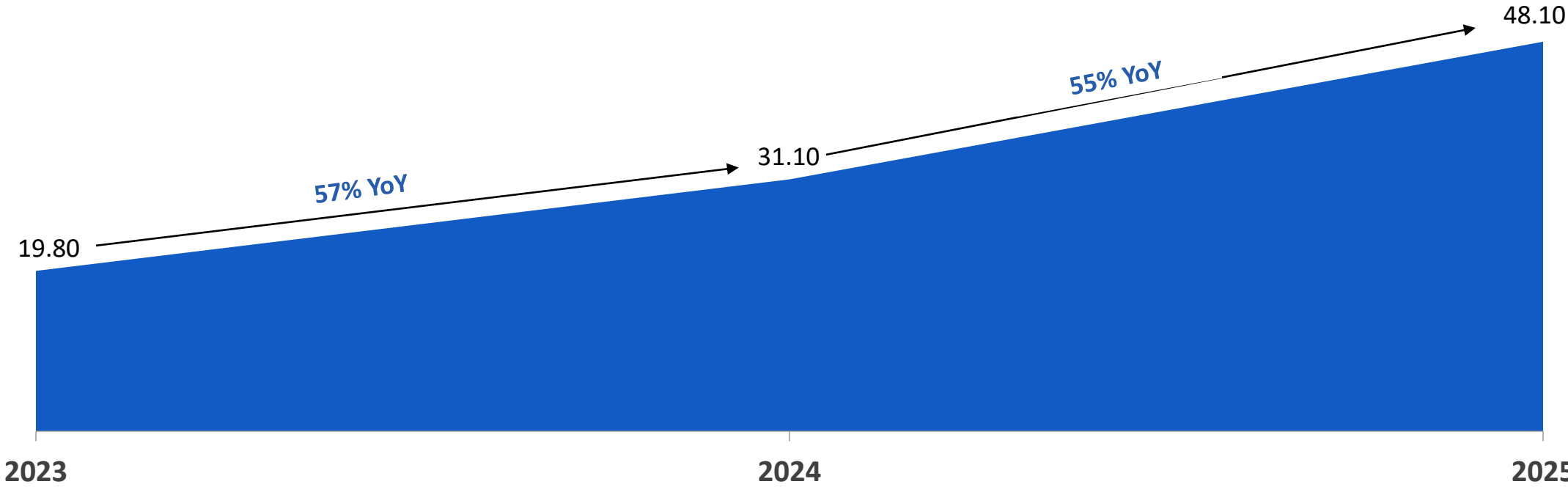
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FINANCIAL HIGHLIGHTS



REVENUE

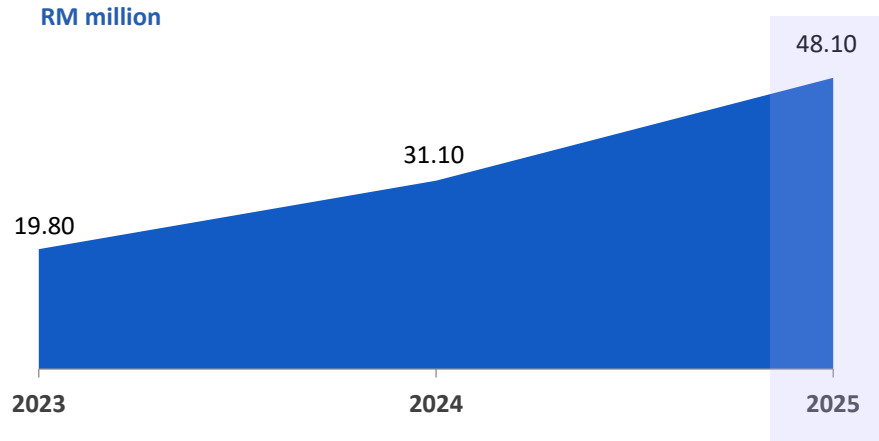
RM million



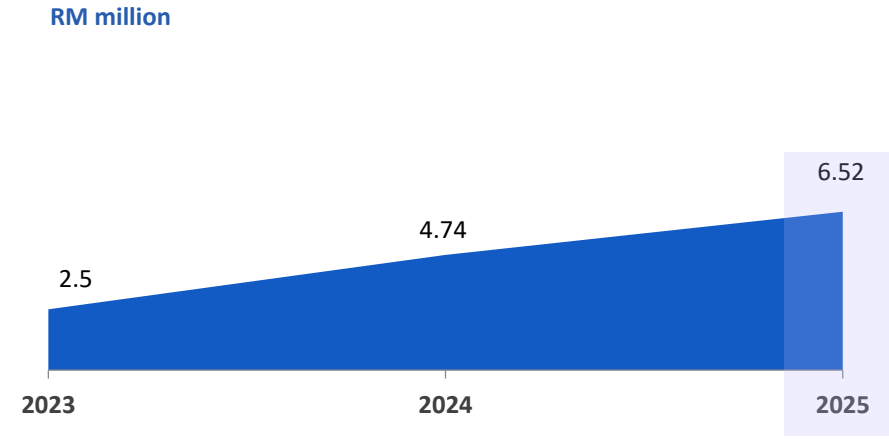
FINANCIAL HIGHLIGHTS



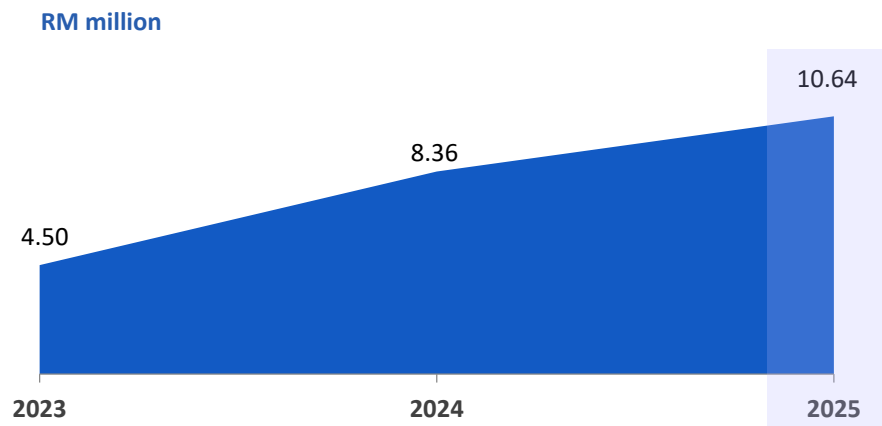
REVENUE



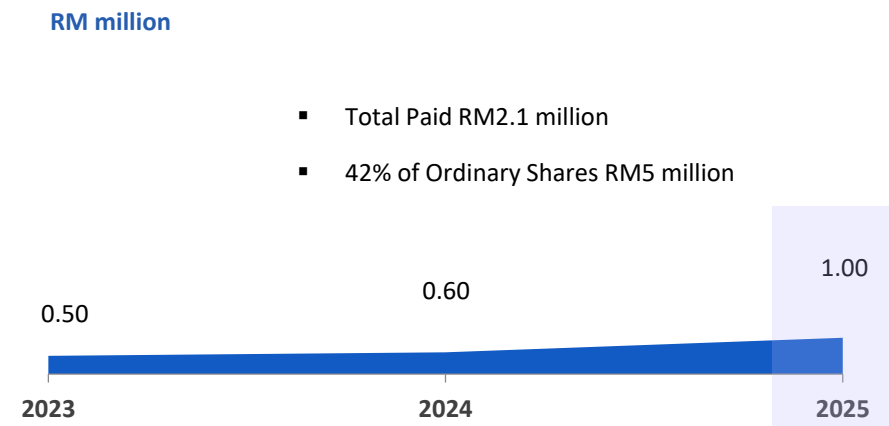
EBITDA



SHAREHOLDERS' EQUITY



DIVIDEND



COMPANY STUCTURE



PKNS

100%



CORPORATE INFORMATION



BOARD OF DIRECTORS

- Ybhg. Dato' Mahmud Abbas (D.S.I.S) - Chairman
- Ybhg. Dato' Johary Anuar (D.P.M.S)
- Ybhg. Dato' Haji Norhamidi Abdul Rahman (D.S.I.S)
- Tuan Haji Suhaimi Haji Kasdon
- Dr. Azlina Haji Jaapar FCCA, CA(M)
- Tuan, Mahfizul Rusydin Abdul Rashid

TENDER BOARD COMMITTEE

Ybhg. Dato' Haji Norhamidi Abdul Rahman (D.S.I.S) - Chairman

REMUNERATION COMMITTEE

TUAN, MAHFIZUL RUSYDIN ABDUL RASHID - Chairman

COMPANY SECRETARY

- Norkhafidzah Binti Norkhaidzir (LS0010069)
 - Fawzi Bin Abd Aziz (LS0000769)

REGISTERED OFFICE

A-6-1/1, Block A, Megan Avenue 1, 189 Jalan Tun Razak, 50400 Kuala Lumpur

PRINCIPLE OFFICE

Level 6, Plaza Perangsang , Seksyen 14, 40000 Shah Alam, Selangor

PRINCIPLE BANKERS

Bank Islam Malaysia Berhad

AUDITOR

Afrizan Tarmili Khairul Azhar PLT
(LLP0031255-LCA) (AF 1300)
No. 2, Jalan Rampai Niaga 2 Rampai Business Park
53300 Kuala Lumpur

KEY MANAGEMENT PERSONNEL



DIVISION

Department

SHAMSHUL BAHARI BIN AHMAD
Chief Executive Officer

BAD LATIF MANSOR
Operation

KAMARUZAIN KAMISAN
Asset Management

AHMAD KAMIL HARRIS IBRAHIM
Planning & Business Development

IRWAN HARIS ZAINAL ABIDIN
Human Resource, Admin & IT

FAIZUL ABU BAKAR
Corporate Affairs

ABDULLAH HAKIM HAMZAN
Finance

MASWADI ZAKARIA
Hard Facility Management

SHAHROM MUSA
Soft Facility Management

ZALINA MUSA
Finance & Accounts

MOHD SYAUQI MD ISA
Procurement & Contract

CHAIRMAN STATEMENT



Dear Esteemed Shareholders, As the Chairman of PKNS FM Integrated Sdn Bhd (“PFMI” or the “Company”), I am delighted to share with you the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2025 (“FYE 2025”) on behalf of the Board of Directors (the “Board”).

Business & Financial Overview

For the FYE 2025, PFMI achieved a remarkable 55% year-on-year (YoY) increase in revenue, reaching a record RM48.10 million. This strong performance translated into a net profit after tax and zakat of RM3.39 million, attributable to the owners of the Company. Reflecting our commitment to delivering value to shareholders, the Board declared a dividend payout of 32%, based on dividend per share of RM0.20 for FYE 2025.



FYE 2025 REVENUE:

RM48.10

million

FYE 2024: RM31.10 million



FYE 2025 NET PROFIT:

RM3.39

million

FYE 2024: RM2.36 million



FYE 2025 DIVIDEND PAYOUT:

32%

OF NET PROFIT

FYE 2024: 21%

CHAIRMAN STATEMENT



Prospect FYE 2026

PFMI maintains a positive outlook for FYE 2026, underpinned by its strong technical capabilities and established track record, which continue to position it well to capture emerging opportunities.

In line with prevailing market conditions, new tenders are anticipated to be called at current market rates. Concurrently, the Company intends to actively participate in facilities management tenders, leveraging its growing experience and operational expertise in the sector.

PFMI expects the completion of CLQ 518 and CLQ 58371, both located in Puchong, which are projected to collectively generate an estimated revenue potential of RM18.20 million per annum.

In FYE 2025, the Company successfully secured HVAC contracts amounting to RM8.78 million across two locations, namely Plaza Alam Sentral and Plaza Perangsang, strengthening its orderbook visibility.

Looking ahead, PFMI continues to participate in external facilities management tenders in FYE 2026, with a total tender value of RM109.01 million.

Sustainable Agenda

Our direction is also shaped by the vision of the Selangor State Government, through the **Rancangan Selangor Pertama (RS-1)** and the upcoming **Rancangan Selangor Kedua (RS-2) 2026-2030**. These plans chart the course for sustainable and inclusive growth in Selangor. As a subsidiary of PKNS, we are proud to play our part in realizing the vision.

ABOUT PFMI



⚡ PKNS FM Integrated Sdn Bhd (PFMI) was founded in 2023, located at Plaza Perangang, Shah Alam a wholly owned subsidiaries of PKNS Group.

⚡ PFMI provide the comprehensive Total Integrated Facilities Management that helps to enhance the productivity of business and operation through efficient integration of **people, place, technology and process within the built environment** with the purpose of improving the quality of life of people and increasing assets value

⚡ Our goals is to make sure our client have the safest and best experience possible through our focus on sustainability and environmental impact in our key areas ; Integrated Sustainable Management Solutions, Industrial Park Manager, Centralized Labour Quarters and Energy Management.

⚡ **Empowering Environments,
Inspiring Excellence.**



In FYE 2025, we have maintained memberships in the following associations:

- ⚡ Construction Industry Development Board (“CIDB”)
- ⚡ Ministry of Finance (“MOF”)
- ⚡ The Malaysian Assets and Project Management Association (“MAPMA”)
- ⚡ Federation of Malaysian Manufactures (“FMM”)
- ⚡ Waste Management Association of Malaysia (“WMAM”)



We facilitate business operations through these key areas:



WE ELEVATE VALUES



Mission

To improve the quality of life and adaptability through digital technology-based solutions.

To offer prospect for client and asset that contribute towards the community and industry development.

Vision

Sustaining built environment and integrate value creation of people, place, technology and process.

CORE VALUES



Our core values serve as the foundation of everything we do. They guide our decisions, shaping our culture and driving us towards excellence.

Growth



We believe in fostering growth, both individually and collectively. We value continuous learning, personal development, and expanding our knowledge and skills.

Respect



We embrace diversity, value different perspectives, and create an inclusive environment where everyone feels heard, valued and respected.

Optimism



Optimism is a core value that drives our mindset and approach. We believe in maintaining a positive outlook, even in challenging situations.

Wellness



We promote a supportive environment that encourages physical, mental and emotional well-being. We prioritize self-care, stress management, and work-life balance.

SUSTAINABILITY STATEMENT

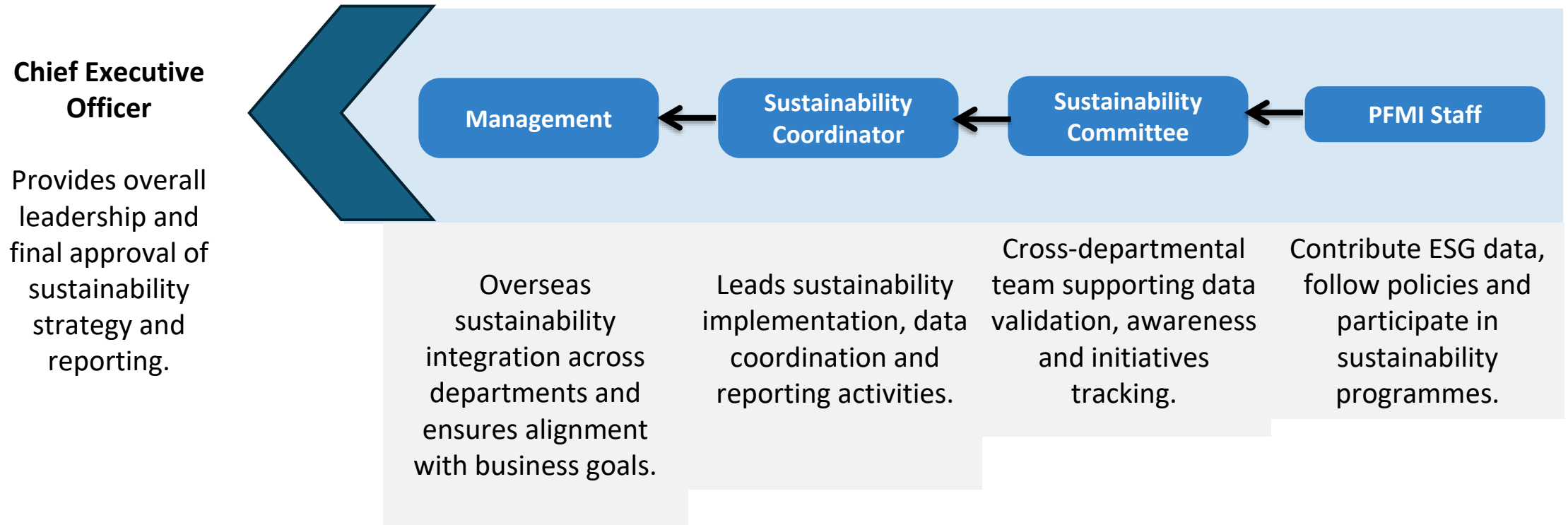


PKNS FMI Sdn. Bhd. is committed to conducting its operations responsibly and sustainably by integrating environmental, social, and governance (ESG) principles across all aspects of its business. As a facilities management company serving public interests, the group seeks to create long-term value while minimizing environmental impact, supporting the wellbeing and development of its people, and upholding the highest standards of ethics, transparency, and accountability.

