



**DUNHAM-BUSH HOLDING BHD.**

Registration No.: 198401016800 (129358-X)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES**

REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED

31 DECEMBER 2025

(In Ringgit Malaysia)

**DUNHAM-BUSH**

Products that perform...By people who care

**DUNHAM-BUSH HOLDING BHD.**

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**DUNHAM-BUSH HOLDING BHD.**

Registration No.: 198401016800 (129358-X)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****Directors' report**

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

**Principal activities**

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

**Results**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit for the financial year	181,236	114,833
Attributable to:		
Owners of the Company	147,093	114,833
Non-controlling interests	34,143	-
	<u>181,236</u>	<u>114,833</u>

**Reserves and provisions**

There were no material transfers to or from reserves and provisions during the financial year.

**Dividends**

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any final dividend for the financial year ended 31 December 2025.

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**AND ITS SUBSIDIARIES****Directors**

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Li ZengQun\*

Zhao BaoGuo

Jiao YuXue\*

Zhou Lei\*

Yu BaoShuang\*

Er Chin Peng\*

Wu LiLi\*

(Appointed w.e.f. on 24 April 2026)

Wang Qiang\*

(Resigned on w.e.f. 24 April 2026)

The Directors who held office in the subsidiary companies (excluding Director who is also Director of the Company) since the beginning of the financial year until the date of this report are:

Chu Huu Viet

Dipankar Bhattacharya

Mocke Brett Cyril

Ong Kah Ping

\* Director of the Company and of its subsidiary companies.

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

**Directors' interests in shares**

None of the Directors in office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations during the financial year, according to the register required to be kept under Section 59 of the Companies Act, 2016 in Malaysia.

**Directors' benefits**

Since the end of the previous financial year (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in Note 6 (b) and 27 (ii) to the financial statements), no Director of the Company has received nor become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for those disclosed in Note 27 to the financial statements.

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**AND ITS SUBSIDIARIES****Directors' benefits (contd.)**

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

**Directors' remuneration**

Directors' remuneration of the Group is amounting to RM5,202,000 as disclosed in Note 6 (b) in the financial statements.

None of the Directors received fees from the Company during the financial year.

**Indemnity and insurance for Directors, officers and auditors**

There was no indemnity given to or insurance effected for any Director, officer or auditor of the Group and the Company during the financial year.

**Issue of shares and debentures**

There were no changes in the share capital of the Company during the financial year.

There were no debentures issued during the financial year.

**Options granted over unissued shares**

No options were 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 of the end of the financial year, there were no unissued shares of the Company under options.

**Other statutory information**

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

- (i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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**AND ITS SUBSIDIARIES****Other statutory information (contd.)**

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

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

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

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

No contingent liability or other liability of the Group and of the Company have 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 affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

**Holding companies**

The immediate and ultimate holding companies of the Company are Yantai Moon Group (Hong Kong) Limited "YMHK" and Moon Environment Technology Co., Ltd. "MET" respectively. YMHK is incorporated in Hong Kong Special Administrative Region of the People's Republic of China, and MET is incorporated in the People's Republic of China and listed on the Shenzhen Stock Exchange.

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**AND ITS SUBSIDIARIES**

**Auditors**

The auditors, Messrs YYC & CO PLT, have indicated their willingness to accept re-appointment.

The remuneration of the auditors of the Group and of the Company for the financial year ended 31 December 2025 amounted to RM432,012 and RM46,000 respectively.

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



LI ZENGQUN



YU BAOSHUANG

Kuala Lumpur

15 May 2026

**DUNHAM-BUSH HOLDING BHD.**

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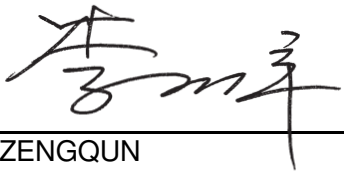
(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES**

**STATEMENT BY DIRECTORS PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT, 2016 IN MALAYSIA**

In the opinion of the Directors, the accompanying financial statements as set out on pages 11 to 94 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the financial year ended on that date.

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



LI ZENGQUN



YU BAOSHUANG

Kuala Lumpur

15 May 2026

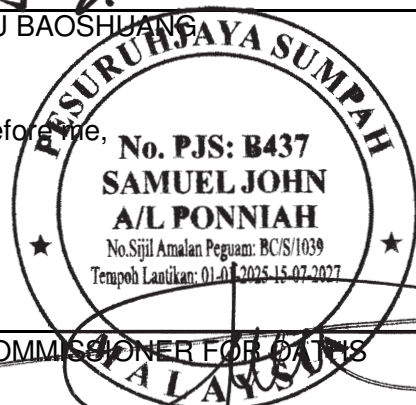
**STATUTORY DECLARATION PURSUANT TO SECTION 251 (1) (b) OF THE COMPANIES ACT, 2016 IN MALAYSIA**

I, YU BAOSHUANG, being the Director primarily responsible for the financial management of DUNHAM-BUSH HOLDING BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 11 to 94 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 in Malaysia.

Subscribed and solemnly declared by )  
the above-named Yu BaoShuang )  
at Puchong in Selangor Darul Ehsan this )  
15 May 2026 )

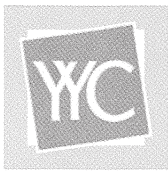
  
YU BAOSHUANG

Before me,



COMMISSIONER FOR OATHS

**RAMA SAMUEL & ASSOCIATES**  
No. 23B, 1st Floor,  
Jalan TK 1/11A, Taman Kinrara  
47180 Puchong, Selangor



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DUNHAM-BUSH HOLDING BHD.**

Registration No.: 198401016800 (129358-X)  
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### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **Dunham-Bush Holding Bhd.**, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 11 to 94.

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

#### **Basis for Opinion**

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

#### *Independence and Other Ethical Responsibilities*

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

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF DUNHAM-BUSH HOLDING BHD.**

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**Information Other than the Financial Statements and Auditors' Report Thereon (contd.)**

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

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

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

**Responsibilities of the Directors for the Financial Statements**

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF DUNHAM-BUSH HOLDING BHD.**

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**Auditors' Responsibilities for the Audit of the Financial Statements (contd.)**

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

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

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF DUNHAM-BUSH HOLDING BHD.**

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**Auditors' Responsibilities for the Audit of the Financial Statements (contd.)**

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: (contd.)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**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 contents of this report.



YYC & CO PLT  
FIRM NO. LLP0020596-LCA & AF 0055  
CHARTERED ACCOUNTANTS



JASMINE HAU JIA MIN  
NO. 03615/11/2027 J  
CHARTERED ACCOUNTANT

Kuala Lumpur

15 May 2026

**DUNHAM-BUSH HOLDING BHD.**

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(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	3(a)	1,506,024	1,419,796	110,881	13,720
Cost of sales	4	<u>(1,065,291)</u>	<u>(1,003,414)</u>	<u>-</u>	<u>-</u>
<b>Gross profit</b>		440,733	416,382	110,881	13,720
Other income	3(b)	44,104	42,186	11,710	8,036
Selling and distribution expenses		(138,268)	(148,797)	-	-
General and administrative expenses		(101,814)	(101,605)	(160)	(159)
Other expenses		(15,703)	(2,248)	-	(297)
Impairment of financial instruments		<u>(4,099)</u>	<u>(9,058)</u>	<u>-</u>	<u>-</u>
<b>Profit from operations</b>		224,953	196,860	122,431	21,300
Finance costs	5	<u>(1,473)</u>	<u>(1,643)</u>	<u>(7,599)</u>	<u>(10,681)</u>
<b>Profit before tax</b>	7	223,480	195,217	114,832	10,619
Tax expense	8	<u>(42,244)</u>	<u>(36,282)</u>	<u>1</u>	<u>(136)</u>
<b>Profit for the financial year</b>		<u>181,236</u>	<u>158,935</u>	<u>114,833</u>	<u>10,483</u>
<b>Profit attributable to:</b>					
Owners of the Company		147,093	131,187	114,833	10,483
Non-controlling interests		<u>34,143</u>	<u>27,748</u>	<u>-</u>	<u>-</u>
		<u>181,236</u>	<u>158,935</u>	<u>114,833</u>	<u>10,483</u>

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

**DUNHAM-BUSH HOLDING BHD.**

Registration No.: 198401016800 (129358-X)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTD.)**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Other comprehensive income net of tax</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign subsidiaries	<u>(56,991)</u>	<u>(47,488)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income net of tax</b>	<u>(56,991)</u>	<u>(47,488)</u>	<u>-</u>	<u>-</u>
<b>Profit and other comprehensive Income for the financial year</b>	<u>124,245</u>	<u>111,447</u>	<u>114,833</u>	<u>10,483</u>
<b>Profit and other comprehensive Income attributable to:</b>				
Owners of the Company	100,548	90,377	114,833	10,483
Non-controlling interests	<u>23,697</u>	<u>21,070</u>	<u>-</u>	<u>-</u>
	<u>124,245</u>	<u>111,447</u>	<u>114,833</u>	<u>10,483</u>

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

**DUNHAM-BUSH HOLDING BHD.**

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**AND ITS SUBSIDIARIES****STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025**