Our environmental focus is directed towards improving resource efficiency, reducing carbon emissions, promoting waste minimization, and adopting digital and energy-efficient solutions to support sustainable facilities management. Socially, we prioritize occupational safety and health, employee development, diversity and inclusion, and meaningful community engagement. From a governance perspective, we maintain robust oversight through clear policies, ethical standards, integrity practices, and responsible procurement.

The implementation of this policy is overseen by management, supported by a dedicated ESG governance structure to ensure effective execution, monitoring, and reporting. This policy is reviewed periodically to remain aligned with evolving regulatory requirements, stakeholder expectations, and industry best practices, reinforcing our commitment to sustainable and responsible business conduct.

ESG GOVERNANCE STRUCTURE



ESG AT GLANCE



ENVIRONMENT

- Carbon Emissions (Scope 2 – Electricity) 2025 : 22.235
- Energy efficiency via digital monitoring (CMMS & IOC)
- Started Reduce-Reuse-Recycle (Level 6, HQ)

SOCIAL

- 79 employees (2025)
- Training Hours :5605
- Benefits: Medical, Takaful, GHS, GPA, Performance Bonus, Leave
- Engagement : Iftar, Hari Raya, CEO Sharing, Walkabouts, and Teambuilding
- CSR & Community programmers
- Women Empowerment : Women' Day, Mother's Day
- International Men's Day

GOVERNANCE

- Board of Directors : 6 (5 male, 1 female : 17% women)
- 1 independent Director
- Integrity & Compliance : Integrity Policies drafted and pending BOD approval in February 2026

ECONOMY

- Operating Costs: 88% core facilities, 5% utilities, 7% others
- Vendors & Suppliers: Local 2, SME 408, Bumiputera-owned 338

MATERIALITY ASSESSMENT



The materiality assessment process is essential for identifying and prioritizing the Environmental, Social, and Governance (ESG) topics that are most relevant to PFMI's operations and stakeholders. For this first sustainability report, the assessment was conducted using a pragmatic and qualitative approach, taking into account the company's business model, stakeholder expectations. Given the company's early stage of operations, the materiality assessment was primarily informed by:

- Internal discussions with the Sustainability Committee
- Engagement with key stakeholder groups
- Review of ESG risks and opportunities relevant to the facilities management industry
- Reference to GRI Standards, Bursa Malaysia's Sustainability Reporting Guide, and industry benchmark.

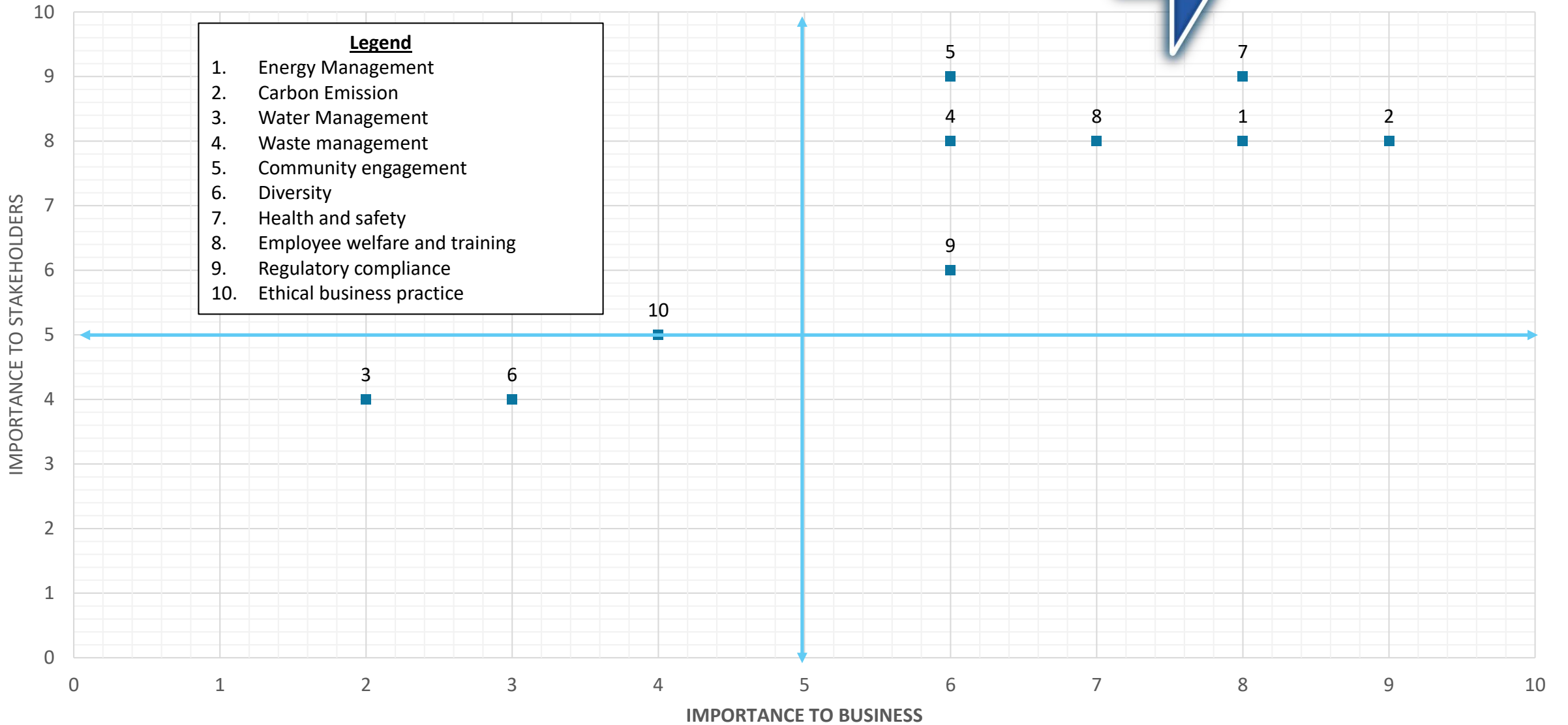
The outcome of this process is a set of material ESG topics that reflect the most significant impacts, risks, and opportunities for PFMI. These topics form the foundation of the disclosures presented in this report and will guide future strategy and reporting enhancements.

SCOPE AND PERIOD CYCLE



- We are principally involved in the provision of integrated sustainable facility management solution.
- This Environmental, Social, and Governance (ESG) report outlines the sustainability-related performance and initiatives of PFMI FYE 2025.
- As this is PFMI's first sustainability report, the extended reporting period was adopted to provide a more comprehensive overview of the company's early-stage sustainability performance, particularly given the limited availability of historical data.

MATERIALITY MATRIX



GRI/ESG INDEX MAPPING 2024-2025



Sustainability Pillar	Topic/ Disclosure	Sustainability Report Section	GRI Standard Reference	Aligned SDG(s)
Economic	Sustainable Procurement & Finance	Economy	GRI 308 : Supplier Environmental Assessment GRI 414 : Supplier Social Assessment	
	Operating Costs	Economy	GRI 201-1 : Direct economic value generated & distributed	
	Vendor & Suppliers	Economy	GRI 204-1 : Proportion of spending on local suppliers	

Sustainability Pillar	Topic/ Disclosure	Sustainability Report Section	GRI Standard Reference	Aligned SDG(s)
Environmental	Carbon Emissions (Scope 2 - Electricity)	Environment	GRI 302-1: Energy consumption within the organization GRI 305-2 : Indirect GHG emissions (Scope2)	
	Waste Management (3R initiative at HQ, Level 6)	Environment	GRI 306 : Waste Management	
	Digitalization	Environment	GRI 302 : Energy	

GRI/ESG INDEX MAPPING 2024-2025

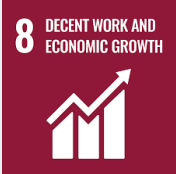


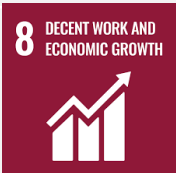



Sustainability Pillar	Topic/ Disclosure	Sustainability Report Section	GRI Standard Reference	Aligned SDG(s)
Social	Employee Training & Development	Social	GRI 404-1 : Average training hours per employee	
	Employee Benefits & Welfare	Social	GRI 401: Employment	
	Health & Safety	Social	GRI 403 : Occupational Health & Safety	
	Employee Engagement	Social	GRI 401 : Employment	

Sustainability Pillar	Topic/ Disclosure	Sustainability Report Section	GRI Standard Reference	Aligned SDG(s)
Social	Community Engagement & CSR Initiatives	Social	GRI 413-1 : Operations with local community engagement	
	Women Empowerment	Social	GRI 405 : Diversity and Equal Opportunities	
			GRI 406 : Non-Discrimination	

GRI/ESG INDEX MAPPING 2024-2025



Sustainability Pillar	Topic/ Disclosure	Sustainability Report Section	GRI Standard Reference	Aligned SDG(s)
Governance	Board Composition & Diversity	Governance	GRI 2-9: Governance structure and composition	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
	Corporate Governance & Structure	Governance	GRI 2: General Disclosures	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
	Integrity & Compliance Activities	Governance	GRI 2-7: Compliance with laws and regulations	 <p>3 GOOD HEALTH AND WELL-BEING</p>
	Intelligent Operation Centre	Governance	GRI 2: General Disclosures	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>3 GOOD HEALTH AND WELL-BEING</p>

ENVIRONMENT: CARBON EMISSION

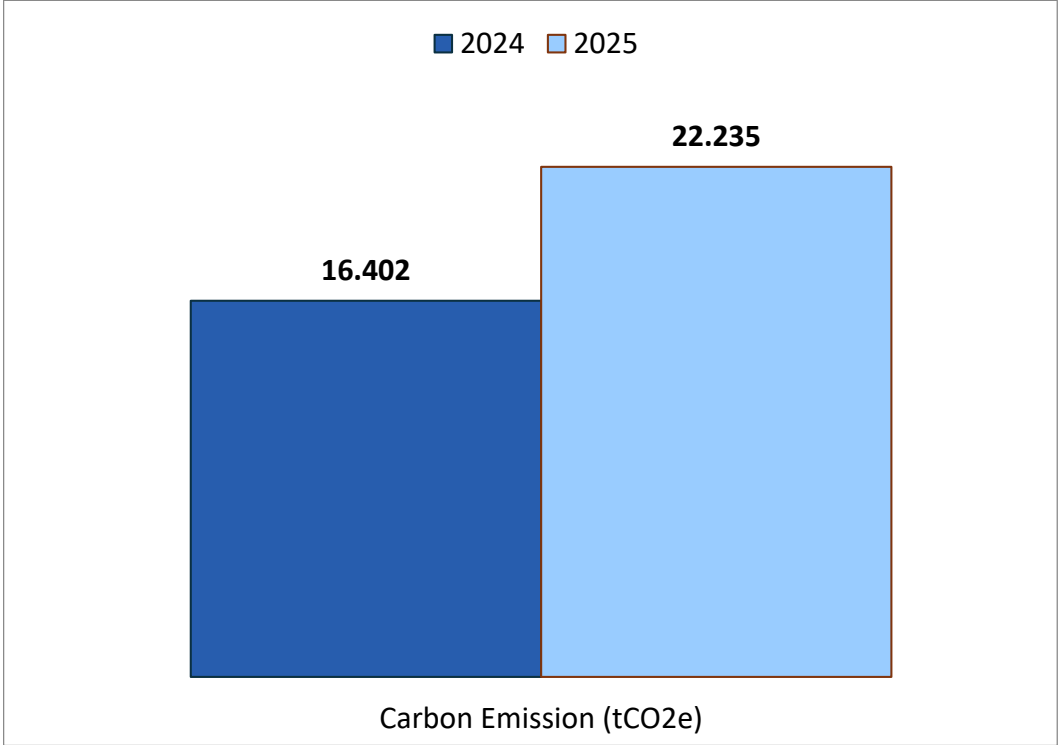


Energy use and associated greenhouse gas (GHG) emissions are key environmental concerns for facilities management companies. Although PFMI does not yet own the facilities it manages, PFMI recognizes its responsibility to monitor and manage emissions from its own operations – including office energy consumption. Efficient energy use directly contributes to climate action, operational cost savings, and compliance with growing stakeholder expectations and regulatory frameworks.

Scope of Disclosure:

Focuses solely on PFMI’s own operations, specifically:

- Electricity usage at its corporate office



ENVIRONMENT: WASTE MANAGEMENT



PFMI has begun taking progressive steps toward more sustainable waste management practices in line with its environmental responsibilities under the G.R.O.W. framework. While formal waste tracking and reporting mechanisms are still under development, the Company initiated its first Reduce, Reuse and Recycle (3R) program in 2025.

The initiative was piloted at the Level 6 office and focused on reducing general waste generated from pantry and printing areas, encouraging the reuse of office supplies and equipment, and introducing basic waste segregation through designated recycling bins for paper and plastic.

Although currently limited in scope, this initiative represents an important foundational step in fostering environmental awareness and promoting a more sustainable workplace culture within the organization.



REDUCE



REUSE



RECYCLE

The image above shows the 3R recycling bins that is placed in our office to make it easier for everyone to do their part in reducing waste and supporting recycling.

ENVIRONMENT: DIGITALIZATION



In 2025, PFMI took a strategic step towards digital transformation by implementing the Intelligent Operation Centre (IOC) and Computerized Maintenance Management System (CMMS) as part of its commitment to sustainable, efficient building operations.

Metaverse-Integrated Facility Management

The Metaverse platform digitally mirrors PFMI's physical assets, allowing for real-time monitoring and data driven decision-making. This virtual tool enables:

- Live equipment tracking (HVAC, electrical system, lighting)
- Remote diagnostics and virtual inspections
- Energy and emission tracking to support environmental goals
- Predictive maintenance, reducing resource use and waste
- Simulation and planning, minimizing unnecessary repairs and replacements

These features contribute directly to lowering carbon emission and improving energy efficiency by eliminating excessive manual processes and enabling proactive management of building systems

CMMS- Smart Maintenance for Sustainable Operations

The CMMS system centralizes all maintenance tasks, automating preventive actions and improving asset management. Benefit include:

- Reduction in unscheduled breakdowns, saving energy and resources
- Better inventory control, avoiding overstocking or waste
- Enhanced compliance with environmental regulations through detailed audit logs
- Support for longer lifespans, reducing environmental impact from replacements

Together, these tools supports PFMI's long term goals for reducing operational environmental impacts and transitioning towards smarter, greener buildings

SOCIAL



In FY 2025, these training programs covered :



Safety (First aid, CPR & AED, Mental Health)



Skills (Digital, Technical, Strategic)



Governance, Legal, Compliance (MIP)