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	165,484	171,111	-	-
Intangible assets	10	2,675	1,981	-	-
Right-of-use asset	11	7,072	7,515	-	-
Investment in subsidiaries	12	-	-	465,791	465,791
Other investments	13	15,041	15,041	30	30
Deferred tax assets	14	24,734	30,274	-	-
		<u>215,006</u>	<u>225,922</u>	<u>465,821</u>	<u>465,821</u>
<b>Current assets</b>					
Inventories	15	320,882	235,366	-	-
Trade and non-trade receivables	16	774,589	738,652	35,176	14,968
Tax recoverable		8,199	-	-	-
Cash and bank balances	17	619,106	550,124	1,012	375
		<u>1,722,776</u>	<u>1,524,142</u>	<u>36,188</u>	<u>15,343</u>
<b>TOTAL ASSETS</b>		<u>1,937,782</u>	<u>1,750,064</u>	<u>502,009</u>	<u>481,164</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to the owners of the Company</b>					
Share capital	18	205,360	205,360	205,360	205,360
Foreign currency translation reserve	19	(15,159)	31,386	-	-
Retained profits		854,216	707,123	179,552	64,719
Shareholders' equity		1,044,417	943,869	384,912	270,079
Non-controlling interests	12	198,443	174,746	-	-
<b>Total equity</b>		<u>1,242,860</u>	<u>1,118,615</u>	<u>384,912</u>	<u>270,079</u>

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

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**AND ITS SUBSIDIARIES****STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (CONTD.)**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Deferred tax liabilities	14	5,114	7,466	-	-
Retirement benefit obligations	20	922	889	-	-
Provisions	21	45,239	30,341	-	-
Lease liabilities	22	2,661	3,467	-	-
Deferred income	24	7,780	7,121	-	-
		<u>61,716</u>	<u>49,284</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and non-trade payables	25	581,007	528,822	117,097	211,085
Provisions	21	33,148	22,029	-	-
Lease liabilities	22	3,755	4,018	-	-
Borrowings	23	5,692	5,541	-	-
Deferred income	24	3,967	3,676	-	-
Tax payable		5,637	18,079	-	-
		<u>633,206</u>	<u>582,165</u>	<u>117,097</u>	<u>211,085</u>
<b>Total liabilities</b>		<u>694,922</u>	<u>631,449</u>	<u>117,097</u>	<u>211,085</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,937,782</u>	<u>1,750,064</u>	<u>502,009</u>	<u>481,164</u>

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

**DUNHAM-BUSH HOLDING BHD.**  
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**AND ITS SUBSIDIARIES**

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

<----- Attributable to owners of the Company ----->

	Share capital RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>Group</b>						
<b>At 1 January 2025</b>	205,360	31,386	707,123	943,869	174,746	1,118,615
Foreign currency translation differences for foreign operations	-	(46,545)	-	(46,545)	(10,446)	(56,991)
Other comprehensive income for the financial year	-	(46,545)	-	(46,545)	(10,446)	(56,991)
Profit for the financial year	-	-	147,093	147,093	34,143	181,236
Profit and other comprehensive income for the financial year	-	(46,545)	147,093	100,548	23,697	124,245
Dividends paid to minority interests	-	-	-	-	-	-
<b>At 31 December 2025</b>	205,360	(15,159)	854,216	1,044,417	198,443	1,242,860

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

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(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTD.)**

<----- Attributable to owners of the Company ----->						
	Share capital RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>Group</b>						
<b>At 1 January 2024</b>	205,360	72,196	575,936	853,492	155,074	1,008,566
Foreign currency translation differences for foreign operations	-	(40,810)	-	(40,810)	(6,678)	(47,488)
Other comprehensive income for the financial year	-	(40,810)	-	(40,810)	(6,678)	(47,488)
Profit for the financial year	-	-	131,187	131,187	27,748	158,935
Profit and other comprehensive income for the financial year	-	(40,810)	131,187	90,377	21,070	111,447
Dividends paid to minority interests	-	-	-	-	(1,398)	(1,398)
<b>At 31 December 2024</b>	<b>205,360</b>	<b>31,386</b>	<b>707,123</b>	<b>943,869</b>	<b>174,746</b>	<b>1,118,615</b>

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

**DUNHAM-BUSH HOLDING BHD.**

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(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****STATEMENTS OF CHANGES IN EQUITY****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTD.)**

	<b>Share capital RM'000</b>	<b>Retained profits RM'000</b>	<b>Total equity RM'000</b>
<b>Company</b>			
<b>At 1 January 2025</b>	205,360	64,719	270,079
Profit and other comprehensive income for the financial year	-	114,833	114,833
<b>At 31 December 2025</b>	<b>205,360</b>	<b>179,552</b>	<b>384,912</b>
<b>At 1 January 2024</b>	205,360	54,236	259,596
Profit and other comprehensive income for the financial year	-	10,483	10,483
<b>At 31 December 2024</b>	<b>205,360</b>	<b>64,719</b>	<b>270,079</b>

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

**DUNHAM-BUSH HOLDING BHD.**

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

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>					
Receipts from customers		1,503,946	1,439,972	-	-
Payments to suppliers		(1,123,819)	(982,505)	-	-
Payments for operating expenses		(211,820)	(241,933)	(203)	(175)
Tax (payments)/receipts		(61,067)	(33,771)	1	(136)
Other receipts		5,381	14,735	-	-
		<u>112,621</u>	<u>196,498</u>	<u>(202)</u>	<u>(311)</u>
<b>Net cash from/(used in) operating activities</b>					
<b>Cash flows from investing activities</b>					
Proceeds from disposal of property, plant and equipment		58	628	-	-
Additional investment in a subsidiary	12	-	-	-	(10,349)
Interest received	3(b)	21,480	24,947	407	533
Dividend received		-	-	110,881	13,720
Acquisition of intangible assets	10	(1,140)	(400)	-	-
Acquisition of property, plant and equipment	9	(18,993)	(13,723)	-	-
		<u>1,405</u>	<u>11,452</u>	<u>111,288</u>	<u>3,904</u>
<b>Net cash from investing activities</b>					

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

**DUNHAM-BUSH HOLDING BHD.**

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**AND ITS SUBSIDIARIES****STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTD.)**

		Group		Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from financing activities</b>					
(Placement)/Withdrawal of fixed deposits pledged to licensed banks		2,966	(3,100)	-	-
Drawdown of bank borrowings		8,238	15,818	-	-
Repayments of bank borrowings		(8,238)	(28,603)	-	-
Repayment of lease liabilities		(4,330)	(4,164)	-	-
Payments to immediate holding company		9,548	1,768	-	-
Payment to ultimate holding company		(15,048)	(233,073)	-	(10,023)
(Payment to)/Receipts from subsidiary companies		-	-	(102,850)	16,352
Interest paid - lease liabilities	5	(472)	(429)	-	-
Interest paid - others	5	(1,001)	(1,214)	(7,599)	(10,681)
<b>Net cash used in financing activities</b>		<b>(8,337)</b>	<b>(252,997)</b>	<b>(110,449)</b>	<b>(4,352)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>105,689</b>	<b>(45,047)</b>	<b>637</b>	<b>(759)</b>
<b>Effects of foreign exchange rate changes</b>		<b>(33,892)</b>	<b>(16,135)</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>536,829</b>	<b>598,011</b>	<b>375</b>	<b>1,134</b>
<b>Cash and cash equivalents at end of financial year</b>		<b>608,626</b>	<b>536,829</b>	<b>1,012</b>	<b>375</b>
<b>Cash and cash equivalents at end of financial year comprise:</b>					
Cash and bank balances	17	266,435	145,618	1,012	375
Deposits with licensed banks	17	352,671	404,506	-	-
Deposits with licensed banks pledged	17	(4,788)	(7,754)	-	-
Bank overdrafts	23	(5,692)	(5,541)	-	-
		<b>608,626</b>	<b>536,829</b>	<b>1,012</b>	<b>375</b>

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

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**AND ITS SUBSIDIARIES****STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTD.)****Note:**

- (i) Cash and cash equivalents comprise cash, bank balances and demand deposits as disclosed in Note 17 to the financial statements.
- (ii) Reconciliation of liabilities arising from financing activity:

	Note	1 January RM'000	Cash flows RM'000	Non-cash movement RM'000	31 December RM'000
<b>Group 2025</b>					
Lease liabilities	22	7,485	(4,802)	3,733	6,416
Total liabilities from financing activities		7,485	(4,802)	3,733	6,416
		1 January RM'000	Cash flows RM'000	Non-cash movement RM'000	31 December RM'000
<b>2024</b>					
Borrowing (excluding bank overdrafts)	23	12,785	(12,785)	-	-
Lease liabilities	22	8,412	(4,593)	3,666	7,485
Total liabilities from financing activities		21,197	(17,378)	3,666	7,485

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

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****1. Basis of preparation**

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

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concerns which contemplate the realisation of assets and settlement of liabilities in the normal course of business.

These financial statements are presented in the Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.

**(a) Changes In Accounting Policies****MFRSs, Interpretations and amendments that are effective**

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 121 - Lack of Exchangeability	1 January 2025

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

**MFRSs, Interpretations and amendments that are issued but not effective**

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRSs - Annual Improvement to MFRS Accounting Standard: - Volume 11	1 January 2026
MFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****1. Basis of preparation (contd.)****(a) Changes In Accounting Policies (contd.)****MFRSs, Interpretations and amendments that are issued but not effective (contd.)**

The Group and the Company do not expect the adoption of the above Standards to have a significant impact on the financial statements upon their initial application except as follows:

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

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the summary of significant accounting policies.