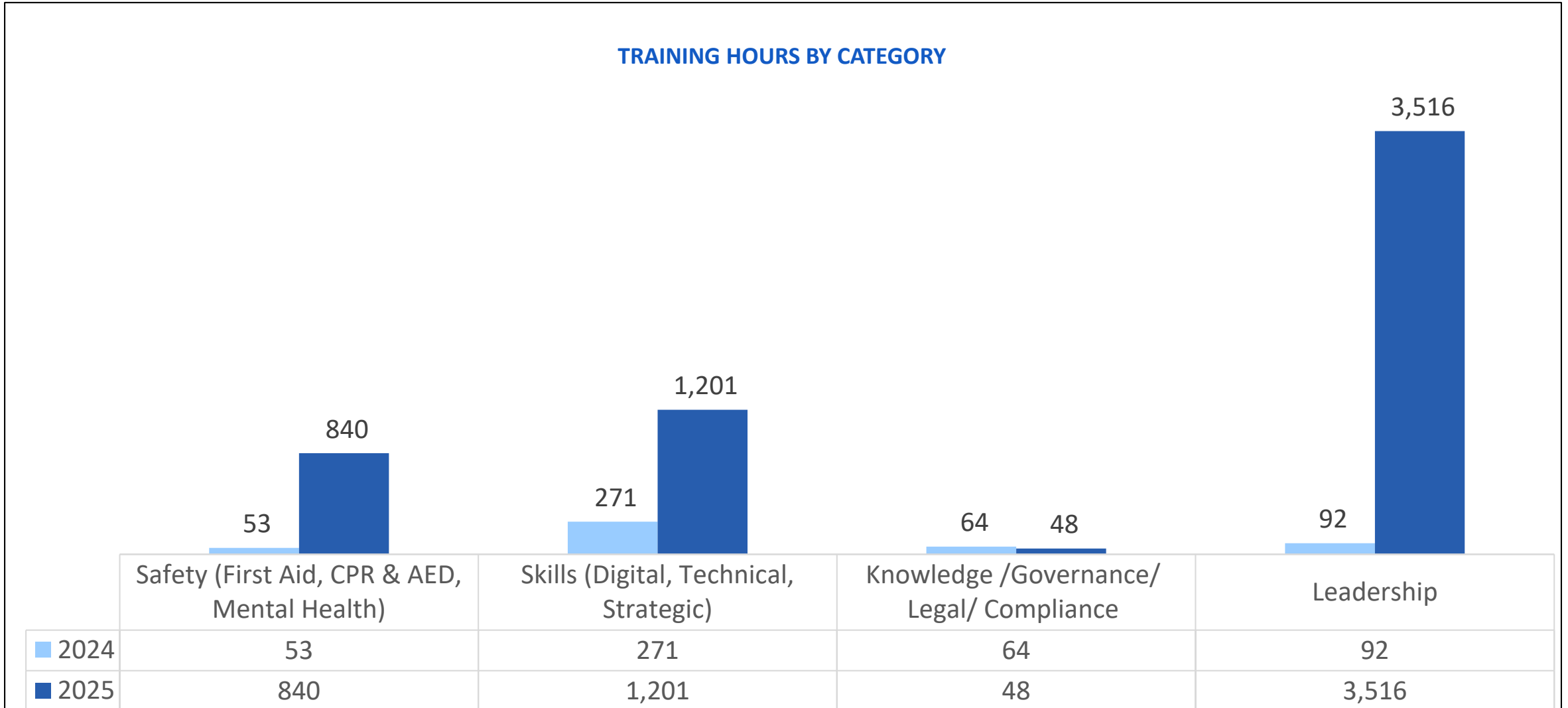


Leadership

SOCIAL



TRAINING HOURS BY CATEGORY



SAFETY (FIRST AID, CPR & AED, MENTAL HEALTH)



Nov 26, 2025 at 4:42:48 PM
50450 Kuala Lumpur
Malaysia
National Craft Complex

Fire Drill and Fire Fighting Equipment Training
Date : 26th Nov 2025



Basic Mental Health Awareness Training
Date: 27th May 2025
2nd July 2025

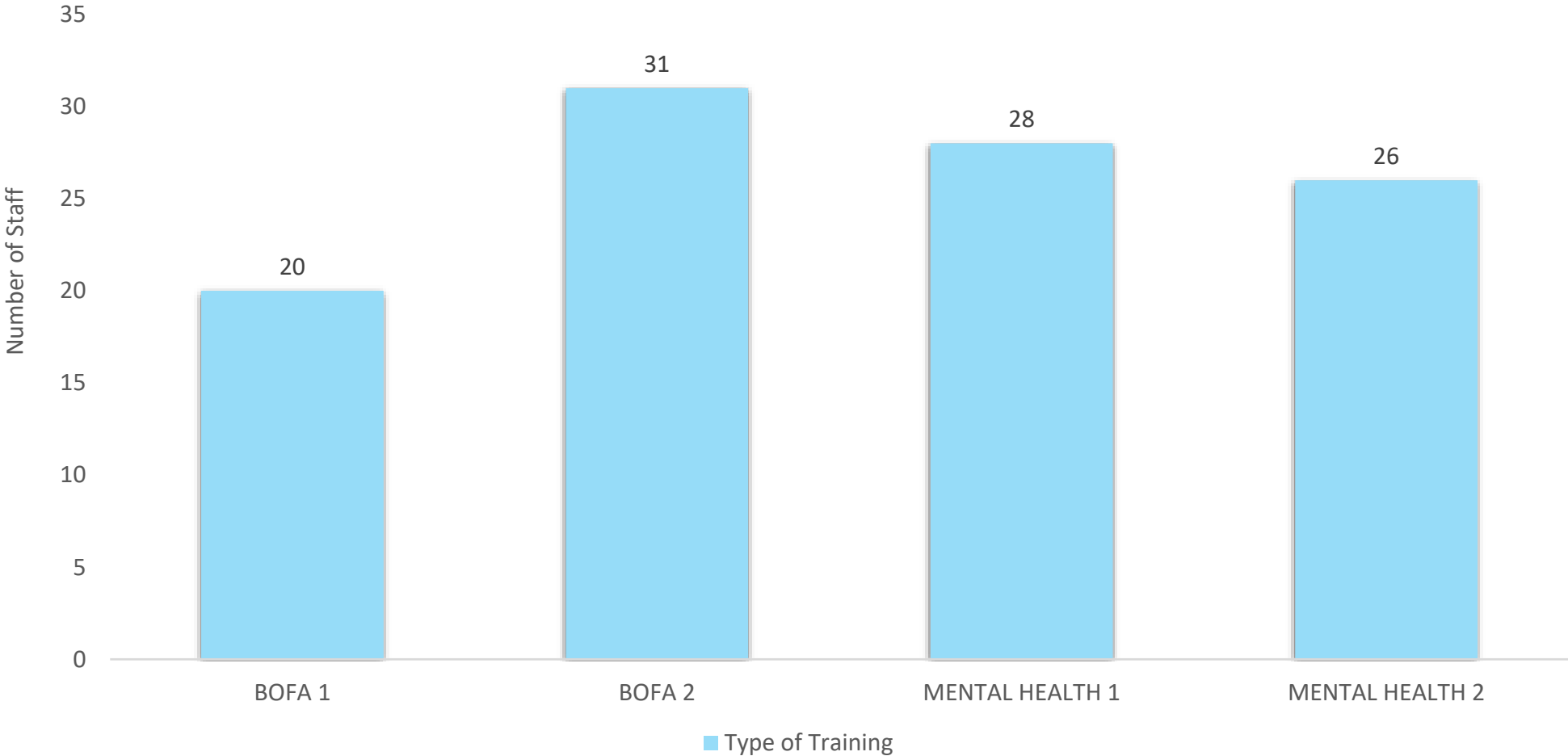


Basic First Aid, CPR and AED Training
Date: 4th–5th Feb 2025
18th–19th Feb 2025

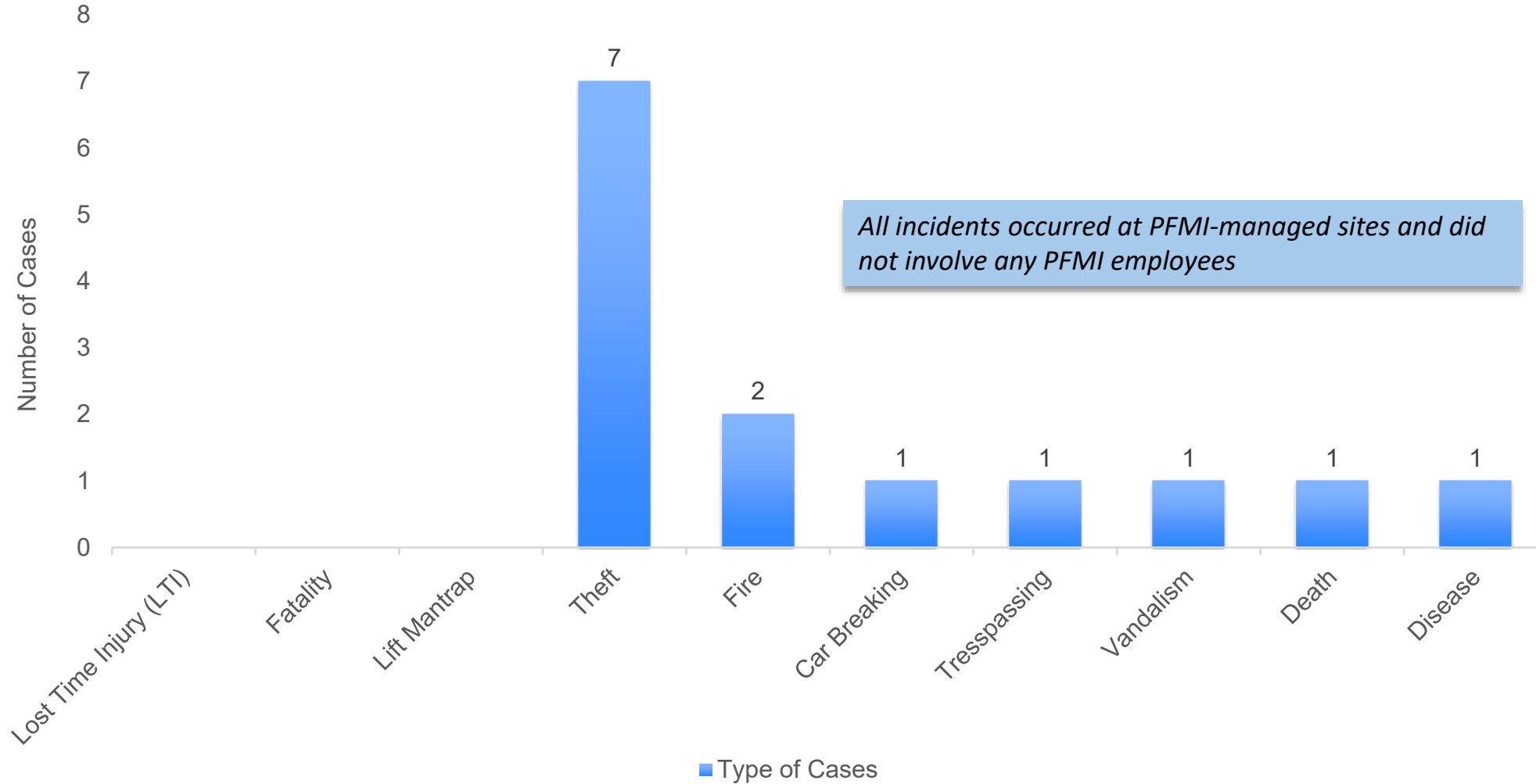
SAFETY (FIRST AID, CPR & AED, MENTAL HEALTH)



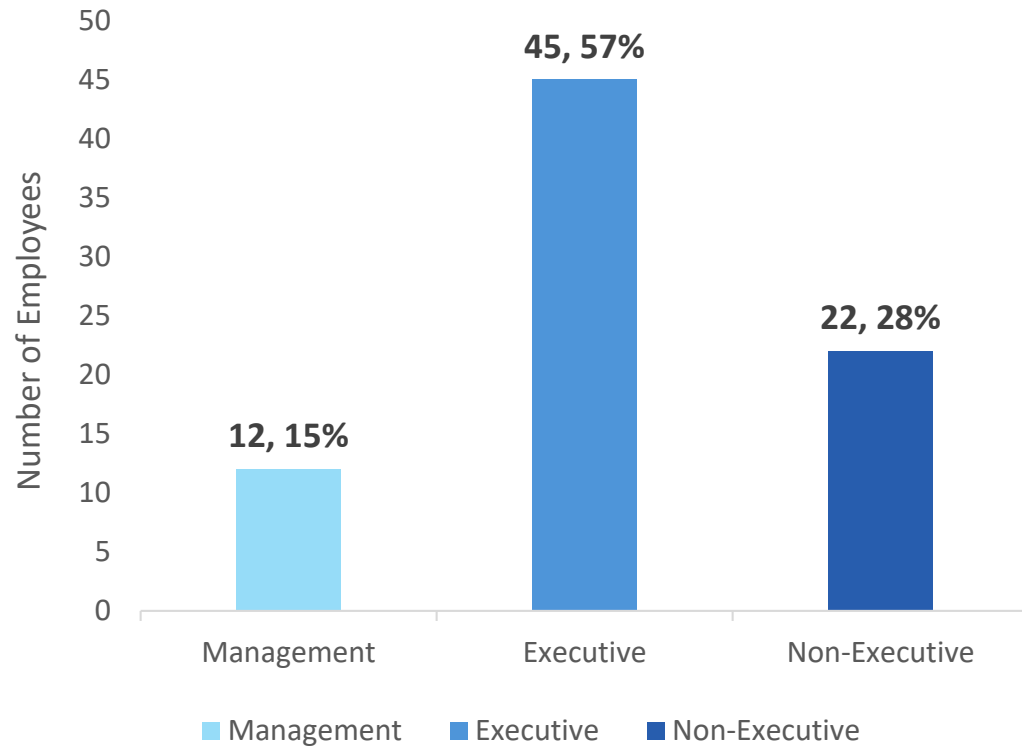
HSSE TRAINING STATISTIC TO PFMF STAFF FY 2025