**(c) Significant accounting estimates and judgements**

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amount of assets, liabilities, income and expenses are discussed below:

**(i) Depreciation of property, plant and equipment**

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to market conditions.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**1. Basis of preparation (contd.)**

**(c) Significant accounting estimates and judgements (contd.)**

(i) Depreciation of property, plant and equipment (contd.)

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on 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 amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

(iii) Withholding tax on dividends

The Group is subject to withholding tax on dividends in the tax jurisdiction of the PRC. According to the New Corporate Income Tax Law ("CIT") and the Detailed Implementation Regulations ("DIR"), dividends distributed to a foreign investor by a Foreign Invested Enterprise ("FIE") in the PRC would be subject to withholding tax of 10%. The PRC tax authorities have granted a special concession which states that from 1 January 2008 onwards, a FIE'S profit arising in year 2008 and beyond, distributed to the foreign investors as dividends shall be subject to withholding tax of 10%, which is subject to reduction as provided by an applicable double taxation treaty.

As at 31 December 2025, deferred tax has not been recognised for the withholding tax that would be payable on the entire unremitted earnings of its PRC subsidiary as the Group is able to control the timing of the reversal of the timing differences and it is not probable that material temporary differences would be reversed in the foreseeable future.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****1. Basis of preparation (contd.)****(c) Significant accounting estimates and judgements (contd.)****(iv) Impairment of non-financial assets**

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

**(v) Provision for sales warranty**

The Group gives one to five years warranty on certain products and undertakes to repair or replace items that fail to perform satisfactorily. A provision for sales warranty is recognised for all products under warranty at the end of reporting period based on past experience of the level of repairs and returns. The Group carried out a review of all provision made at the reporting period and made necessary reversal for those sales warranty that has been expired.

**(vi) Write-down for inventories**

Reviews are made periodically by management on damaged, obsolete and slow moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

**(vii) Provision for expected credit losses ("ECLs") of trade receivables**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**1. Basis of preparation (contd.)**

**(c) Significant accounting estimates and judgements (contd.)**

(viii) Leases

(a) Lease term

In determining the lease term, management considers all fact and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The extension options in leases for building have been included in the lease liability in consideration of the costs and business disruption required to replace the leased assets.

(b) Incremental borrowing rate of leases

In determining the incremental borrowing rate, the Group and the Company use recent third-party financing received by the Group and the Company as a starting point and makes adjustments specific to the lease, for e.g. term and security.

(x) Fair value estimates for certain financial assets and liabilities

The Group and the Company carry certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgements. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group and the Company use different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(xi) Pension and other post-retirement benefits

The cost and valuation of defined benefit pension plans is determined using actuarial valuations. This involves making assumptions about discount rates, expected rate of return of assets, future salary and pensions increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

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## (xii) 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 the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

**2. Material accounting policy information****(a) Foreign currencies**

## (i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using currency of primary economic environment in which the entity operates ("the functional currency"). These financial statements are presented in the Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency. The consolidated and separate financial statements are presented in Ringgit Malaysia ("RM").

## (ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**2. Material accounting policy information (contd.)**

**(a) Foreign currencies (contd.)**

(ii) Foreign currency transactions (contd.)

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's and of the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group and of the Company on disposal of the foreign operation.

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

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at average exchange rates for the financial period, which approximates the exchange rate at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

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## (iii) Foreign operations (contd.)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates for every unit of foreign currency ruling at the end of the reporting period used are as follows:

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
United States Dollar ("USD")	4.0540	4.4000
Singapore Dollar ("SGD")	3.1557	3.2919
Sterling Pound ("GBP")	5.4755	5.6057
Australia Dollar ("AUD")	2.7261	2.9055
Chinese Renminbi ("RMB")	0.5784	0.6132
Euro ("EUR")	4.7732	4.6604
South Africa Rand ("ZAR")	0.2432	0.2377
Vietnamese Dong ("VND")	0.0002	0.0002
Indonesia Rupiah ("IDR")	0.0002	0.0003
India Rupees ("INR")	0.0451	0.0523
Japanese Yen ("JPY")	0.0259	0.0284
Thai Baht ("THB")	0.1300	0.1314
Bangladesh Taka ("TAKA")	0.0331	0.0375
Saudi Riyal ("SAR")	1.0809	1.1920

**(b) Revenue and other income recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for these goods or services.

## (i) Manufacturing and sales of goods

The Group manufactures, trades and distributes commercial and industrial heating, ventilating, air-conditioning and refrigeration equipment. In the contracts with customers, the following services are identified: manufacturing, delivery of goods and installation (where applicable), which are non-distinct. As such, these services are bundled together a single performance obligation identified in the contract.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025**

**2. Material accounting policy information (contd.)**

**(b) Revenue and other income recognition (contd.)**

(i) Manufacturing and sales of goods (contd.)

Sales of goods without installation

There is only a single performance obligation identified in the contract, which is to deliver the goods to the customer. The Group recognises revenues in a point of time when the Group transfers control of good to the customer, and based on the selling price of goods specified in the contract.

As the performance obligation is satisfied at a point in time when the Group transfers control of the goods to the customer, whereby the goods are delivered to the customer, revenue is also recognised at point in time and based on the selling price of goods specified in the contract.

No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days, which is consistent with the market practice.

Sales of goods with installation

Under circumstance where the goods are customised and the Group has to provide the installation service to make the sale, the installation service is consider non-distinct in nature and is bundled together with the other services as a single performance obligation. The Group recognises revenues over time as the Group transfers control of good and installation service to the customer, and based on the stage of completion.

The stage of completion is determined by reference to the costs incurred to date to the total estimated costs. When the outcome of the contract cannot be estimated reliably, revenue is recognised only to the extent of costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the profit or loss.

When the total of costs incurred on construction contracts plus recognised profit (less recognised losses) exceeds progress billings, the balance is classified as contract asset. When progress billings exceed costs incurred plus, recognised profit (less recognised losses), the balance is classified as contract liability.

No element of financing is deemed present as the sales are made with a credit term of 7 to 90 days, which is consistent with the market practice.

The Group's obligation to repair, replace faulty products or provide maintenance under the standard warranty terms is recognised as a provision.

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## (ii) Rendering of services

The Group also provides services relating to commercial and industrial heating, ventilating, air-conditioning and refrigeration equipment. As there is only one performance obligation identified in the contracts with customers, the Group recognises revenues at a point in time when the Group satisfies this performance obligation by completing rendering services to customer. The amount of revenues recognised is based on contract price specified in the contract.

## (iii) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

## (iv) Interest income

Interest income is recognised on an accrual basis, based on effective yield on the investments.

**(c) Employee benefits expense**

## (i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

## (ii) Defined contribution plans

The Group's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****2. Material accounting policy information (contd.)****(c) Employee benefits expense (contd.)****(iii) Defined benefit plans**

A subsidiary within the Group operates a funded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees.

As a result of MFRS 119 (2011), Employee Benefits, the Group has changed its accounting policy in respect of the basis for determining the income or expense relating to its post employment defined benefit plans.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. Previously, the Group determined interest income on plan assets based on their long-term rate of expected return.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****2. Material accounting policy information (contd.)****(d) Borrowing costs**

Borrowings are stated at cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the loans and borrowings using the effective interest method.

Borrowing costs incurred in connection with financing the construction and installation of property, plant and equipment is capitalised until the property, plant and equipment are ready for their intended use. All other borrowing costs are charged to the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(e) Tax expense****(i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**(ii) Deferred tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination.

**(f) Basis of consolidation****(i) Subsidiaries**

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those return through its power over the entity. In the previous financial year, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction cost.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

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

**(ii) Accounting for business combinations**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases.

The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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**2. Material accounting policy information (contd.)**

**(f) Basis of consolidation (contd.)**

(ii) Accounting for business combinations (contd.)

Acquisitions of subsidiary are accounted for by applying the acquisition method.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- √ The fair value of the consideration transferred; plus
- √ The recognised amount of any non-controlling interests in the acquiree; plus
- √ If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- √ The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Cost related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

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**2. Material accounting policy information (contd.)**

**(f) Basis of consolidation (contd.)**

(ii) Accounting for business combinations (contd.)

Acquisitions between 1 January 2006 to 1 January 2011

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income.

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the profit or loss on the date of acquisition.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

(iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statements of financial position and statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated profit or loss as an allocation of the profit and loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

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**2. Material accounting policy information (contd.)**

**(f) Basis of consolidation (contd.)**

(iv) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group' share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

(vi) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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**2. Material accounting policy information (contd.)**

**(g) Contract asset/Contract liability**

Contract asset

Contract asset is recognised when the Group's right to consideration in exchange for goods or services the Group has transferred to its customers when that right is conditioned on something other than the passage of time.

Contract liability

Contract liability is recognised when the Group is obliged to transfer goods or services to a customer for which the consideration has been received (or the amount is due) from the customers.

**(h) Impairment**

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and Company's historical experiences and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

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**2. Material accounting policy information (contd.)**

**(h) Impairment (contd.)**

(i) Financial assets (contd.)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

(ii) Non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

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Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

**(i) Financial assets****(i) Initial recognition and measurement**

Financial assets are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A trade receivable without a significant financing component is initially measured at the transaction price.

**(ii) Subsequent measurement**

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

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**2. Material accounting policy information (contd.)**

**(i) Financial assets (contd.)**

(ii) Subsequent measurement (contd.)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and the Company reclassified debt investments when and only when its business model for managing those asset changes.

(a) Amortised cost

Financial asset is measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income from financial asset measured at amortised cost is recognised in profit or loss using the effective interest method. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gain and losses.

(b) Fair value through profit or loss ("FVTPL")

All financial assets not measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

(iii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

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Any cumulative gain or loss arise from fair value changes in equity investment that had been recognised in other comprehensive income is transferred within equity when the equity investment is derecognised whereas any cumulative gain or loss arise from fair value changes in debt investment that had been recognised in other comprehensive income is transferred to profit or loss when the debt investment is derecognised.

**(j) Property, plant and equipment**

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

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold lands and buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation. Leasehold lands and buildings are depreciated over the remaining useful life of the assets.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Depreciation is based on the cost of an asset less its residual value. Significant components of assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Leasehold land is depreciated over its lease term.

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Freehold land has an unlimited useful life and therefore it is not depreciated.

Capital work-in-progress are also not depreciated as these assets are not available for use.

Depreciation of other property, plant and equipment is provided for on a straight line basis, at the following annual rates:

Buildings	2% - 5%
Plant and equipment	6 $\frac{2}{3}$ % - 20%
Office equipment	16 $\frac{2}{3}$ % - 50%
Furniture and fittings	15% - 33 $\frac{1}{3}$ %
Motor vehicles	20%
Building mechanical and fitting	15%

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

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

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

**(k) Leases****(i) Initial recognition and measurement****As a lessee**

The Group and the Company recognised right-of-use asset and lease liability at the commencement date of the lease. 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 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. Thus, the Group and the Company use their incremental borrowing rate as the discount rate.

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**2. Material accounting policy information (contd.)**

**(k) Leases (contd.)**

(i) Initial recognition and measurement (contd.)

As a lessee (contd.)

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

As a lessor

Leases for which the Company is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Company recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(ii) Subsequent measurement

As a lessee

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, plant 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.

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**2. Material accounting policy information (contd.)**

**(k) Leases (contd.)**

(ii) Subsequent measurement (contd.)

As a lessee (contd.)

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 revision of in-substance fixed lease payments, or if there is a changes 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, 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.

As a lessor

The Group and the Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

The Group and the Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease. The Group and the Company aims to allocate finance income over the lease term on a systematic and rational basis. The Group and the Company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, Financial Instruments.

**(l) Intangible assets**

(i) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

The estimated useful lives for the current and comparative periods are as follow:

Technical know-how	10 years
Computer software	5 years

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**2. Material accounting policy information (contd.)**

**(l) Intangible assets (contd.)**

(i) Other intangible assets (contd.)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least each financial reporting date.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(ii) Development expenditure

Development expenditure comprises product development expenditure and cost of acquisition of technical know-how.

All research costs are recognised in the profit or loss as incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development cost can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resource to complete development and to use or sell the asset.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

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Inventories comprise of raw materials and components parts, work-in-progress and finished goods. Inventories are stated at the lower of cost and net realisable value.

Cost is determined using standard costing. Costs of raw materials inventories comprise the cost of purchase plus the cost of bringing the inventories to their present location and condition.

The cost of finished goods and work-in-progress, comprise costs of raw materials, direct labour and an attributable proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

**(n) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, deposits unpledged and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

**(o) Financial liabilities****(i) Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value plus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

**(ii) Subsequent measurement**

The categories of financial liabilities at initial recognition are as follows:

**(a) Amortised cost**

All financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities where it is designated as FVTPL.

Interest expense and foreign exchange gains and losses are recognised in profit or loss.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****2. Material accounting policy information (contd.)****(o) Financial liabilities (contd.)****(iii) Derecognition**

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liability assumed, is recognised in profit or loss.

**(p) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

A financial guarantee contract is considered a contingent liability in accordance with MFRS 4 Insurance Contracts.

**(q) Provisions**

Provisions are recognised when the Group and the Company have present legal or constructive 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 obligations, and a reliable estimate of the amount can be made.

Provision for restructuring costs is recognised when a detailed and formal restructuring plan has been approved, and the restructuring has either commenced or has been announced publicly. Costs relating to ongoing activities are not provided for.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate if it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision will be reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expenditure expected to be required to settle the obligation.

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An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.

**(s) Contingencies****(i) Contingent liabilities**

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**(ii) Contingent assets**

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statement of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

**(t) Forward currency contract**

The Group uses forward currency contract to manage its exposure to foreign market risk. The forward currency contract does not qualify for hedge accounting. The gains or losses arising from changes in fair value on derivatives during the financial year are directly recognised in profit or loss. The fair values changes are attributable to changes in foreign exchange closing rate and forward rate.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****3. Revenue and other income****(a) Revenue**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>At a point in time</b>				
Sale of goods	1,406,357	1,362,995	-	-
Rendering of services	99,667	56,801	-	-
Dividend received from subsidiaries	-	-	110,881	13,720
	<u>1,506,024</u>	<u>1,419,796</u>	<u>110,881</u>	<u>13,720</u>

Provision has been provided for warranty obligation as stated in Note 21 to the financial statements.

**(b) Other income**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Government subsidy and grants	4,983	11,806	-	-
Gain on disposal of property, plant and equipment	-	124	-	-
Gain on foreign exchange:				
- realised	-	2,663	4,643	-
- unrealised	-	2,347	6,660	7,503
Interest income	21,480	24,947	407	533
Reversal of impairment on				
- trade receivables (Note 16)	17,011	174	-	-
- non-trade receivables (Note 16)	259	-	-	-
Other income	371	125	-	-
	<u>44,104</u>	<u>42,186</u>	<u>11,710</u>	<u>8,036</u>

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****4. Cost of sales**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Cost of inventories sold	1,059,508	997,195
Cost of services provided	5,783	6,219
	<u>1,065,291</u>	<u>1,003,414</u>

**5. Finance costs**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest expenses on:				
Bank overdrafts	631	460	-	-
Loan from subsidiary	-	-	7,599	10,681
Trade financing	370	754	-	-
Lease interest	472	429	-	-
	<u>1,473</u>	<u>1,643</u>	<u>7,599</u>	<u>10,681</u>

**6. Employee benefits expense**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(a) Staff costs</b>		
Wages and salaries	167,343	151,056
Pension cost - defined contribution plans	7,957	6,879
Bonus	42,301	32,806
Short term accumulating compensated absences	239	(105)
Social security costs	16,907	16,048
Other staff related expenses	38,005	41,340
<b>Employee benefit expense recognised in statement of profit and loss</b>	<u>272,752</u>	<u>248,024</u>

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****6. Employee benefits expense (contd.)**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(b) Directors' remuneration</b>		
Salaries and other emoluments	5,202	4,694
	5,202	4,694

The total number of employees of the Group at the end of the financial year was 1,997 (2024: 1,944).

**7. Profit before tax**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived after charging:				
Auditors' remuneration				
- statutory audit	432	658	46	46
Amortisation of:				
- intangible assets (Note 10)	613	587	-	-
Depreciation of:				
- property, plant and equipment (Note 9)	15,293	15,473	-	-
- right-of-use asset (Note 11)	3,654	2,360	-	-
Property, plant and equipment written off (Note 9)	25	140	-	-
Loss on disposal of property, plant and equipment	29	-	-	-
Impairment on				
- trade receivables (Note 16)	3,053	8,707	-	-
- non-trade receivables (Note 16)	1,046	351	-	-
Bad debts written off on				
- trade receivables	-	20	-	-
	-	20	-	-

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****7. Profit before tax (contd.)**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived after charging: (contd.)				
Loss on foreign exchange				
- realised	7,810	-	-	236
- unrealised	5,772	-	-	-
Provision for warranty (Note 21)	58,568	49,314	-	-

**8. Tax expense**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
- Malaysian tax	21,435	20,546	-	-
- Foreign tax	20,044	20,803	-	136
	41,479	41,349	-	136
(Over)/Under provision in prior year:				
- Malaysian tax	(1,129)	643	(1)	-
- Foreign tax	8	(496)	-	-
	40,358	41,496	(1)	136
Deferred taxation (Note 14):				
- Relating to origination and reversal of temporary differences	2,900	(5,067)	-	-
- Over provision in prior year	(1,014)	(147)	-	-
	1,886	(5,214)	-	-
Tax expense for the financial year	42,244	36,282	(1)	136

Domestic current income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at rates prevailing in the respective jurisdictions.