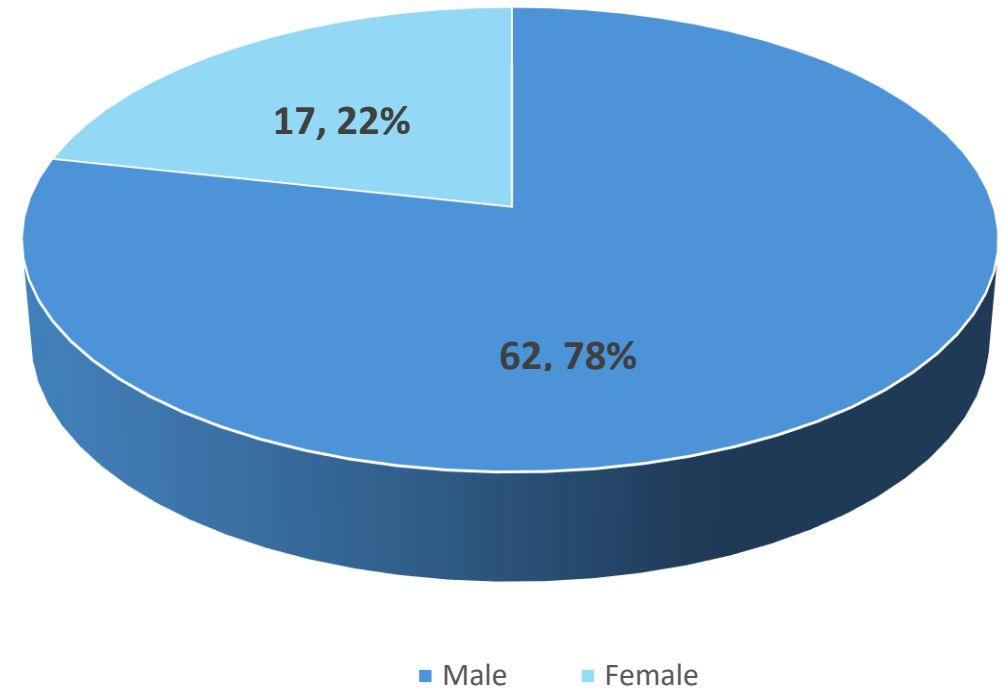
HSSE CASES STATISTIC FY 2025



BREAKDOWN EMPLOYEES BY POSITION



BREAKDOWN EMPLOYEES BY GENDER



TOTAL NEW HIRES AND TURNOVER FY 2025 BY EMPLOYEE CATEGORY



MANAGEMENT



NEW HIRE : 3



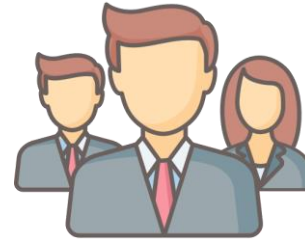
TURNOVER: 1



EXECUTIVE



NEW HIRE : 12



TURNOVER: 1



NON-EXECUTIVE



NEW HIRE : 4

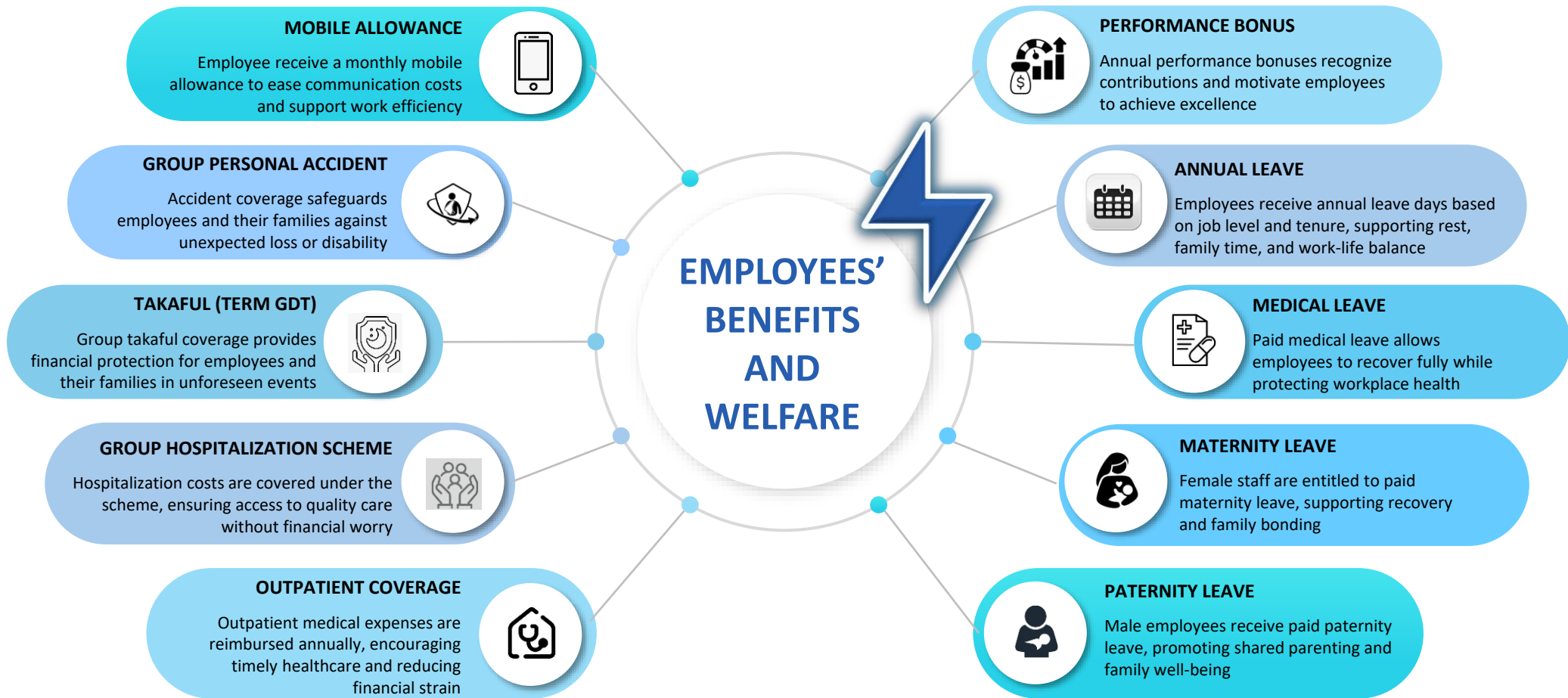


TURNOVER: 0



TOTAL HIRING: 19

TOTAL TURNOVER : 2





Walkabout PFMI

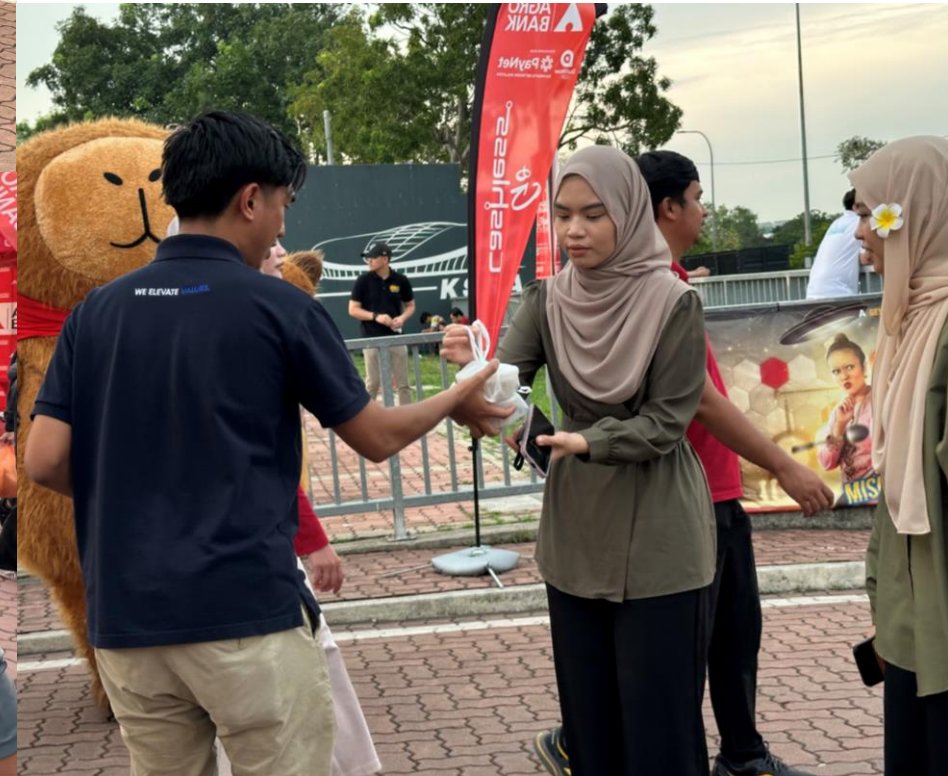
Sharing Session



Raya Celebration



Ramadhan Bubur Lambuk Distribution Programme



Ramadhan Exploration Programme



PFMI Teambuilding 2025: Together We Grow



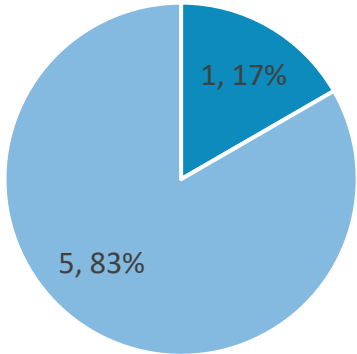
BOARD COMPOSITION & DIVERSITY



- PFMI is committed to adhering to high standards of corporate governance, transparency, and accountability.
- The Board of Directors plays a critical role in guiding the company’s strategic direction, overseeing performance, and ensuring alignment with sustainability principles.
- Diversity in experience, background, age, and independence is recognized as essential to maintaining balanced oversight and sound decision-making.

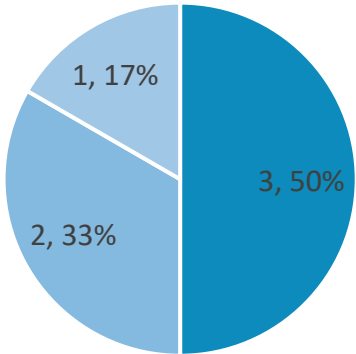
Indicator	Details
Total Directors	6
Gender Distribution	5 Male (83%), 1 Female (17%)
Independence Status	1 Independent, 5 non-independent
Age Distribution	40-49 : 3, 50-59 : 2, 60-69 :1

Gender Distribution



■ Male ■ Female

Age Distribution



■ 40-49 ■ 50-59 ■ 60-69

STAKEHOLDER ENGAGEMENT



Stakeholder Group	Engagement Method	Key Areas of Interest	Frequency
Board of Directors	<ul style="list-style-type: none"> Annual General Meeting Annual reports Board Meetings 	<ul style="list-style-type: none"> Governance, risks ESG oversight Financial Performance Business strategy Ethical leadership 	<ul style="list-style-type: none"> Annually Quarterly As and when required
Employees	<ul style="list-style-type: none"> Surveys Trainings HR Engagements Townhalls 	<ul style="list-style-type: none"> Performance management Training and development Remuneration and benefits 	<ul style="list-style-type: none"> Annually As and when required
Vendors and Suppliers	<ul style="list-style-type: none"> Continuous networking Evaluation and performance review Supplier meetings Site inspections 	<ul style="list-style-type: none"> Payment schedules Compliance Transparent procurement practices Pricing and services Timely completion and delivery 	<ul style="list-style-type: none"> Annually On-going Monthly As and when required
Customers	<ul style="list-style-type: none"> Survey and feedbacks Newsletter and websites Networking events 	<ul style="list-style-type: none"> Service quality Responsiveness Sustainability practices Efficient complaint management 	<ul style="list-style-type: none"> On-going Monthly Annually
Local Community	<ul style="list-style-type: none"> Community events Sustainability reporting CSR initiatives 	<ul style="list-style-type: none"> Environmental and social impacts Job opportunities Transparency and accountabilities 	<ul style="list-style-type: none"> Annually As and when required
Regulatory Bodies	<ul style="list-style-type: none"> Internal and external audit Reporting Meeting with local regulators 	<ul style="list-style-type: none"> Compliance and adherence Transparency and accountability Public issues Labour practices 	<ul style="list-style-type: none"> Annually Monthly As and when required

GOVERNANCE : INTEGRITY & COMPLIANCE ACTIVITIES



PFMI has adopted a phased approach to developing its integrity governance ecosystem, encompassing policy formulation, training, stakeholder awareness and monitoring mechanisms. These initiatives are overseen by the Sustainability Committee and supported by Corporate Affairs and HR.

Policy & Training	<ul style="list-style-type: none">▪ Code of Ethics & Conduct training is included in onboarding.▪ New policies in development for anti-corruption, whistleblowing, conflict of interest, and gifts & hospitality are scheduled for rollout in Q1 2026.▪ Once approved, staff will undergo training to ensure understanding and compliance.
Integrity Declarations	<ul style="list-style-type: none">▪ All employees and directors will complete an Integrity Pledge by Q1 2026.▪ Conflict of Interest Declarations will be collected annually with full implementation by 2027.
Whistleblowing Channel	<ul style="list-style-type: none">▪ Currently at the drafting and development stage.

CORPORATE VISIT TO THE MALAYSIAN INSTITUTE OF INTEGRITY (IIM)



ECONOMY: VENDORS & SUPPLIERS



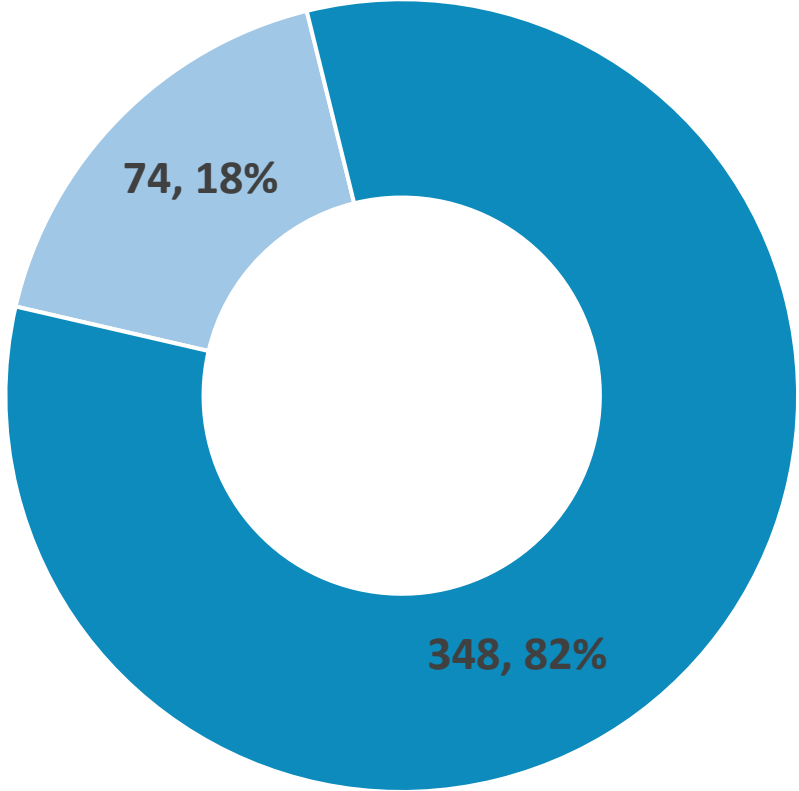
- PFMI actively supports sustainable and inclusive procurement practices.
- In line with our sustainability commitment and national development goals, we prioritize working with local, SME and Bumiputera-owned vendors.
- This approach reinforces economic resilience, encourages diverse supplier participation, and ensures that the value generated by our operations remains within the local economy.

ECONOMY: VENDORS & SUPPLIERS



Non-Bumiputera

Demonstrates support for the national SME ecosystem by providing market access and growth opportunities for small and medium enterprises, particularly in facilities and service-based industries

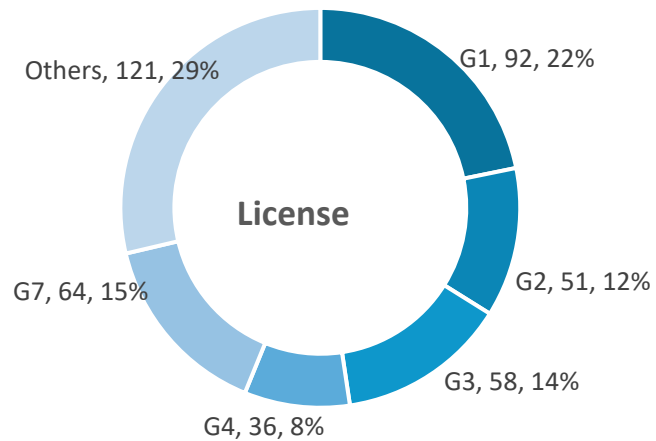
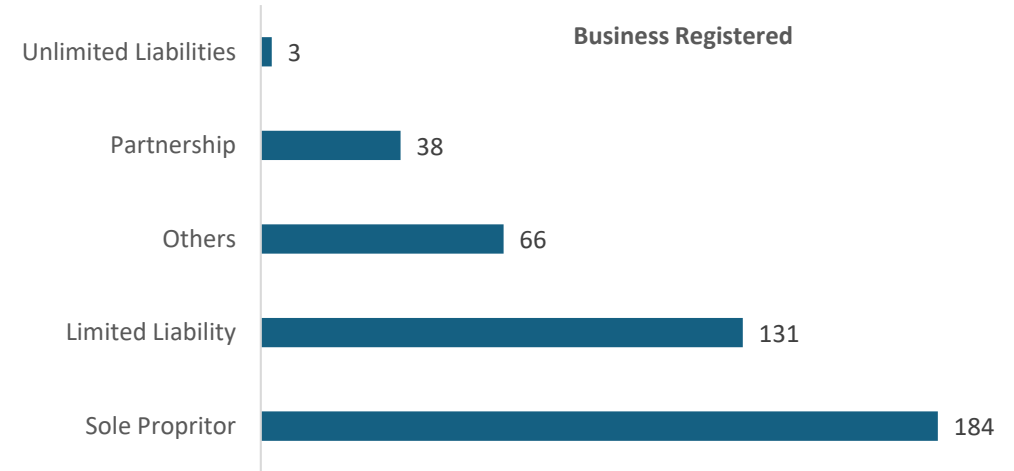
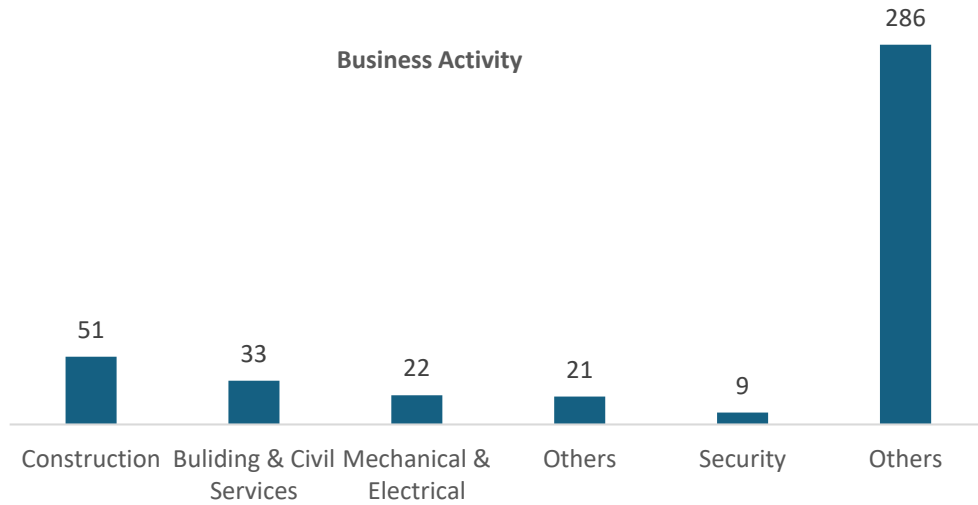


Bumiputera Owned

Aligns with government policy on equitable economic participation by ensuring meaningful inclusion of Bumiputera vendors in procurement activities

■ Non-Bumiputera ■ Bumiputera Owned

ECONOMY: VENDORS & SUPPLIERS



Vendor Performance Evaluation

Score Scale	Performance	Total Evaluation
15-25	Recommend for reappointment	1,464
10-14	Under monitoring	28
<10	Recommend for termination	4



BEST PRACTICES - ISO

- Operates based on internationally recognized standards to ensure structured and effective operations
- Certified to ISO 9001:2015 and ISO 41001:2018, supporting service quality, consistency, and continuous improvement
- These standards strengthen efficiency, compliance and governance, and provide a platform for developing a formal risk management framework



CUSTOMER SATISFACTION SURVEY



78%

78%

80%

As part of our commitment to continuous improvement and service excellence, the Customer Satisfaction Survey is conducted annually, usually in December. The survey serves as a structured mechanism to assess customer perceptions, satisfaction levels, and expectations in relation to the services delivered.