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

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax	223,480	195,217	114,832	10,619
Taxation at statutory tax rate of 24%	53,635	46,852	27,560	2,548
Effect of different tax rates in other countries	(9,888)	(20,816)	-	-
Non-taxable income	(27,711)	(11,037)	(27,560)	(2,548)
Expenses not deductible for tax purposes	22,951	15,793	-	-
Tax incentive	(960)	-	-	-
Deferred tax assets not recognised	6,352	5,490	-	-
	44,379	36,282	-	-
(Over)/Under provision of current tax in prior year	(1,121)	147	(1)	-
(Over)/Under provision of deferred tax in prior year	(1,014)	(147)	-	136
Tax expense for the financial year	42,244	36,282	(1)	136

The Group and the Company have unutilised tax losses, unabsorbed capital allowances and provisions available for offsetting against future taxable profit as follow:

Unutilised tax losses	1,508	1,508	1,508	1,508
Unabsorbed capital allowances	134	134	134	134
	1,642	1,642	1,642	1,642

In Malaysia, effective from year of assessment 2019, the unutilised tax losses can be carried forward for a period of 10 years. The unutilised tax losses which arose up to year of assessment 2018 are to be utilised before the year of assessment 2028 of the company which amounted to RM1,508,000 (2024: RM1,508,000) as at the financial year ended.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****9. Property, plant and equipment**

Group 2025	Freehold		Short term leasehold		Plant and equipment	Office equipment	Furniture and fittings	Motor vehicles	Capital work-in-progress	Building mechanical and fitting	Total
	land and buildings	land and buildings	land and buildings	land and buildings							
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost											
At 1 January	135,019	53,999		10,184	129,559	11,831	6,223	268	1,477	348,560	
Additions	243	-	-	912	16,355	806	322	355	-	18,993	
Disposals	-	-	-	(102)	(54)	(971)	(3)	-	-	(1,130)	
Written off	-	-	-	(131)	(259)	-	(68)	-	-	(458)	
Reclassifications	-	-	-	-	122	-	-	(386)	-	(264)	
Exchange differences	(6,916)	(3,065)	(5,282)	(212)	(270)	(354)	(16)	-	-	(16,115)	
At 31 December	128,346	50,934	140,441	10,651	11,396	6,120	221	1,477	349,586		

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	Freehold land and buildings RM'000	Short term leasehold land and buildings RM'000	Plant and equipment RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Building mechanical and fitting RM'000	Total RM'000
<b>Group (contd.) 2025</b>									
<b>Accumulated depreciation</b>									
At 1 January	38,443	27,907	87,140	7,817	5,544	9,386	-	1,212	177,449
Depreciation charge for the financial year	3,069	1,752	8,540	865	351	645	-	71	15,293
Disposals	-	-	(48)	(100)	(3)	(892)	-	-	(1,043)
Written off	-	-	(253)	(121)	(59)	-	-	-	(433)
Reclassifications	-	-	-	-	-	-	-	-	-
Exchange differences	(821)	(1,638)	(3,974)	(166)	(329)	(236)	-	-	(7,164)
At 31 December	40,691	28,021	91,405	8,295	5,504	8,903	-	1,283	184,102
<b>Carrying amount</b>	87,655	22,913	49,036	2,356	616	2,493	221	194	165,484

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****9. Property, plant and equipment (contd.)**

Group (contd.) 2024	Freehold land and buildings RM'000	Short term leasehold		Plant and equipment RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Building mechanical and fitting RM'000	Total RM'000
		land and buildings RM'000	land and buildings RM'000							
At 1 January	138,691	56,575	125,449	9,500	6,284	11,191	50	1,477	349,217	
Additions	121	-	10,496	1,202	234	1,321	349	-	13,723	
Disposals	-	-	(1,103)	(155)	(19)	(442)	-	-	(1,719)	
Written off	-	-	(1,430)	(177)	(36)	-	-	-	(1,643)	
Reclassifications	-	-	128	1	-	-	(129)	-	-	
Exchange differences	(3,793)	(2,576)	(3,981)	(187)	(240)	(239)	(2)	-	(11,018)	
At 31 December	135,019	53,999	129,559	10,184	6,223	11,831	268	1,477	348,560	

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****9. Property, plant and equipment (contd.)**

	Freehold land and buildings RM'000	Short term leasehold land and buildings RM'000		Plant and equipment RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Building mechanical and fitting RM'000	Total RM'000
<b>Group (contd.) 2024</b>										
<b>Accumulated depreciation</b>										
At 1 January	33,713	29,281	83,797	7,532	5,075	9,450	-	1,141	169,989	
Depreciation charge for the financial year	3,191	1,865	8,267	746	738	595	-	71	15,473	
Disposals	-	-	(602)	(156)	(16)	(442)	-	-	(1,216)	
Written off	-	-	(1,307)	(162)	(34)	-	-	-	(1,503)	
Reclassifications	1,849	(1,849)	-	-	-	-	-	-	-	
Exchange differences	(310)	(1,390)	(3,015)	(143)	(219)	(217)	-	-	(5,294)	
At 31 December	38,443	27,907	87,140	7,817	5,544	9,386	-	1,212	177,449	
<b>Carrying amount</b>	96,576	26,092	42,419	2,367	679	2,445	268	265	171,111	

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****9. Property, plant and equipment (contd.)**

The Group acquired property, plant and equipment in the following manner:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash payments	18,993	13,723

The strata titles for certain buildings belonging to certain subsidiaries with carrying amount of RM210,000 (2024: RM221,000) have yet to be issued by the relevant authorities.

**10. Intangible assets**

	<b>Cost of technical know-how RM'000</b>	<b>Computer software RM'000</b>	<b>Total RM'000</b>
<b>Group</b>			
<b>2025</b>			
<b>Cost</b>			
At 1 January	2,233	7,356	9,589
Additions	-	1,140	1,140
Reclassified	-	252	252
Exchange differences	(41)	(178)	(219)
At 31 December	2,192	8,570	10,762
<b>Accumulated amortisation</b>			
At 1 January	1,613	5,995	7,608
Amortisation for the financial year	69	544	613
Exchange differences	(6)	(128)	(134)
At 31 December	1,676	6,411	8,087
<b>Carrying amount</b>	516	2,159	2,675

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****10. Intangible assets (contd.)**

<b>Group</b>	<b>Cost of technical know-how RM'000</b>	<b>Computer software RM'000</b>	<b>Total RM'000</b>
<b>2024</b>			
<b>Cost</b>			
At 1 January	1,078	9,409	10,487
Additions	-	400	400
Written off	(182)	(2,237)	(2,419)
Exchange differences	1,337	(216)	1,121
At 31 December	<u>2,233</u>	<u>7,356</u>	<u>9,589</u>
<b>Accumulated amortisation</b>			
At 1 January	349	7,906	8,255
Amortisation for the financial year	79	508	587
Written off	(196)	(2,237)	(2,433)
Exchange differences	1,381	(182)	1,199
At 31 December	<u>1,613</u>	<u>5,995</u>	<u>7,608</u>
<b>Carrying amount</b>	<u>620</u>	<u>1,361</u>	<u>1,981</u>

**11. Right-of-use asset**

<b>Group</b>	<b>Office equipment RM'000</b>	<b>Land and building RM'000</b>	<b>Total RM'000</b>
<b>2025</b>			
<b>Carrying amount</b>			
At 1 January	3	7,512	7,515
Remeasurement	2	2,196	2,198
Additions	75	1,256	1,331
Disposal	-	(97)	(97)
Depreciation for the financial year	(5)	(3,649)	(3,654)
Exchange differences	-	(221)	(221)
At 31 December	<u>75</u>	<u>6,997</u>	<u>7,072</u>

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****11. Right-of-use asset (contd.)**

	<b>Office equipment RM'000</b>	<b>Land and building RM'000</b>	<b>Total RM'000</b>
<b>Group (contd.)</b>			
<b>2024</b>			
<b>Carrying amount</b>			
At 1 January	16	7,075	7,091
Remeasurement	-	(504)	(504)
Additions	-	3,652	3,652
Depreciation for the financial year	(13)	(2,347)	(2,360)
Exchange differences	-	(364)	(364)
	<u>3</u>	<u>7,512</u>	<u>7,515</u>
At 31 December	<u>3</u>	<u>7,512</u>	<u>7,515</u>

**12. Investment in subsidiaries**

	<b>Company</b>	
	<b>2025 RM'000</b>	<b>2024 RM'000</b>
Unquoted shares, at cost		
At 1 January	534,346	523,997
Additional	<u>-</u>	<u>10,349</u>
At 31 December	<u>534,346</u>	<u>534,346</u>
Less: Accumulated impairment losses		
At 1 January	<u>68,555</u>	<u>68,555</u>
At 31 December	<u>68,555</u>	<u>68,555</u>
Total	<u>465,791</u>	<u>465,791</u>

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****12. Investment in subsidiaries (contd.)**

Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held (%)	
			2025	2024
<b>(i) Subsidiaries of Dunham-Bush Holding Bhd.</b>				
Dunham-Bush Industries Sdn. Bhd. #	Malaysia	Manufacturing and trading of air-conditioning and refrigeration equipment for commercial and industrial application.	100	100
Dunham-Bush Sales & Services Sdn. Bhd. #	Malaysia	Sales, distribution and installation of large commercial and industrial air-conditioning and refrigeration equipment.	100	100
Dunham-Bush International (Cayman) Limited #	Cayman Islands	Investment holding.	100	100
Dunham-Bush USA LLC. *	United States	Manufacturing and trading of air-conditioning and refrigeration equipment.	70	70

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****12. Investment in subsidiaries (contd.)**

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held (%)	
			2025	2024
<b>(i) Subsidiaries of Dunham-Bush Holding Bhd. (contd.)</b>				
Dunham-Bush International Pte. Ltd.*	Singapore	Distribution and trading of air-conditioning and refrigeration equipment for commercial and industrial application.	100	100
Dunham-Bush (China) Co., Ltd. *	The People's Republic of China	Manufacturing and trading of air-conditioning and refrigeration equipment for commercial and industrial application.	63	63
Dunham-Bush (Yantai) Energy Technology Co., Ltd. *	The People's Republic of China	Distribution and trading of energy saving technology for energy saving assessment, R&D and design.	100	100

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****12. Investment in subsidiaries (contd.)**

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held (%)	
			2025	2024
<b>(ii) Subsidiaries of Dunham-Bush Industries Sdn. Bhd.</b>				
Dunham Bush Mena DMCC *	United Arab Emirates	Trading of refrigeration equipment, electrical and electronic appliances and air-conditioning products.	100	100
Dunham-Bush Vietnam Company Limited *	Vietnam	Distribution and trading of air-conditioning and refrigeration equipment for commercial and industrial application.	100	100
PT Dunham Bush Indonesia ** [1]	Indonesia	Distribution and trading of air-conditioning and refrigeration equipment for commercial and industrial application.	100	100

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Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held (%)	
			2025	2024
<b>(ii) Subsidiaries of Dunham-Bush Industries Sdn. Bhd. (contd.)</b>				
DB-Aire India Private Limited *	India	Trading of air-conditioning & refrigeration equipment or parts for commercial & industrial application.	100	100
<b>(iii) Subsidiaries of Dunham-Bush International Pte. Ltd.</b>				
Dunham-Bush International (Africa) Proprietary Ltd. *	South Africa	Sales, distribution and installation of commercial and residential air-conditioning products.	100	100

\* Audited by firm of auditors other than YYC & CO PLT.

\*\* Audited report is not required, consolidated financial statements are prepared based on management accounts.

# Audited by YYC & CO PLT.

[1] The total equity interest held by Dunham-Bush Industries Sdn. Bhd. is 98%. The remaining equity interest of 2% is held by Dunham-Bush Sales & Services Sdn. Bhd..

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The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	<b>DB USA</b> <b>RM'000</b>	<b>DB China</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>2025</b>			
NCI percentage of ownership interest and voting interest	30%	37%	
Carrying amount of NCI	29,632	168,811	198,443
Profit allocated to NCI	13,803	20,340	34,143
Summarised financial information before intra-group elimination:			
Non-current assets	84,573	73,409	157,982
Current assets	159,075	871,111	1,030,186
Non-current liabilities	-	(2,414)	(2,414)
Current liabilities	(144,894)	(437,713)	(582,607)
Net assets	98,754	504,393	603,147
Revenue	485,933	700,038	1,185,971
Profit for the financial year	46,011	54,972	100,983
Profit and other comprehensive income for the financial year	46,011	54,972	100,983
Cash flows from operating activities	32,347	33,793	66,140
Cash flows (used in)/from investing activities	(4,402)	22,249	17,847
Cash flows used in finance activities	(18,877)	-	(18,877)
<b>2024</b>			
NCI percentage of ownership interest and voting interest	30%	37%	
Carrying amount of NCI	17,951	156,795	174,746
Profit allocated to NCI	6,818	20,930	27,748

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	<b>DB USA RM'000</b>	<b>DB China RM'000</b>	<b>Total RM'000</b>
<b>2024</b>			
Summarised financial information before intra-group elimination:			
Non-current assets	90,807	84,606	175,413
Current assets	116,583	807,601	924,184
Non-current liabilities	(688)	(3,515)	(4,203)
Current liabilities	(146,867)	(417,097)	(563,964)
Net assets	<u>59,835</u>	<u>471,595</u>	<u>531,430</u>
Revenue	317,675	746,028	1,063,703
Profit for the financial year	22,726	56,568	79,294
Profit and other comprehensive income for the financial year	<u>22,726</u>	<u>56,568</u>	<u>79,294</u>
Cash flows from operating activities	12,661	95,823	108,484
Cash flows used in investing activities	(1,341)	(231,525)	(232,866)
Cash flows used in finance activities	<u>(5,303)</u>	<u>-</u>	<u>(5,303.00)</u>

**13. Other investments**

	<b>Group</b>		<b>Company</b>	
	<b>2025 RM'000</b>	<b>2024 RM'000</b>	<b>2025 RM'000</b>	<b>2024 RM'000</b>
<b>Classified as fair value through profit or loss</b>				
Unquoted shares				
At 1 January/At 31 December	<u>14,982</u>	<u>14,982</u>	<u>-</u>	<u>-</u>
<b>At cost:</b>				
Transferable club memberships	109	109	50	50
Less: Accumulated impairment losses	<u>(50)</u>	<u>(50)</u>	<u>(20)</u>	<u>(20)</u>
	<u>59</u>	<u>59</u>	<u>30</u>	<u>30</u>
	<u>15,041</u>	<u>15,041</u>	<u>30</u>	<u>30</u>

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****14. Deferred tax**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	(22,808)	(18,672)
Recognised in profit or loss (Note 8)	1,886	(5,214)
Exchange differences	1,302	1,078
	<u>(19,620)</u>	<u>(22,808)</u>
At 31 December	<u>(19,620)</u>	<u>(22,808)</u>
Presented after appropriate offsetting as follows:		
Deferred tax assets	(24,734)	(30,274)
Deferred tax liabilities	5,114	7,466
	<u>(19,620)</u>	<u>(22,808)</u>

The components and movements of deferred tax liabilities and assets during the financial year to offsetting are as follows:

	<b>Property, plant and equipment RM'000</b>	<b>Other receivables RM'000</b>	<b>Total RM'000</b>
<b>Deferred tax liabilities of the Group:</b>			
At 1 January 2025	7,354	112	7,466
Recognised in profit or loss (Note 8)	(2,459)	373	(2,086)
Exchange differences	(274)	8	(266)
	<u>4,621</u>	<u>493</u>	<u>5,114</u>
At 31 December 2025	<u>4,621</u>	<u>493</u>	<u>5,114</u>
At 1 January 2024	6,340	247	6,587
Recognised in profit or loss (Note 8)	1,091	(129)	962
Exchange differences	(77)	(6)	(83)
	<u>7,354</u>	<u>112</u>	<u>7,466</u>
At 31 December 2024	<u>7,354</u>	<u>112</u>	<u>7,466</u>

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	<b>Impairment on receivables RM'000</b>	<b>Provisions RM'000</b>	<b>Total RM'000</b>
<b>Deferred tax assets of the Group:</b>			
At 1 January 2025	(9,625)	(20,649)	(30,274)
Recognised in profit or loss (Note 8)	1,806	2,166	3,972
Exchange differences	523	1,045	1,568
	<u>(7,296)</u>	<u>(17,438)</u>	<u>(24,734)</u>
At 31 December 2025			
At 1 January 2024	(8,731)	(16,528)	(25,259)
Recognised in profit or loss (Note 8)	(1,335)	(4,841)	(6,176)
Exchange differences	441	720	1,161
	<u>(9,625)</u>	<u>(20,649)</u>	<u>(30,274)</u>
At 31 December 2024			

Deferred tax assets have not been recognised in respect of the following items:

	<b>Group</b>		<b>Company</b>	
	<b>2025 RM'000</b>	<b>2024 RM'000</b>	<b>2025 RM'000</b>	<b>2024 RM'000</b>
Unutilised tax losses	1,508	1,508	1,508	1,508
Unabsorbed capital allowances	134	134	134	134
	<u>1,642</u>	<u>1,642</u>	<u>1,642</u>	<u>1,642</u>
Deferred tax benefits at 24%	<u>394</u>	<u>394</u>	<u>394</u>	<u>394</u>

These deferred tax benefits are not recognised as the Group and the Company could not anticipate their realisation.