The survey primarily targets PKNS stakeholders across several regions, namely Shah Alam Central, Wilayah Tengah, Wilayah Utara, and Wilayah Selatan. Feedback gathered from these key customer groups provides valuable insights into service performance and helps identify areas for improvement.

2023

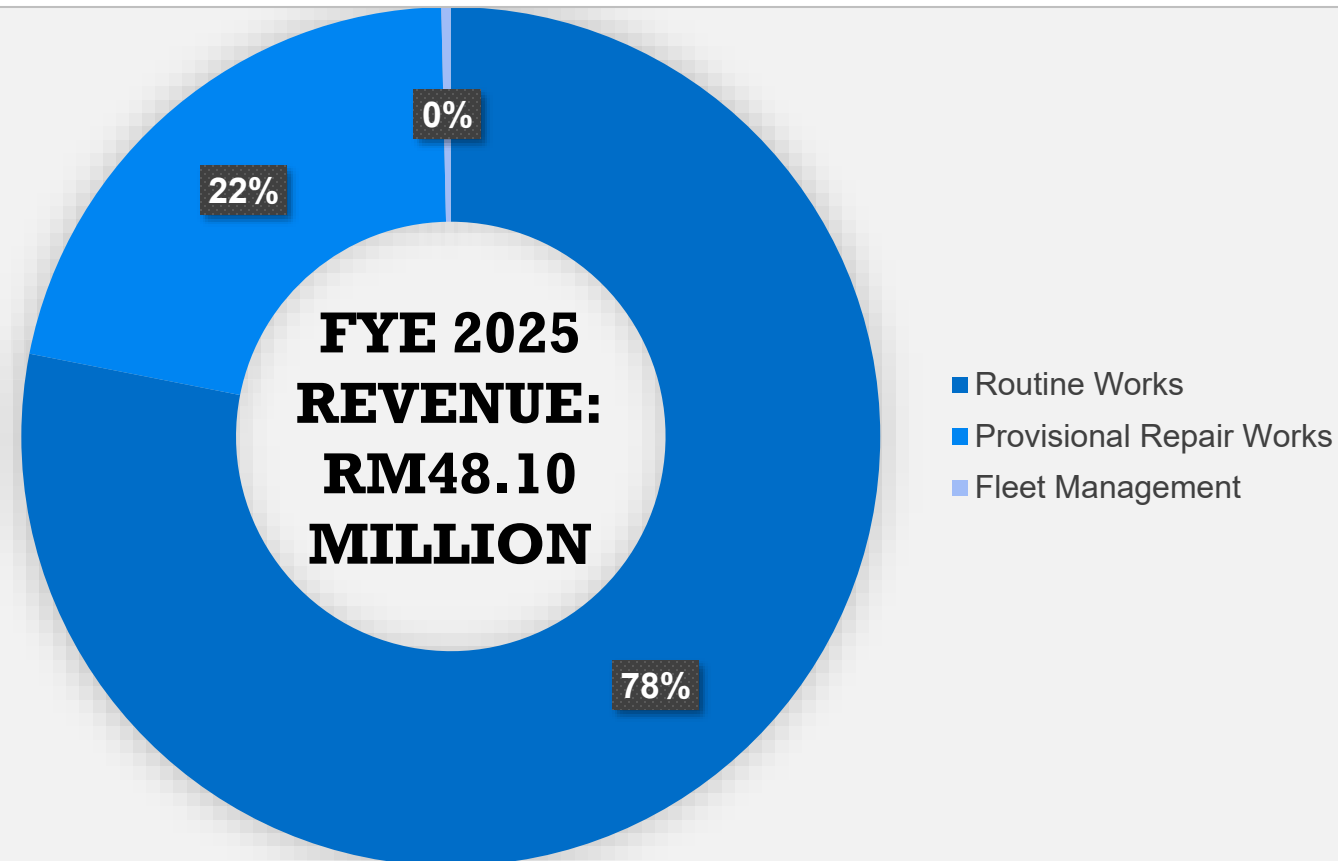
2024

2025

MANAGEMENT DISCUSSION AND ANALYSIS



FINANCIAL PERFORMANCE REVIEW

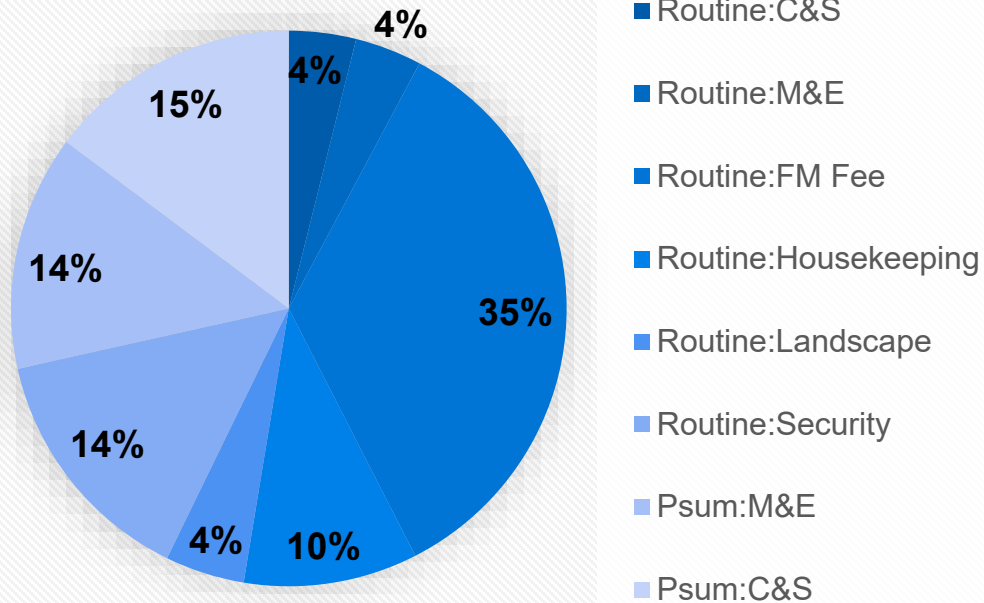


MANAGEMENT DISCUSSION AND ANALYSIS

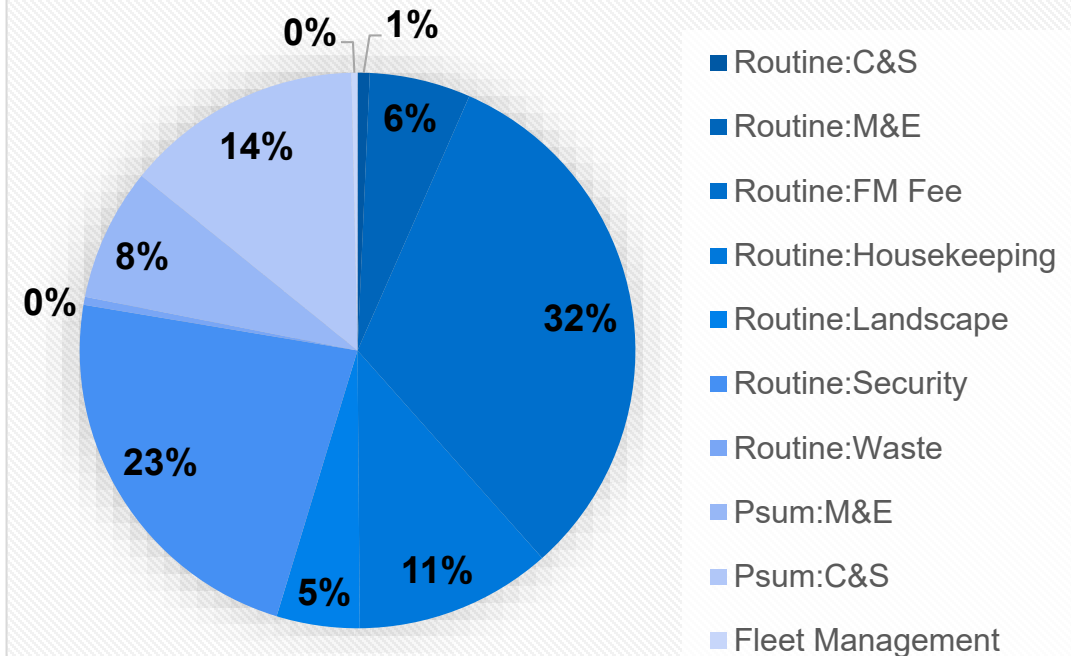


REVENUE BREAKDOWN BY SERVICES VARIANCE ANALYSIS

FYE 2024: RM31.10 MILLION



FYE 2025: RM48.10 MILLION



MANAGEMENT DISCUSSION AND ANALYSIS



FINANCIAL PERFORMANCE REVIEW

Revenue

- Revenue recorded in FYE 2025 RM48.10 million compared to FYE 2024 RM31.10 million.
- YoY Revenue: increased by **55%** driven by core services, with major contributions from maintenance routine works at Plaza Alam Sentral, Plaza Perangsang, Wisma Yakin, Menara Worldwide and Datum Jelatek. Total area FYE 2024 approximately 4.70 million, additional of 1.05 million sqft in FYE 2025 of building area, boosting recurring revenue.
- Provisional sum repair works added as a new source of income in FYE 2025.
- Fleet management: additional income with 19 vehicles leads to steady operating cash inflow.

MANAGEMENT DISCUSSION AND ANALYSIS



FINANCIAL PERFORMANCE REVIEW

Profit After tax (PAT)

- PAT increased from RM2.36 million to RM3.39 million, representing a 44% YoY growth.
- The growth was achieved despite higher administrative expenses, which rose due to staff expansion, additional Board fees, ISO certification, improvements to the Intelligent Operation Centre (IOC) and increased marketing activities, reflecting efficient operational management and strong revenue generation.

Capital Structure & Resources

- **Shareholders' Equity:** Increased by 27% YoY, from RM8.36 million to RM10.65 million, indicating solid equity growth.
- **Total Debt:** Increased by 29% YoY, from RM1.38 million to RM1.78 million, indicating higher financial obligations and increased gearing level.
- **Cash inflow:** FYE 2025 recorded higher inflows compared to FYE 2024, despite development expenditures of approximately RM4.12 million (CLQ 518 and CLQ 58371) and operational outflows, including tax and zakat.

MANAGEMENT DISCUSSION AND ANALYSIS



FINANCIAL PERFORMANCE REVIEW

Net Gearing, Net Cash per Share & Net Assets per Share

- **Net Gearing:** Net cash position was maintained on stronger FYE 2025 cash inflow, despite committed development expenditure of approximately RM4.12 million for CLQ 518 and CLQ 58371, with cash outflow pending and realisation expected in FYE 2026.
- **Net Cash per Share:** RM1.63 vs RM1.75, due to committed development expenditure of approximately RM4.12 million for CLQ 518 and CLQ 58371, with cash outflow pending and realisation expected in FYE 2026.
- **Net Asset per Share:** RM2.13 vs RM1.67, shows value per share increasing, but growth depends heavily on retained earnings. The future profit after tax slowdown could affect net assets per share.

Net Operating Cash Flow

- In FYE 2025, PFMI generated yet another positive NOCF of RM4.24 million. PFMI has been delivering positive NOCF for the past 3 years.

MANAGEMENT DISCUSSION AND ANALYSIS



ORDERBOOK FOR 10 YEARS




ESTIMATED CONTRACT SUM FOR 10 YEARS

NO.	YEAR	ESTIMATED CONTRACT SUM
		(RM million)
1	2023	26.76
2	2024	55.21
3	2025	43.07
4	2026	44.10
5	2027	46.31
6	2028	48.62
7	2029	51.05
8	2030	53.60
9	2031	56.28
10	2032	59.10
TOTAL		484.10

OVERVIEW

- ✓ Estimated total contract value: RM484.10 million (FY23-FY32)
- ✓ Revenue achieved to date: RM99.31 million
- ✓ Balance to be executed: RM384.79 million

HIGHLIGHTS

- ✓ Strong orderbook visibility 
- ✓ Balanced yearly distribution 
- ✓ Integrated Facilities Management (IFM) 

STRATEGIC OUTLOOK

- ✓ Long-term focus: ensure stable revenue
- ✓ Facilitate workforce and capital planning
- ✓ Planned projects: boost clients' confidence with proven track record
- ✓ Migration from non-comprehensive to comprehensive maintenance contract.

**This FMMA is excluded Menara PKNS Petaling Jaya, SACC Mall, Kompleks PKNS Shah Alam, Kompleks PKNS Bangi which will be concluded in Q1 2026.*

MANAGEMENT DISCUSSION AND ANALYSIS



OUTLOOK AND PROSPECTS

As we step into FYE 2026, the global business landscape continues to be pressured by subdued consumer sentiment, persistent inflationary trends and geopolitical challenges. The introduction of revised tariff measures in FYE 2025, impacting several trading nations including Malaysia, added to these challenges. The Company upholds a measured yet progressive approach, integrating disciplined risk management with strategic initiatives. While remaining mindful of the evolving landscape, PFMI maintains an optimistic outlook and continues to see opportunities that we can seize by leveraging our strong technical expertise and proven track record.

FM

- ✓ External facilities management tender participation.
- ✓ Expand to healthcare facilities management.
- ✓ Energy, efficiency, conservation performance based/ savings linked model
- ✓ Multi-activity circular economy, which converting waste into value.

CLQ

- ✓ CLQ 518 & CLQ 58371 completion in Q4 2026.
- ✓ The two sites represent an estimated annual revenue potential of RM18.20 million per annum.

Leasing

- ✓ HVAC: Chiller for Plaza Alam Sentral & Plaza Perangsang.
- ✓ Fleet: Vehicle fleet expansion to meet future demand

MANAGEMENT DISCUSSION AND ANALYSIS



OUTLOOK AND PROSPECTS

DCS

- ✓ Collaboration with TNB Engineering Corporation (TNEC)
- ✓ Provides cost-effective, energy-efficient cooling for multiple buildings
- ✓ Offers end-to-end services (design, build, finance and operations)
- ✓ Joint venture profit sharing: 70%, 30%
- ✓ Target completion: Q2 2028

Rejuvenation Selangor Lestari (RESEL)

- ✓ Managed industrial Park (MIP)
- ✓ ICI Waste

MANAGEMENT DISCUSSION AND ANALYSIS



FINANCIAL PERFORMANCE REVIEW: BALANCE SHEET HIGHLIGHTS AS AT 31 DEC 2025



TOTAL ASSETS
**RM31.49
MILLION**



TOTAL EQUITY
**RM10.65
MILLION**



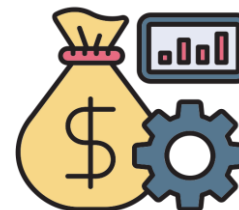
TOTAL CASH & CASH
EQUIVALENTS
**RM8.17
MILLION**



TOTAL LIABILITIES
**RM20.82
MILLION**



NET OPERATING
CASH FLOW
**RM4.24
MILLION**

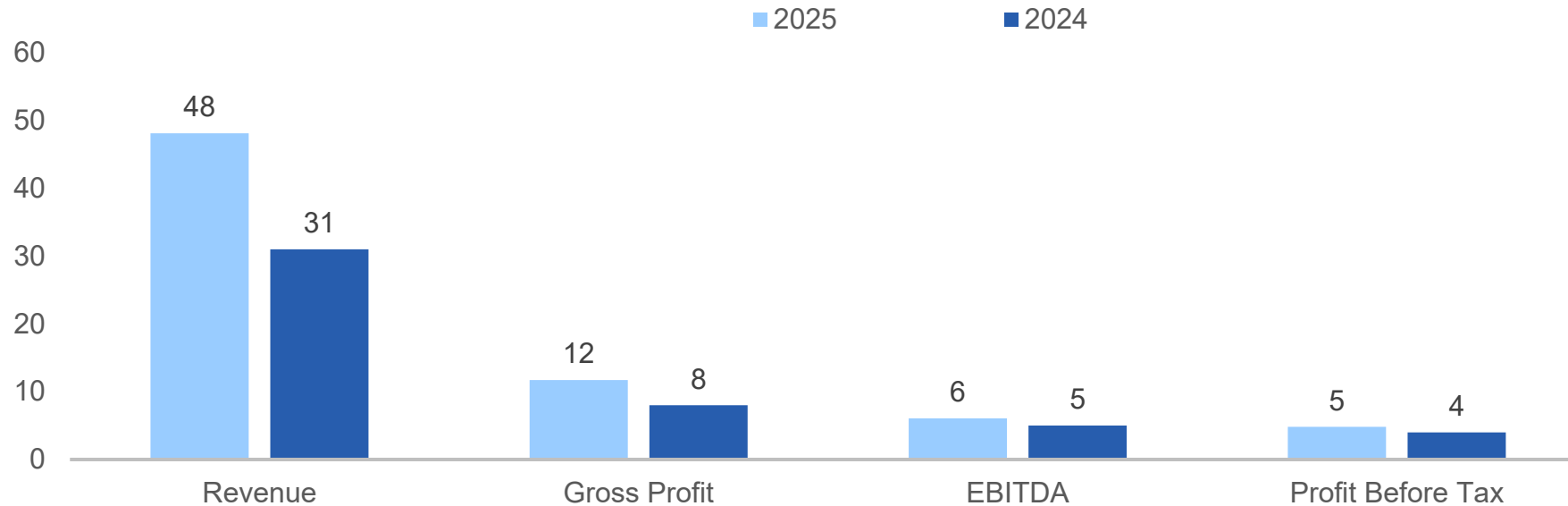


NET CASH
PER SHARE
RM1.63

FINANCIAL PERFORMANCE AS AT 31 DEC 2025



STATEMENT OF COMPREHENSIVE INCOME (RM million)