**15. Inventories**

	<b>Group</b>	
	<b>2025 RM'000</b>	<b>2024 RM'000</b>
<b>Cost</b>		
Raw materials and components parts	123,067	62,256
Goods-in-transit	36,993	17,580
Work-in-progress	49,549	24,376
Finished goods	111,273	131,154
	<u>320,882</u>	<u>235,366</u>

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****15. Inventories (contd.)**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	1,059,508	997,195
Inventories written off	1,493	684
Reversal of inventories provision	(1,310)	(1,738)
	<u>                    </u>	<u>                    </u>

**16. Trade and non-trade receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Trade receivables</b>				
Third parties	<u>332,653</u>	<u>334,692</u>	<u>-</u>	<u>-</u>
Less: Impairment on receivables				
At 1 January	(61,380)	(55,679)	-	-
Additional impairment during the financial year	(3,053)	(8,707)	-	-
Reversal against impairment	17,011	174	-	-
Written off against impairment	142	-	-	-
Exchange differences	<u>3,188</u>	<u>2,832</u>	<u>-</u>	<u>-</u>
At 31 December	<u>(44,092)</u>	<u>(61,380)</u>	<u>-</u>	<u>-</u>
Trade receivables, net	<u>288,561</u>	<u>273,312</u>	<u>-</u>	<u>-</u>
<b>Non-trade receivables</b>				
Subsidiaries	-	-	23,896	3,142
Immediate holding company	171,952	181,500	11,276	11,822
Ultimate holding company	238,098	223,050	-	-
Deposits	4,763	3,188	4	4
Prepayments	18,204	13,232	-	-
Staff advances	310	268	-	-
Others	<u>54,435</u>	<u>45,130</u>	<u>-</u>	<u>-</u>
	<u>487,762</u>	<u>466,368</u>	<u>35,176</u>	<u>14,968</u>

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	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-trade receivables (contd.)</b>				
Less: Impairment on non-trade receivables				
At 1 January	(1,028)	(722)	-	-
Additional impairment during the financial year	(1,046)	(351)	-	-
Reversal against impairment	259	-	-	-
Exchange differences	81	45	-	-
	<u>(1,734)</u>	<u>(1,028)</u>	<u>-</u>	<u>-</u>
At 31 December	<u>(1,734)</u>	<u>(1,028)</u>	<u>-</u>	<u>-</u>
Non-trade receivables, net	<u>486,028</u>	<u>465,340</u>	<u>35,176</u>	<u>14,968</u>
Total	<u>774,589</u>	<u>738,652</u>	<u>35,176</u>	<u>14,968</u>

**(a) Credit risk**

The Group's normal trade credit term ranges between 7 to 90 days (2024: 7 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Except for the amount due from related companies and the long outstanding debts due from a group of debtors mentioned below, the Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

**(b) Due from immediate holding company**

The amount due from immediate holding company that bear interest between 3.87% to 4.63% (2024:4.63% to 5.78%) are unsecured and are repayable on demand.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****17. Cash and bank balances**

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	266,435	145,618	1,012	375
Deposits with licensed banks	352,671	404,506	-	-
	<u>619,106</u>	<u>550,124</u>	<u>1,012</u>	<u>375</u>

Deposits with licensed banks of the Group amounting to RM4,788,000 (2024: RM7,754,000) are pledged to bank for bank facilities granted to certain subsidiaries as stated in Note 23 and 26 to the financial statements.

The weighted average effective interest rates per annum of the deposits at the end of the reporting period are as follows:

	Group	
	2025	2024
	%	%
Deposits with licensed banks	<u>3.74</u>	<u>4.14</u>

The average original maturities of deposits as at the end of the reporting period are as follows:

	Group	
	2025	2024
	Days	Days
Deposits with licensed banks	<u>31</u>	<u>67</u>

**18. Share capital**

	Number of shares		Amount	
	2025	2024	2025	2024
	'000	'000	RM'000	RM'000
Ordinary share capital issued and fully paid				
At 1 January/31 December	<u>90,864</u>	<u>90,864</u>	<u>205,360</u>	<u>205,360</u>

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

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****19. Foreign currency translation reserve**

The foreign currency translation reserve is attributable to exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

**20. Retirement benefit obligations**

The certain subsidiaries of the Group provide retirement benefit for its eligible employees in accordance with the UAE Labour Law which is operated on an unfunded defined benefit. Under the scheme, eligible employees are entitled to retirement benefits based on the length of services and last drawn salary of the employees concerned.

The assets and liabilities of the defined benefit pension scheme are:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Present value of scheme liabilities	922	889
<b>Net pension liability</b>	<b>922</b>	<b>889</b>
Analysed as:		
Non-current:		
Later than 1 year but not later than 2 years	184	178
Later than 2 years but not later than 5 years	738	711
	922	889
	922	889

Changes in the present value of the defined benefit obligations are analysed as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	889	785
Charges for the year	124	-
Benefits paid	-	131
Exchange differences	(91)	(27)
At 31 December	922	889

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****21. Provisions**

	<b>Group</b>		
	<b>Sales warranty RM'000</b>	<b>Maintenance RM'000</b>	<b>Total RM'000</b>
<b>2025</b>			
At 1 January	52,243	127	52,370
Additional provision during the financial year	58,393	175	58,568
Utilisation of provision during the financial year	(23,966)	-	(23,966)
Reversal of provision	(5,848)	(211)	(6,059)
Exchange differences	(2,526)	-	(2,526)
	<u>78,296</u>	<u>91</u>	<u>78,387</u>
At 31 December			
Representing:			
Current	33,057	91	33,148
Non-current:			
Later than 1 year but not later than 5 years	45,239	-	45,239
	<u>78,296</u>	<u>91</u>	<u>78,387</u>
<b>2024</b>			
At 1 January	29,780	107	29,887
Additional provision during the financial year	49,114	200	49,314
Utilisation of provision during the financial year	(19,742)	-	(19,742)
Reversal of provision	(5,756)	(180)	(5,936)
Exchange differences	(1,153)	-	(1,153)
	<u>52,243</u>	<u>127</u>	<u>52,370</u>
At 31 December			
Representing:			
Current	21,902	127	22,029
Non-current:			
Later than 1 year but not later than 5 years	30,341	-	30,341
	<u>52,243</u>	<u>127</u>	<u>52,370</u>

The Group gives between one to five years warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. A provision for warranty is recognised for all products under warranty at the reporting date based on past experience on the level of repairs and returns.

The Group also provides the chiller maintenance service for the equipment sold and the cost provision are on accrued basis.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****22. Lease liabilities**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Representing:		
Current liabilities	3,755	4,018
Non-current liabilities	2,661	3,467
	<u>6,416</u>	<u>7,485</u>
Recognised in profit or loss:		
Expenses relating to lease of low value assets	118	117
Interest expense on lease liabilities	472	429

The Group's lease liabilities bear interest at the rate of 1.78% to 12.00% (2024: 1.78% to 12.00%) per annum.

The total cash outflow for leases for the financial year ended 31 December 2025 is RM4,802,000 (2024: RM4,593,000).

**23. Borrowings**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Unsecured:		
Bank overdrafts	5,692	5,541

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****23. Borrowings (contd.)**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Total borrowings</b>		
Bank overdrafts	5,692	5,541
	<u>5,692</u>	<u>5,541</u>
Maturity of borrowings:		
Within one year	5,692	5,541
	<u>5,692</u>	<u>5,541</u>
	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>%</b>	<b>%</b>
Range of interest rates per annum during the financial year:		
Bank overdrafts	10.25 - 11.25	11.00 - 11.75
	<u>10.25 - 11.25</u>	<u>11.00 - 11.75</u>

The borrowings are guaranteed by the Company and by certain subsidiaries, and secured by deposits with licensed banks as disclosed in Note 17 to the financial statements.

**24. Deferred income**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Government grant	3,967	3,676
Warranty reserve	7,780	7,121
	<u>11,747</u>	<u>10,797</u>
Deferred income	11,747	10,797
	<u>11,747</u>	<u>10,797</u>

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****24. Deferred income (contd.)**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Representing:		
Current liabilities	3,967	3,676
Non-current liabilities	7,780	7,121
	<u>11,747</u>	<u>10,797</u>

The Group received a government grant in 2013 which was conditional upon the research and development assets on ground source heat pump technology development and industrialisation projects.

The assets were bought during the financial year. The grant is amortised over the useful life of the assets. During the financial year, RM4,933,000 (2024: RM2,208,000) has been amortised and recognised as other income in profit or loss.

**25. Trade and non-trade payables**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Trade payables</b>				
Third parties	203,763	185,690	-	-
<b>Non-trade payables</b>				
Subsidiaries	-	-	116,641	210,918
Accruals	163,978	171,448	388	99
Deposits from customers	136,279	124,987	-	-
Others	76,987	46,697	68	68
	<u>377,244</u>	<u>343,132</u>	<u>117,097</u>	<u>211,085</u>
Total	<u>581,007</u>	<u>528,822</u>	<u>117,097</u>	<u>211,085</u>

The normal trade credit term granted to the Group and to the Company ranges between 30 to 90 days (2024: 30 to 90 days).

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****25. Trade and non-trade payables (contd.)**

Amount due to subsidiaries are unsecured, interest-free advances and are repayable on demand.

Significant related companies and subsidiaries transaction are disclosed in Note 27 to the financial statement.

**26. Contingent liabilities**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given to banks for credit facilities granted to subsidiaries:		
- unsecured	7,952	10,718

Bank guarantee is secured by deposits with licensed banks as disclosed in Note 17 to the financial statements.

**27. Related party disclosure**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(i) Related party transactions</b>				
Purchase from related company	11,800	6,500	-	-
Sales to related company	7,242	31,345	-	-
Loan interest from immediate holding company	4,509	5,586	407	533
Loan from subsidiaries	-	-	-	9,180
Loan interest to subsidiaries	-	-	7,599	10,681

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

The balances of related parties are disclosed in Notes 16 and 25 to the financial statements.