Revenue:
Act vs 2024 ▲ 17M

Gross Profit:
Act vs 2024 ▲ 4M

EBITDA:
Act vs 2024 ▲ 1M

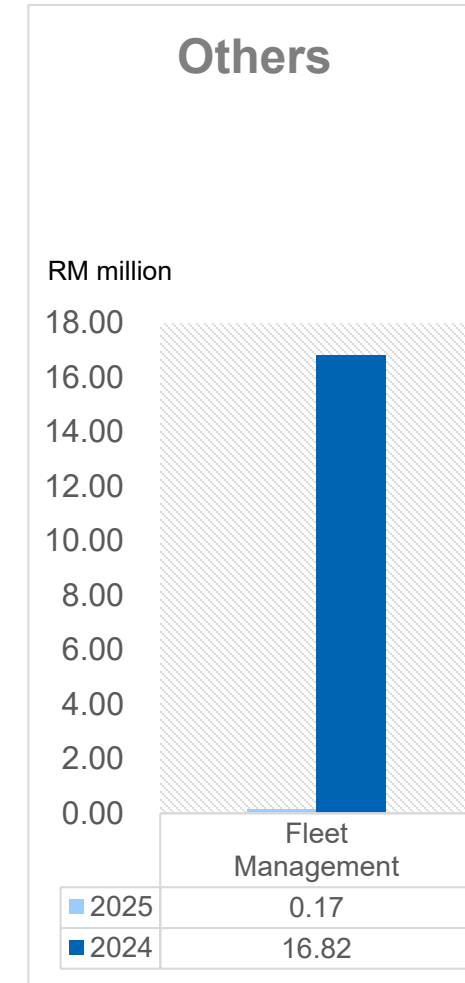
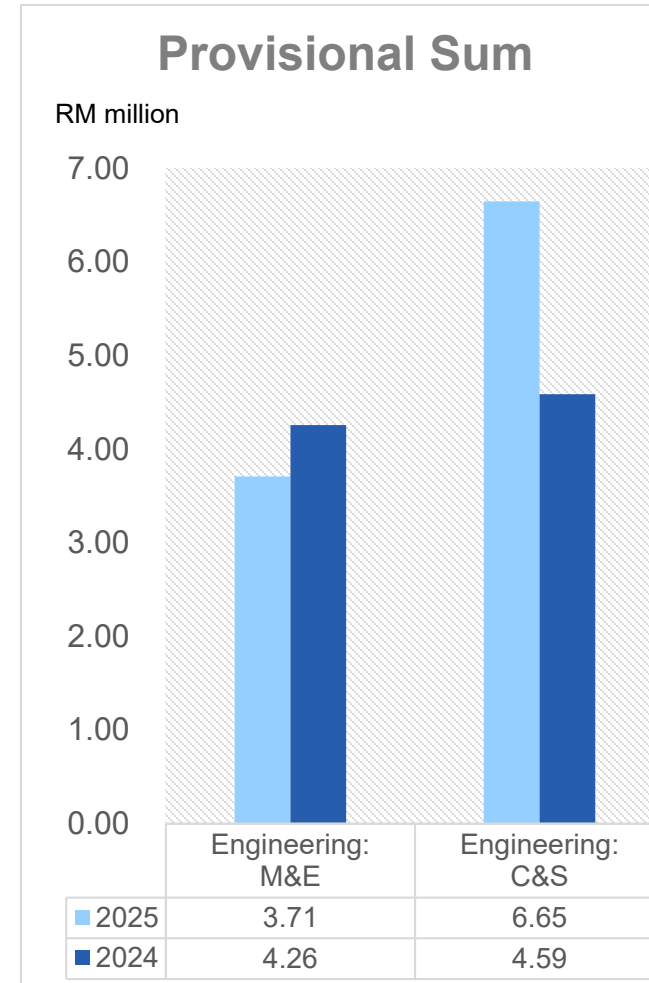
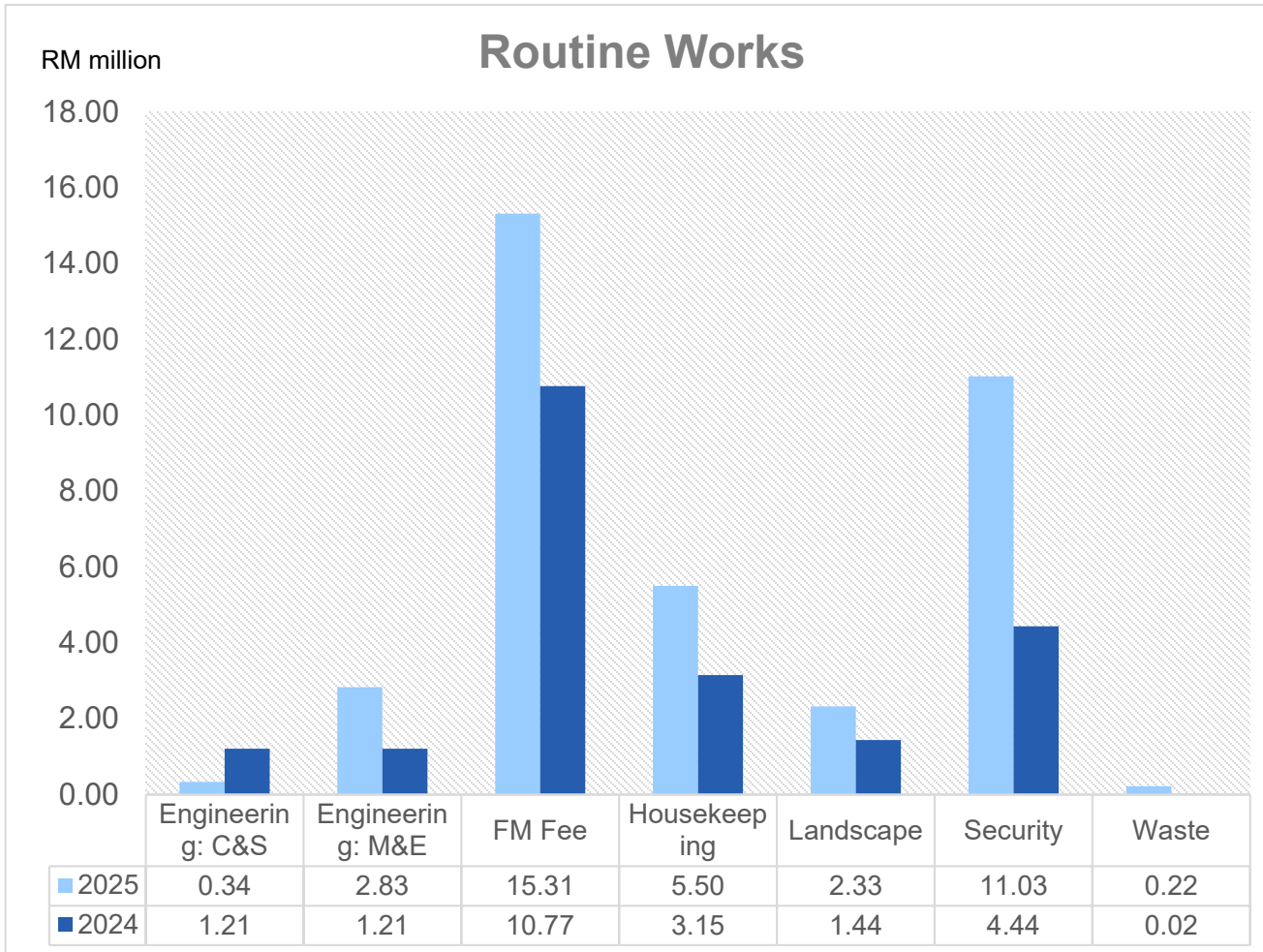
Profit Before Tax:
Act vs 2024 ▲ 1M

Staff Productivity	Benchmark					Variances	
	UEM Edgenta	AWC	GFM	Average	PFMI	RM million	%
	RM million	RM million	RM million	RM million	RM million		
Revenue/employee	0.16	1.14	0.34	0.53	0.55	0.03	6%
EBITDA/employee	-	0.07	0.111	0.102	0.08	0.01	11%
PAT/employee	-	0.73	0.07	0.03	0.04	0.01	30%
EBITDA margin	0%	10%	30%	13%	14%	0%	4%
PAT margin	-5%	6%	10%	4%	7%	4%	91%

FINANCIAL PERFORMANCE AS AT 31 DEC 2025



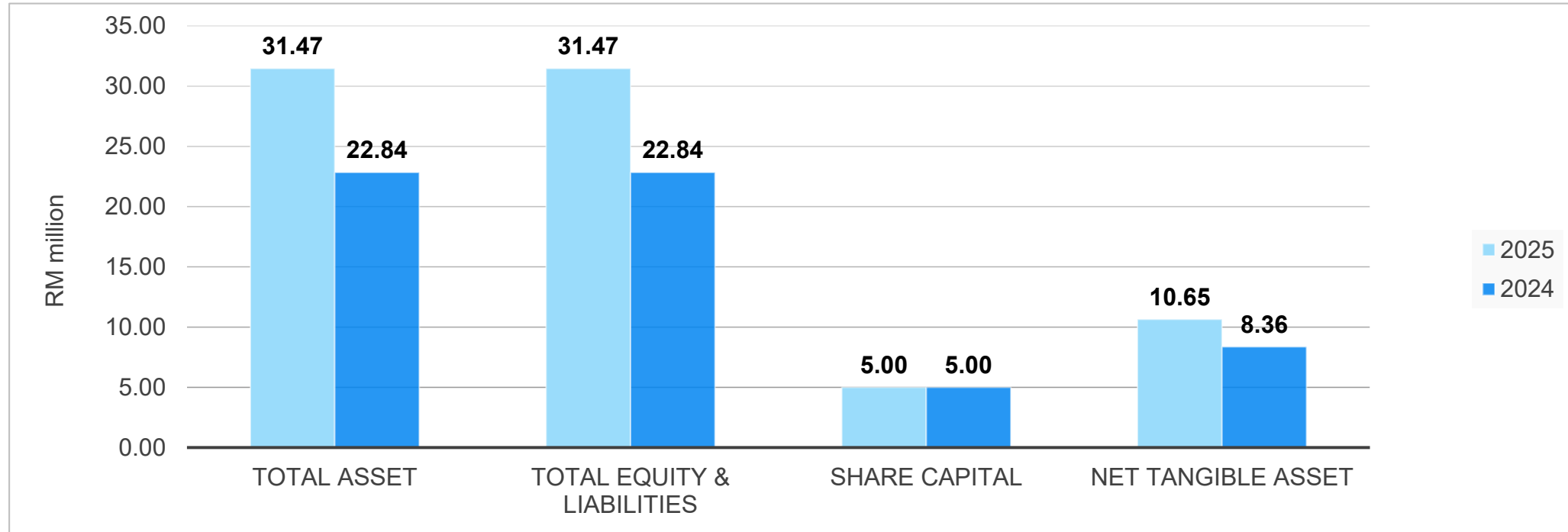
REVENUE BY SERVICES



FINANCIAL PERFORMANCE AS AT 31 DEC 2025



STATEMENT OF FINANCIAL POSITION



Earnings Per Share (sen):

FYE 2024 = 0.47

FYE 2025 = 0.68

▲ 0.21

Liquidity Position: (current ratio)

FYE 2024 = 1.48

FYE 2025 = 1.29

▼ 0.19

Capital Structure & Solvency:

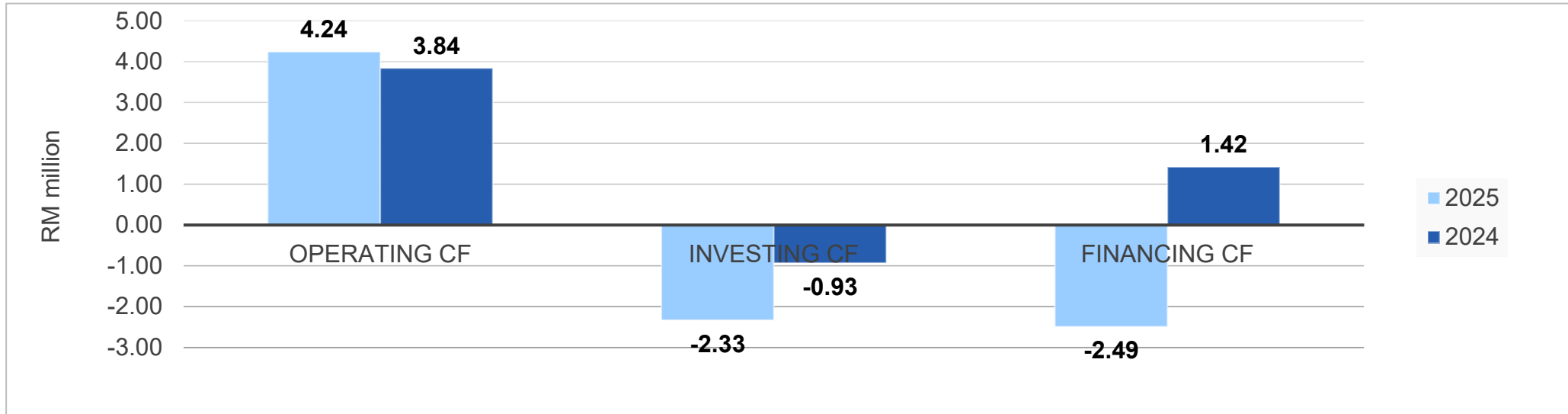
FYE 2024 = 0.17

FYE 2025 = 0.17

FINANCIAL PERFORMANCE AS AT 31 DEC 2025



CASH FLOW STATEMENT



Operating CF:

- Improved receivables & payables management

Investing CF:

- Higher CAPEX on TLQ and development (98%)

Financing CF:

- Lower share capital inflow, lease & HP Repayments

Opening Balance: 8.74m



Net Changes: -0.57m



Closing Balance: 8.17m

Last Year: 4.41m → +4.33m → 8.74m

Reports and Financial Statements For The Financial Year Ended 31 December 2025



Registration No.: 202301006581(1500772-X)

PKNS FM INTEGRATED SDN BHD
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

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Corporate Information

Directors' Report

Statement by Directors

Statutory Declaration

Independent Auditors' Report to the Members

Statement of Financial Position

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

CORPORATE INFORMATION

Board of Directors : Y. Bhg. Dato' Mahmud Bin Abbas
Dr Azlina Binti Jaapar
Mahfizul Rusyidin Bin Abdul Rashid
Y. Bhg. Dato' Norhamidi Bin Abdul Rahman
Y. Bhg. Dato' Johary Bin Anuar
Suhaimi Bin Kasdon

Company Secretary : Norkhafidzah Binti Norkhaidzir (LS0010069)

Registered Office : Unit Setiausaha Syarikat
Tingkat 5, Blok B, Bangunan Ibu Pejabat PKNS
No. 2, Jalan Indah 14/8 Seksyen 14
40000 Shah Alam, Selangor

Principal Place of Business : Level 6, Plaza Perangsong
Persiaran Perbandaran
Seksyen 14
40000 Shah Alam, Selangor.

Auditor : Afrizan Tarmili Khairul Azhar PLT
(LLP0031255-LCA) (AF 1300)
No. 2, Jalan Rampai Niaga 2
Rampai Business Park
53300 Kuala Lumpur

Principal Bankers : Bank Islam Malaysia Berhad

PKNS FM INTEGRATED SDN BHD
(Incorporated in Malaysia)

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are engaging with the business of providing facility management services. There has been no significant change in the nature of activities of the Company during the financial year.

RESULTS

	RM
Profit for the financial year	<u>3,389,161</u>

DIVIDENDS

On 6 March 2025, the Directors declared final single tier dividend total of RM600,000 in respect of the previous financial year. The dividend was paid to the shareholders on 21 April 2025. The net dividend per share was 12 sen.

On 26 December 2025, the Directors declared interim single tier dividend total of RM500,000 in respect of the current financial year. The dividend was paid to the shareholders on 29 December 2025. The net dividend per share was 10 sen.

The Directors have proposed a final single tier dividend in respect of the current financial year. The dividend is subject to the authorisation by the Directors to declare in accordance with Section 132 of the Companies Act 2016. It has not been included as a liability in the financial statements. Total dividend payable is RM1,000,000 and the net dividend per share is 20 sen.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions except as disclosed in the financial statements.

SHARES AND DEBENTURES

The Company did not issue any shares and debentures during the financial year.

SHARE OPTIONS

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

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

DIRECTORS

The Directors of the Company in office at any time during the financial year and since the end of the financial year up to the date of this report are:

Y. Bhg. Dato' Mahmud Bin Abbas
Dr Azlina Binti Jaapar
Mahfizul Rusyidin Bin Abdul Rashid
Y. Bhg. Dato' Norhamidi Bin Abdul Rahman
Y. Bhg. Dato' Johary Bin Anuar
Suhaimi Bin Kasdon

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects 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.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remunerations received or due and receivable by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company) 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.

DIRECTORS' INTERESTS

According to the register of Directors shareholdings under Section 59 of the Companies Act 2016, there are no the interests of none of the Directors in office at the end of the financial year have interest in shares of the Company or its related corporation during the financial year.

PKNS FM INTEGRATED SDN BHD
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the Directors or past Directors of the Company comprising remunerations received/receivable from the Company during the financial year, as follows:

	2025 RM
Fees	137,500
Allowance	25,000
Other benefits	<u>145,520</u>
	<u>308,020</u>

None of the Directors or past Directors of the Company have received any other benefits otherwise than in cash from the Company during the financial year.

No payment has been paid to or receivable by any third party in respect of the services provided to the Company by the Directors or past Directors of the Company during the financial year.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given to or insurance effected for, during or since the end of the financial year, any person who is or has been the director, officer or auditor of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

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

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

OTHER STATUTORY INFORMATION (CONT'D)

As at the date of this report, there does not exist:

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

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

In the opinion of the Directors:

- (a) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company for the financial year in which this report is made.

HOLDING COMPANY

The Company is a subsidiary of Perbadanan Kemajuan Negeri Selangor ("PKNS") a statutory body incorporated under the Selangor State Development Corporation Enactment 1964, as the ultimate holding Company.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	2025 RM
Statutory audit	27,000
Other services	<u>5,000</u>
	<u>32,000</u>

PKNS FM INTEGRATED SDN BHD
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

AUDITORS

The retiring auditors, Messrs. **Afrizan Tarmili Khairul Azhar PLT**, have indicated their willingness to be re-appointed.

Approved by the Board and signed on behalf of the Directors.

Y. BHG. DATO' MAHMUD BIN ABBAS
DIRECTOR

DR AZLINA BINTI JAAPAR
DIRECTOR

Kuala Lumpur, Malaysia

Date:

**STATUTORY DECLARATION
PURSUANT TO SECTION 251 (1) (B) OF THE COMPANIES ACT 2016**

I, Haji Shamsul Bahari Bin Ahmad, the Officer primarily responsible for the financial management of **PKNS FM Integrated Sdn Bhd**, do solemnly and sincerely declare that the 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.

Subscribed and solemnly declared by the)
abovenamed Haji Shamsul Bahari Bin Ahmad)
at Kuala Lumpur, Malaysia this)
)

HAJI SHAMSHUL BAHARI BIN AHMAD

Before me,

Commissioner for Oaths

Kuala Lumpur, Malaysia

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PKNS FM INTEGRATED SDN BHD**
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **PKNS FM Integrated Sdn Bhd**, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 12 to 50.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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 Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

Information Other Than the Financial Statements and Auditors' Report Thereon (Cont'd)

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

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, 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 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PKNS FM INTEGRATED SDN BHD (CONT'D)**
(Incorporated in Malaysia)

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matters

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

AFRIZAN TARMILI KHAIRUL AZHAR PLT
(LLP0031255-LCA) (AF 1300)
Chartered Accountants

IMRAN AZAM SAFAR
03323/09/2027 J
Chartered Accountant
Partner

Kuala Lumpur, Malaysia

Date:

PKNS FM INTEGRATED SDN BHD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 RM	2024 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	540,524	735,304
Rights of use asset	5	891,054	1,027,596
Finance lease receivables	6	709,722	-
Development costs	7	4,118,420	655,990
		<u>6,259,720</u>	<u>2,418,890</u>
CURRENT ASSETS			
Finance lease receivables	6	82,682	-
Trade receivables	8	8,853,189	7,703,802
Deposit and prepayment	9	404,626	360,215
Contract assets	10	7,693,727	3,609,976
Cash and cash equivalents	11	8,174,675	8,742,986
		<u>25,208,899</u>	<u>20,416,979</u>
TOTAL ASSETS		<u>31,468,619</u>	<u>22,835,869</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	12	5,000,004	5,000,004
Retained earnings		<u>5,649,397</u>	<u>3,360,236</u>
SHAREHOLDERS' EQUITY		<u>10,649,401</u>	<u>8,360,240</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	13	10,046	36,391
Hire purchase payables	14	139,532	160,613
Lease liabilities	15	<u>1,134,658</u>	<u>502,489</u>
		<u>1,284,236</u>	<u>699,493</u>

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

	Note	2025 RM	2024 RM
CURRENT LIABILITIES			
Trade payables	16	13,458,848	9,936,619
Other payables and accruals	17	2,534,228	1,588,450
Amount due to holding company	18	1,796,853	862,576
Hire purchase payables	14	21,081	20,234
Lease liabilities	15	488,706	697,470
Current tax liabilities		<u>1,235,266</u>	<u>670,787</u>
		<u>19,534,982</u>	<u>13,776,136</u>
TOTAL LIABILITIES		<u>20,819,218</u>	<u>14,475,629</u>
TOTAL EQUITY AND LIABILITIES		<u>31,468,619</u>	<u>22,835,869</u>

PKNS FM INTEGRATED SDN BHD
(Incorporated in Malaysia)

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

	Note	2025 RM	2024 RM
Revenue	19	48,102,531	31,103,656
Cost of sales		<u>(36,379,654)</u>	<u>(23,320,028)</u>
Gross profit		11,722,877	7,783,628
Other income		703,215	145,254
Administrative expenses		(5,903,617)	(3,192,550)
Other operating expenses		<u>(1,114,954)</u>	<u>(849,855)</u>
Profit from operations		5,407,521	3,886,477
Finance costs		<u>(573,033)</u>	<u>(356,439)</u>
Profit before tax	20	4,834,488	3,530,038
Income tax expense	21	<u>(1,445,327)</u>	<u>(1,171,254)</u>
Profit for the financial year		<u>3,389,161</u>	<u>2,358,784</u>

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

	Note	Share capital RM	Retained earnings RM	Total RM
As at 1 January 2024		3,002,004	1,501,452	4,503,456
Net profit for the financial year		-	2,358,784	2,358,784
Proceeds from issue of ordinary shares		1,998,000	-	1,998,000
Dividends paid	24	-	<u>(500,000)</u>	<u>(500,000)</u>
As at 31 December 2024 / 1 January 2025		5,000,004	3,360,236	8,360,240
Net profit for the financial year		-	3,389,161	3,389,161
Dividends paid	24	-	<u>(1,100,000)</u>	<u>(1,100,000)</u>
As at 31 December 2025		<u>5,000,004</u>	<u>5,649,397</u>	<u>10,649,401</u>

PKNS FM INTEGRATED SDN BHD
(Incorporated in Malaysia)**STATEMENT OF CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		4,834,488	3,530,038
Adjustments for:			
Depreciation of property, plant and equipment		281,655	185,078
Depreciation of rights-of-use asset		710,088	574,263
Interest expense		573,033	356,439
Interest income		(378,231)	-
Operating profit before working capital changes		6,021,033	4,645,818
Increase in lease receivables		(821,464)	-
Decrease in receipt from lease receivables		407,291	-
Increase/(decrease) in other payables and accruals		372,232	(9,148,919)
Increase in additional of Rights of use		-	(919,169)
Increase in trade receivables		(1,149,387)	(1,129,044)
Increase in deposit and prepayment		(44,411)	(227,979)
Decrease in other receivables		-	7,517,348
Increase in contract assets		(4,083,751)	(3,609,976)
Increase in accruals		-	108,358
Increase in trade payables		3,522,229	8,396,783
Increase/(decrease) in amount due to holding company		934,277	(832,618)
Cash from operations		5,158,049	4,800,602
Interest paid		(7,054)	(7,870)
Tax paid		(907,193)	(956,781)
Net cash from operating activities		4,243,802	3,835,951
CASH FLOWS FROM INVESTING ACTIVITIES			
Additional of lease liabilities		1,222,503	-
Payment of development expenditure		(3,462,430)	(369,990)
Purchase of property, plant and equipment		(86,875)	(557,362)
Net cash used in investing activities		(2,326,802)	(927,352)

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

	Note	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,100,000)	(500,000)
Proceeds from issue of ordinary shares		-	1,998,000
Repayment of hire purchase		(20,234)	(19,419)
Repayment of lease liability		(1,365,077)	(54,179)
Net cash (used in)/from financing activities		(2,485,311)	1,424,402
Net (decrease)/increase in cash and cash equivalents		(568,311)	4,333,001
Cash and cash equivalents at beginning of the financial year		8,742,986	4,409,985
Cash and cash equivalents at end of the financial year	11	8,174,675	8,742,986

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

PKNS FM INTEGRATED SDN BHD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

1. GENERAL INFORMATION

The Company is a private limited Company incorporated and domiciled in Malaysia.

The registered office is located at A-6-1/1, Block A, Megan Avenue 1, 189 Jalan Tun Razak, 50400 Kuala Lumpur.

The principal place of business is located at Level 6, Plaza Perangsang, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.

The principal activities of the Company are to carry on business of providing facility management services. There has been no significant change in the nature of activities of the Company during the financial year.

The Company is a subsidiary of Perbadanan Kemajuan Negeri Selangor (PKNS), a statutory body incorporated under the Selangor State Development Corporation Enactment 1964, as the holding company.

The financial statements of the Company are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Ringgit Malaysia as the sales and purchases are mainly denominated in Ringgit Malaysia and receipts from operations are usually retained in Ringgit Malaysia and funds from financing activities are generated in Ringgit Malaysia.

2. MATERIAL ACCOUNTING POLICIES

2.1. Basis of Preparation

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

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities. The principal accounting policies adopted are set out below.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.2. Adoption of New and Revised Standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2025 as follows:

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

The adoption of these new and revised standards did not have any material financial impact on the Company.

2.3. Standards Issued but Not Yet Effective

The Company has not adopted the following standards, IC interpretations and amendments of the MFRSs that have been issued but not yet effected as follows:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

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

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 10 Consolidated Financial Statements

Amendments to MFRS 107 Statement of Cash Flows

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

Amendments to MFRS 18 Presentation and Disclosure in Financial Statements

Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures

PKNS FM INTEGRATED SDN BHD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.3. Standards Issued but Not Yet Effective (Cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed.

Amendments to MFRS 10 Consolidated Financial Statements

Amendments to MFRS 128 Investments in Associates and Joint Ventures
– Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

In the opinion of the Directors, these MFRS do not have material impact on the financial statements in future periods.

2.4. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land and buildings.

Depreciation is provided on a straight-line method so as to write off the cost or valuation of the assets over their estimated useful lives, as follows:

	Rate
Motor vehicle	20%
Computer and software	33%
Machinery and equipment	33%
Office equipment	33%
Renovation	33%

Depreciation of an asset begins when it is ready for its intended use.

The residual values and the useful lives of assets, if significant, are reviewed at each reporting date.

The gain or loss arising from the derecognition of an asset, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, are recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.5. Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amounts of the assets are estimated. Irrespective of whether there is any indication of impairment, the Company tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and 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.

If the recoverable amount of an asset (or a cash-generating unit) is less than its carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of goodwill allocated to the cash-generating unit, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

An impairment loss is recognised immediately in profit or loss, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

An impairment loss recognised in prior periods for an asset, other than goodwill, is reversed if there has been a change in the estimate used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognised, and is recognised immediately in profit or loss, unless it reverses a previous revaluation, in which case it is treated as a revaluation increase.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

2.6.1. Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured 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 subsequently measured 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 subsequently measured at fair value through profit or loss ('FVTPL').

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6. Financial Assets (Cont'd)

2.6.2. Amortised Cost and Effective Interest Method

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. 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 instruments 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. 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.

For purchased or originated credit-impaired financial assets, the Company 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.

Interest income is recognised in profit or loss and is included in the 'investment income' line item.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6. Financial Assets (Cont'd)

2.6.3. Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6. Financial Assets (Cont'd)

2.6.4. Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

2.6.5. Financial Assets at Fair Value through Profit or Loss ('FVTPL')

This category comprises only in-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

2.6.6. Impairment of Financial Assets

The Company recognises an allowance for expected credit losses ('ECL') on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, lease receivables, amounts due from customers under construction contracts, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6. Financial Assets (Cont'd)

2.6.6. Impairment of Financial Assets (Cont'd)

The Company always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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, 12 months 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.

2.6.7. Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.7. Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash with an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

2.8. Provisions

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised based on a reliable estimate of the amount of the obligation.

2.9. Leases

2.9.1. As A Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use 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 the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9. Leases (Cont'd)

2.9.1. As A Lessee (Cont'd)

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, including in substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of use asset and liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9. Leases (Cont'd)

2.9.2. As A Lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies MFRS 15 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

2.10. Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10. Financial Liabilities (Cont'd)

2.10.1. Financial Liabilities at FVTPL

This category comprises only out-of-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Company does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Company does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

2.10.2. Other Financial Liabilities

The Company's other financial liabilities include trade payables, other payables, and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Gain and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2.10.3. Derecognition of Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11. Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The revenue recognition policies for each of the Company's major activities are described below:

2.11.1. Facilities management services

The Company provides various facilities management including civil and structure service, mechanical and engineering, fleet management, landscaping, housekeeping and security to commercial customers. These services are provided on a time and material basis or as a fixed price contract, with contract terms generally ranging from one (1) year to three (3) years.

Revenue from these services is recognised over time and at point in time in the period the services are rendered.

2.11.2. Management fee

Management fee for services provided to entities withing the Company are recognises at point in time as services are rendered.

2.12. Employment Benefits

2.12.1. Short-Term Employment Benefits

Short-term employment benefits, such as wages, salaries and social security contributions, are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company.

Short-term accumulating compensated absences, such as paid annual leave, are recognised when the employees render services that increase their entitlement to future compensated absences. Non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12. Employment Benefits (Cont'd)

2.12.1. Short-Term Employment Benefits (Cont'd)

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

Profit-sharing and bonus plans are recognised when the Company has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when, and only when the Company has no realistic alternative but to make the payments.

2.12.2. Defined Contribution Plan

Contributions to the statutory pension scheme are recognised as an expense in profit or loss in the financial year to which they relate.

2.13. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset when the expenditures for the asset and borrowing costs are being incurred, and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended during any extended periods in which active development is interrupted and ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in profit or loss in the financial year in which they are incurred.

2.14. Income Tax

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are charged or credited to other comprehensive income or equity if the tax relates to items that are credited or charged directly to other comprehensive income or equity.

Current tax liabilities are measured based on the amounts expected to be paid, using the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences which are the differences between the carrying amount in the financial statements and the corresponding tax base of an asset or liability at the reporting date.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14. Income Tax (Cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax liabilities and assets are not recognised if the temporary differences arise from goodwill and for initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit. Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amounts of its assets and liabilities and are measured using the tax rates that have been enacted or substantially enacted by the reporting date.

The carrying amount of the deferred tax assets are reviewed at each reporting date, and the carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised. The reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1. Critical Judgements in Applying the Accounting Policies

The judgements, apart from those involving estimations described below, that management has made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements, other than those disclosed in the Notes, are as follows:

3.1.1. Judgements in Determining the Timing of Satisfaction of Performance Obligations

The Company applies judgment to determine if facility management services, such as cleaning, maintenance, and security, are distinct or part of a bundled obligation. It assesses whether obligations are satisfied over time or at a point in time, evaluates contract modifications, and determines if it acts as a principal or agent to ensure accurate revenue recognition.

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3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

3.2. Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, other than those disclosed in notes to the financial statements, are as follows:

3.2.1. Current Tax Liabilities

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amount that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

3.2.2. Deferred Tax Assets and Liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in future years in which tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting year. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting year, changes in business strategy, future operating performance and other factors could potentially impact on the actual amount and the estimated amount would be recognised in the profit or loss in the year in which actual realisation and settlement occurs.

4. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles RM	Computer and software RM	Machinery and equipment RM	Office equipment RM	Renovation RM	Total RM
Cost						
As at 1 January 2024	309,511	32,841	32,773	-	-	375,125
Additions		69,059	371,335	116,968	-	557,362
As at 31 December 2024 / As at 1 January 2025	309,511	101,900	404,108	116,968	-	932,487
Additions	-	8,529	38,673	27,673	12,000	86,875
As at 31 December 2025	309,511	110,429	442,781	144,641	12,000	1,019,362
Accumulated depreciation						
As at 1 January 2024	10,284	-	1,821	-	-	12,105
Charge during the year	61,936	24,499	83,652	14,991	-	185,078
As at 31 December 2024 / As at 1 January 2025	72,220	24,499	85,473	14,991	-	197,183
Charge during the year	61,902	35,853	139,903	43,664	333	281,655
As at 31 December 2025	134,122	60,352	225,376	58,655	333	478,838
Net book value						
As at 31 December 2024	237,291	77,401	318,635	101,977	-	735,304
As at 31 December 2025	175,389	50,077	217,405	85,986	11,667	540,524

The net book value of the property, plant and equipment under hire purchase at the end of financial year were RM175,389 (2024: RM237,291)

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5. RIGHT OF USE ASSET

	Office buildings RM	Computer RM	Land RM	Total RM
Cost				
As at 1 January 2024	945,260	-	-	945,260
Additions	-	499,457	419,712	919,169
As at 31 December 2024 / As at 1 January 2025	945,260	499,457	419,712	1,864,429
Additions	-	-	573,546	573,546
As at 31 December 2025	945,260	499,457	993,258	2,437,975
Accumulated depreciation				
As at 1 January 2024	262,570	-	-	262,570
Charge during the year	315,087	235,858	23,318	574,263
As at 31 December 2024 / As at 1 January 2025	577,657	235,858	23,318	836,833
Charge during the year	315,086	166,488	228,514	710,088
As at 31 December 2025	892,743	402,346	251,832	1,546,921
Net book value				
As at 31 December 2024	367,603	263,599	396,394	1,027,596
As at 31 December 2025	52,517	97,111	741,426	891,054

6. FINANCE LEASE RECEIVABLES

	2025 RM	2024 RM
At the beginning of financial year		
Addition	821,464	-
Interest income	378,231	-
Payment made during the year	(1,117,013)	-
At the end of financial year	82,682	-

The maturity analysis of finance leases receivables of the Company at the end of the reporting year:

	2025 RM	2024 RM
Minimum lease receive		
- Not later than 1 year	597,176	-
- Later than 1 year but not later than 5 years	1,688,533	-
	2,285,709	-
Future interest income	(1,493,305)	-
Present value of finance lease receivables	792,404	-
Present value of finance lease receivables is analysed as follows:		
- Not later than 1 year	82,683	-
- Later than 1 year but not later than 5 years	709,775	-
	82,682	-

7. DEVELOPMENT COST

	2025 RM	2024 RM
At the beginning of financial year	655,990	286,000
Addition	3,462,430	369,990
At the end of financial year	4,118,420	655,990

The development costs include expenditures related to the development of land into Centralized Labour Quarters (CLQ) and Temporary Labour Quarters (TLQ), encompassing expenses for surveying and soil testing. Additionally, the costs cover the development of the Computerized Maintenance Management System (CMMS) project, as well as the Intelligent Operations Centre (IOC), where data will be migrated to support the integration with the Metaverse platform.

8. TRADE RECEIVABLES

The normal trade credit terms granted to the customers ranges from 30 to 90 days.

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9. DEPOSITS AND PREPAYMENTS

	2025 RM	2024 RM
Deposits	320,048	275,269
Prepayments	<u>84,578</u>	<u>84,946</u>
	<u>404,626</u>	<u>360,215</u>

10. CONTRACT ASSET

	2025 RM	2024 RM
Contract assets	<u>7,693,727</u>	<u>3,609,976</u>

Contract assets are initially recognised for revenue earned from performing facilities management to commercial customer. Upon completion of services to the customers, the amounts recognised as contract assets are reclassified to trade receivables.

11. CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Cash in hand	4,300	2,300
Cash at bank	5,054,608	5,740,686
Other investment	<u>3,115,767</u>	<u>3,000,000</u>
	<u>8,174,675</u>	<u>8,742,986</u>

	2025 RM	2024 RM
Movement of other investment:		
At the beginning of financial year	3,000,000	-
Addition	<u>115,767</u>	<u>3,000,000</u>
At the end of financial year	<u>3,115,767</u>	<u>3,000,000</u>

The Company invested RM3,000,000 in unit trust funds managed by TA Investment Management Berhad, comprising 1,949,801.53 units in Amanahraya Syariah Trust Fund at RM1.0709 (2024: RM1.0666) per unit and 989,815.15 units in Opus Syariah Cash Extra Fund at RM1.0383 (2024: RM1.0382) per unit.

12. SHARE CAPITAL

	Number of shares		2025 RM	2024 RM
	2025 Units	2024 Units		
Issued and fully paid ordinary shares				
At the beginning of financial year	5,000,004	3,002,004	5,000,004	3,002,004
Issued during the financial year	-	1,998,000	-	1,998,000
At the end of financial year	<u>5,000,004</u>	<u>5,000,004</u>	<u>5,000,004</u>	<u>5,000,004</u>

13. DEFERRED TAX LIABILITIES

	Property, plant and equipment RM	Total RM
Deferred Tax Liabilities		
As at 1 January 2024	19,816	19,816
Over provision of deferred tax in prior year (Note 18)	(2,317)	(2,317)
Charge to profit or loss (Note 18)	<u>18,892</u>	<u>18,892</u>
As at 31 December 2024 / As at 1 January 2025	36,391	36,391
Under provision of deferred tax in prior year (Note 18)	<u>2,438</u>	<u>2,438</u>
Charge to profit or loss (Note 18)	<u>(28,783)</u>	<u>(28,783)</u>
As at 31 December 2025	<u>10,046</u>	<u>10,046</u>

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

14. HIRE PURCHASE PAYABLES

	2025 RM	2024 RM
Minimum lease payments		
- Not later than 1 year	27,288	27,288
- Later than 1 year but not later than 5 years	109,152	109,152
- Later than 5 years	47,752	75,040
	<u>184,192</u>	211,480
Future finance charges	(23,579)	(30,633)
Present value of finance lease	<u>160,613</u>	180,847
Present value of finance lease is analysed as follows:		
- Not later than 1 year	21,081	20,234
- Later than 1 year but not later than 5 years	93,532	89,773
- Later than 5 years	46,000	70,840
	<u>160,613</u>	180,847

15. LEASE LIABILITIES

	2025 RM	2024 RM
At the beginning of financial year	1,199,959	797,211
Addition	1,222,503	919,169
Interest expense	565,979	348,569
Payment made during the year	(1,365,077)	(864,990)
At the end of financial year	<u>1,623,364</u>	1,199,959

15. LEASE LIABILITIES (CONT'D)

The maturity analysis of lease liabilities of the Company at the end of the reporting year:

	2025 RM	2024 RM
Minimum lease payments		
- Not later than 1 year	997,906	933,840
- Later than 1 year but not later than 5 years	1,705,048	596,797
- Later than 5 years	462,000	-
	<u>3,164,954</u>	1,530,637
Future finance charges	(1,541,590)	(330,678)
Present value of finance lease	<u>1,623,364</u>	1,199,959

Present value of lease liabilities is analysed as follows:

- Not later than 1 year	488,706	697,470
- Later than 1 year but not later than 5 years	828,561	502,489
- Later than 5 years	306,097	-
	<u>1,623,364</u>	1,199,959

16. TRADE PAYABLES

The normal trade credit term granted to the Company ranges from 30 days to 90 days.

17. OTHER PAYABLES AND ACCRUALS

	2025 RM	2024 RM
Other payables	10,101	-
Accruals	2,524,127	1,588,450
	<u>2,534,228</u>	1,588,450

18. AMOUNT DUE TO HOLDING COMPANY

This amount is unsecured, interest-free and repayable on demand.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

19. REVENUE

	2025 RM	2024 RM
Revenue from contracts with customers		
Facilities management services	48,102,531	20,332,110
Management fee	-	10,771,546
	<u>48,102,531</u>	<u>31,103,656</u>
Timing of revenue recognition		
At a point in time	46,465,584	29,469,236
Over time	1,636,947	1,634,420
	<u>48,102,531</u>	<u>31,103,656</u>

Disaggregation of revenue

	2025 RM	2024 RM
Type of facilities management:		
- Civil and structure service	6,006,820	7,031,074
- Mechanical and engineering service	22,843,553	2,585,718
- Fleet management	172,507	16,818
- Landscaping	2,326,095	1,708,021
- Housekeeping	5,346,471	3,434,316
- Security	11,183,194	5,556,163
- Waste	223,891	-
Management fee:		
Management fee	-	10,771,546
	<u>48,102,531</u>	<u>31,103,656</u>

19. REVENUE (CONT'D)

Transaction price allocated to the remaining performance obligations

	2025 RM	2024 RM
Within one year	1,606,633	1,578,845
More than one year	-	1,606,633
	<u>1,606,633</u>	<u>3,185,478</u>

As at 31 December 2025, the amount allocated to the cleaning and security services is RM 1,636,947 (2024: RM1,634,420). This will be recognised as revenue as cleaning and security services, which is expected to occur in the next 1 year.

The Company applies the practical expedient in paragraph 121 of MFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

20. PROFIT BEFORE TAX

20.1. Disclosure Items

	2025 RM	2024 RM
This is stated after charging/(crediting):		
Auditors' remuneration	32,000	22,000
Depreciation of property, plant and equipment	281,655	185,078
Depreciation of right-of-use asset	710,088	574,263
Interest in hire purchase	7,054	7,870
Interest in lease liabilities	565,979	348,569
Interest income	<u>(278,334)</u>	<u>(85,604)</u>

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****20. PROFIT BEFORE TAX (CONT'D)****20.2. Employees Benefits Expenses**

	2025 RM	2024 RM
Salaries, bonuses and allowances	2,644,872	1,913,530
Contribution to defined contribution plan	252,463	212,375
Other employees' benefits	695,555	381,151
	<u>3,592,890</u>	<u>2,507,056</u>

Employees benefit expenses including the following remunerations paid to the key management personnel of the Company:

	2025 RM	2024 RM
Fees	137,500	132,000
Allowances	25,000	18,500
Other benefits	145,520	20,082
	<u>308,020</u>	<u>170,582</u>

21. INCOME TAX EXPENSE

	2025 RM	2024 RM
Current tax expense:		
Current financial year	1,693,592	1,063,661
(Over)/Under provision in prior financial year	(221,920)	91,018
	<u>1,471,672</u>	<u>1,154,679</u>
Deferred tax expense (Note 12):		
Temporary differences	(28,783)	18,892
Under/(Over) provision in prior financial year	2,438	(2,317)
	<u>(26,345)</u>	<u>16,575</u>
Total income tax expense	<u>1,445,327</u>	<u>1,171,254</u>

21. INCOME TAX EXPENSE (CONT'D)

The income tax expense is reconciled to the accounting profit at the applicable tax rate as follows:

	2025 RM	2024 RM
Profit before tax	<u>4,834,488</u>	<u>3,530,038</u>
Tax at Malaysian statutory tax rate at 24% (2024: 24%)	1,160,277	847,209
Tax effects of:		
Non-deductible expenses	504,532	235,344
Under provision in prior financial years	(219,482)	88,701
Total income tax expense	<u>1,445,327</u>	<u>1,171,254</u>

22. RELATED PARTY DISCLOSURE**22.1. Identify of Related Parties**

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational 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 of the Company include:

- (i) Holding Company; and
- (ii) Key management personnel of the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

22.2. Significant Related Party Transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	2025 RM	2024 RM
Rendering services		
Holding Company	<u>42,794,240</u>	<u>31,103,656</u>
Trade receivables		
Holding Company	<u>6,510,317</u>	<u>7,567,389</u>
Contract asset		
Holding Company	<u>7,693,727</u>	<u>3,609,976</u>

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23. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets and financial liabilities are measured on an on-going basis either at fair value or at amortised cost. The principal accounting policies in Note 2.6 and Note 2.10 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:

	At 'fair value through profit or loss' RM	At amortised cost RM	Total RM
2025			
Financial assets			
Trade receivables	-	8,853,189	8,853,189
Deposits	-	320,048	320,048
Contract assets	-	7,693,727	7,693,727
Cash and cash equivalents	3,115,767	5,058,908	8,174,675
Financial liabilities			
Trade payables	-	13,458,848	13,458,848
Amount due to holding company	-	1,796,853	1,796,853
Hire purchase creditors	-	160,613	160,613
Lease liabilities	-	1,623,364	1,623,364
2024			
Financial assets			
Trade receivables	-	7,703,802	7,703,802
Deposits	-	275,269	275,269
Cash and cash equivalents	3,000,000	5,742,986	8,742,986
Financial liabilities			
Trade payables	-	9,936,619	9,936,619
Amount due to holding company	-	862,576	862,576
Hire purchase creditors	-	180,847	180,847
Lease liabilities	-	1,199,959	1,199,959

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**NOTES TO THE FINANCIAL STATEMENTS
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23. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies

The financial risk management is integral to the development of the Company's business. The Company has in place the financial risk management policies to manage its exposure to a variety of risks to an acceptable level. The Company's principal financial risk management policies are as follows:

Credit risk

Cash and bank balances are placed with reputable financial institutions based on rating agencies' ratings. The Company placed funds in respect of other financial assets by reference to the investment evaluation procedures to ensure that the credit risk is kept at minimum level.

Therefore, credit risk arises mainly from the inability of its customers to make payments when due. Trade receivables presented in the statement of financial position are net of allowances for impairment losses, estimated by management based on prior experience and the current economic environment.

The carrying amounts of the financial assets recorded on the statement of financial position at the reporting date represent the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk other than those disclosed in the notes.

The Company does not hold any collateral and thus, the credit exposure is continuously monitored by the Directors.

Liquidity risk

The Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Company monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

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23. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The weighted average effective interest rates of these non-derivative financial liabilities are disclosed in the respective notes.

	Carrying amount	Contractual cash flows		
		On demand or within 1 year	1 to 5 years	More than 5 years
	RM	RM	RM	RM
2025				
Trade payables	13,458,848	13,458,848	-	-
Amount due to holding company	1,796,853	1,796,853	-	-
Hire-purchase creditors	160,613	21,081	93,532	46,000
Lease liabilities	<u>1,623,364</u>	<u>488,706</u>	<u>828,561</u>	<u>306,097</u>
	17,039,678	15,765,488	922,093	352,097
2024				
Trade payables	9,936,619	9,936,619	-	-
Amount due to holding company	862,576	862,576	-	-
Hire-purchase creditors	180,847	20,234	89,773	70,840
Lease liabilities	<u>1,199,959</u>	<u>697,470</u>	<u>502,489</u>	<u>-</u>
	12,180,001	11,516,899	592,262	70,840

23. FINANCIAL INSTRUMENTS (CONT'D)

Recognised fair value measurements

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

	Level 1 RM	Total RM
2025		
Financial assets:		
Other investment	<u>3,115,767</u>	<u>3,115,767</u>
2024		
Financial assets:		
Other investment	<u>3,000,000</u>	<u>3,000,000</u>

Fair values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	2025		2024	
	Carrying amounts RM	Fair values RM	Carrying amounts RM	Fair values RM
Financial assets:				
Other investments	<u>3,115,767</u>	<u>3,115,767</u>	<u>3,000,000</u>	<u>3,000,000</u>

Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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24. DIVIDENDS

On 6 March 2025, the Directors declared final single tier dividend total of RM600,000 in respect of the previous financial year. The dividend was paid to the shareholders on 21 April 2025. The net dividend per share was 12 sen.

On 26 December 2025, the Directors declared Interim single tier dividend total of RM500,000 in respect of the previous financial year. The dividend was paid to the shareholders on 29 December 2025. The net dividend per share was 10 sen.

The Directors have proposed a final single tier dividend in respect of the current financial year. The dividend is subject to the authorisation by the Directors to declare in accordance with Section 132 of the Companies Act 2016. It has not been included as a liability in the financial statements. Total dividend payable is RM1,000,000 and the net dividend per share is 20 sen.

25. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the Board of Directors on in accordance with a resolution of the Board of Directors on the date of these financial statements.



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