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Short term employee benefits:		
Post-employment benefits	5,140	4,623
Defined contribution plan	62	71
	<u>5,202</u>	<u>4,694</u>

**28. Financial instruments****Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL"); and  
 (b) Financial assets and liabilities measured at amortised cost ("AC")

	<b>Carrying amount RM'000</b>	<b>FVTPL RM'000</b>	<b>AC RM'000</b>
<b>Group 2025</b>			
<b>Financial assets</b>			
Other investments	15,041	15,041	-
Trade and non-trade receivables (exclude prepayments)	756,385	-	756,385
Cash and bank balances	619,106	-	619,106
	<u>1,390,532</u>	<u>15,041</u>	<u>1,375,491</u>
<b>Financial liabilities</b>			
Trade and non-trade payables	581,007	-	581,007
Lease liabilities	6,416	-	6,416
Borrowings	5,692	-	5,692
	<u>593,115</u>	<u>-</u>	<u>593,115</u>

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	<b>Carrying amount RM'000</b>	<b>FVTPL RM'000</b>	<b>AC RM'000</b>
<b>Group (contd.)</b>			
<b>2024</b>			
<b>Financial assets</b>			
Other investments	15,041	15,041	-
Trade and non-trade receivables (exclude prepayments)	725,420	-	725,420
Cash and bank balances	550,124	-	550,124
	<u>1,290,585</u>	<u>15,041</u>	<u>1,275,544</u>
<b>Financial liabilities</b>			
Trade and non-trade payables	528,822	-	528,822
Lease liabilities	7,485	-	7,485
Borrowings	5,541	-	5,541
	<u>541,848</u>	<u>-</u>	<u>541,848</u>
<b>Company</b>			
<b>2025</b>			
<b>Financial assets</b>			
Other investments	30	30	-
Non-trade receivables	35,176	-	35,176
Cash and bank balances	1,012	-	1,012
	<u>36,218</u>	<u>30</u>	<u>36,188</u>
<b>Financial liability</b>			
Non-trade payables and accruals	117,097	-	117,097
<b>2024</b>			
<b>Financial assets</b>			
Other investments	30	30	-
Non-trade receivables	14,968	-	14,968
Cash and bank balances	375	-	375
	<u>15,373</u>	<u>30</u>	<u>15,343</u>
<b>Financial liability</b>			
Non-trade payables and accruals	211,085	-	211,085

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****28. Financial instruments (contd.)****Categories of financial instruments (contd.)****Net gain or losses arising from financial instruments**

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
<b>Net gains/(losses) arising on:</b>		
<b><i>Financial assets measured at amortised cost</i></b>		
Impairment on trade receivables	(3,053)	(8,707)
Impairment on non-trade receivables	(1,046)	(351)
Reversal against impairment on trade receivables	17,011	174
Reveral against impairment on non-trade receivables	259	-
Interest income	21,480	24,947
Unrealised loss on foreign exchange	(14,054)	(7,386)
Realised (loss)/gain on foreign exchange	(11,549)	514
	<b>9,048</b>	<b>9,191</b>
<b><i>Financial liabilities measured at amortised cost</i></b>		
Interest expense - lease liabilities	(472)	(429)
Interest expense - others	(1,001)	(1,214)
Unrealised gain on foreign exchange	8,282	9,305
Realised gain on foreign exchange	3,739	2,149
	<b>10,548</b>	<b>9,811</b>
	<b>19,596</b>	<b>19,002</b>
<b>Company</b>		
<b>Net gains/(losses) arising on:</b>		
<b><i>Financial assets measured at amortised cost</i></b>		
Interest income from a loan to immediate holding company	407	533
Unrealised loss on foreign exchange	(1,220)	(742)
Realised loss on foreign exchange	-	(236)
	<b>(813)</b>	<b>(445)</b>
<b><i>Financial liabilities measured at amortised cost</i></b>		
Interest expense to a loan from ultimate holding company	(7,599)	(10,681)
Unrealised gain on foreign exchange	7,880	7,817
Realised gain on foreign exchange	4,643	-
	<b>4,924</b>	<b>(2,864)</b>
	<b>4,111</b>	<b>(3,309)</b>

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****28. Financial instruments (contd.)****Financial risk management objectives and policies**

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk and foreign currency risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its credit risk, interest rate risk, liquidity risk and foreign currency risk.

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

**Credit risk**

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

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

The Group and the Company establish an allowance for impairment that represents its estimate of incurred losses in respect of the trade and non-trade receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures. Impairment is estimated by management based on prior experience and the current economic environment.

In the previous year, the Group and the Company established an allowance for impairment with specific loss component that relates to individually significant exposures and collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

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The Group has no major concentration of credit risk and manages these risks by monitoring credit rating and limiting the aggregate financial exposure to any individual counterparty.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Recognition and measurement of impairment loss

The Company uses a provision matrix to measure ECLs of trade receivables and contract assets.

Loss rates are based on actual credit loss experience over the past three (3) years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the financial year.

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting date are as follows:

	<b>Carrying amount RM'000</b>	<b>Loss allowances RM'000</b>	<b>Carrying amount RM'000</b>
<b>Group</b>			
<b>2025</b>			
Not past due	195,401	-	195,401
Past due:			
- Less than 1 year	78,880	(5,016)	73,864
- More than 1 year	58,372	(39,076)	19,296
	<b>332,653</b>	<b>(44,092)</b>	<b>288,561</b>

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Comparative information under MFRS 139, Financial instruments: Recognition and Measurement.

The ageing analysis of the Group's trade receivables as at reporting date are as follows:

	<b>Carrying amount RM'000</b>	<b>Loss allowances RM'000</b>	<b>Carrying amount RM'000</b>
<b>Group (contd.)</b>			
<b>2024</b>			
Not past due	107,151	-	107,151
Past due:			
- Less than 1 year	109,831	(6,565)	103,266
- More than 1 year	117,710	(54,815)	62,895
	<u>334,692</u>	<u>(61,380)</u>	<u>273,312</u>

At the end of the reporting period, trade receivables that were individually impaired were those debtors in significant financial difficulty and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

(i) Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

(ii) Trade receivables that are past due but not impaired

Any receivables having significant balances past due or more than 1 year, which are deemed to have higher credit risk, are monitored individually. The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****28. Financial instruments (contd.)****Interest rate risk**

The Group primary interest rate risk relates to interest bearing borrowings.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates its effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier:

The following table shows information on the Group's exposure to interest rate risk.

Effective interest rates and repricing analysis

	<b>Effective interest rate per annum %</b>	<b>Less than one year RM'000</b>	<b>Between one to five years RM'000</b>	<b>Total RM'000</b>
<b>Group</b>				
<b>2025</b>				
<b>Financial liabilities</b>				
Bank overdrafts	10.25 - 11.25	5,692	-	5,692
Lease liabilities	1.78 - 12.00	3,755	2,661	6,416
		<u>9,447</u>	<u>2,661</u>	<u>12,108</u>
<b>2024</b>				
<b>Financial liabilities</b>				
Bank overdrafts	11.00 - 11.75	5,541	-	5,541
Lease liabilities	1.78 - 12.00	4,018	3,467	7,485
		<u>9,559</u>	<u>3,467</u>	<u>13,026</u>

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Decrease)/ increase</b>	<b>(Decrease)/ increase</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Effects on profit after taxation</b>		
Decrease of 10 basis points	(9)	(10)
Increase of 10 basis points	9	10
	<hr/>	<hr/>
<b>Effects on equity after taxation</b>		
Decrease of 10 basis points	(9)	(10)
Increase of 10 basis points	9	10
	<hr/>	<hr/>

**Liquidity risk**

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practice prudent risk management by maintaining sufficient cash balances.

Maturity analysis

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

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	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Within one year RM'000	One to five years RM'000
<b>Group</b>					
<b>2025</b>					
Trade and non-trade payables	581,007	-	581,007	581,007	-
Lease liabilities	6,416	1.78 - 12.00	6,817	4,033	2,784
Borrowings	5,692	10.25 - 11.25	5,692	5,692	-
	<u>593,115</u>		<u>593,516</u>	<u>590,732</u>	<u>2,784</u>
<b>2024</b>					
Trade and non-trade payables	528,822	-	528,822	528,822	-
Lease liabilities	7,485	1.78 - 12.00	8,005	4,182	3,823
Borrowings	5,541	4.25 - 11.75	5,541	5,541	-
	<u>541,848</u>		<u>542,368</u>	<u>538,545</u>	<u>3,823</u>
<b>Company</b>					
<b>2025</b>					
Non-trade payables and accruals	<u>117,097</u>	-	<u>117,097</u>	<u>117,097</u>	<u>-</u>
<b>2024</b>					
Non-trade payables and accruals	<u>211,085</u>	-	<u>211,085</u>	<u>211,085</u>	<u>-</u>

**Foreign currency risk**

The Group operates internationally and is exposed to various currencies, mainly United States Dollar, Singapore Dollar, Euro, Vietnamese Dong, Thai Baht, Japanese Yen and Chinese Renminbi. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

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Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept at an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as foreign currency forward contracts.

The Group is also exposed to currency translation risk arising from its net investments on foreign operations including Singapore, United Kingdom and China. The Group's net investments in foreign operation are not hedge as currency positions in those countries are consider to be long-term in nature.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	<b>Net functional assets/(liabilities) held in non-functional currency</b>			
	<b>RM RM'000</b>	<b>SGD RM'000</b>	<b>RMB RM'000</b>	<b>Total RM'000</b>
<b>Group 2025</b>				
USD	263,475	(1,187)	359,594	621,882
VND	17	-	-	17
SGD	(37)	-	-	(37)
EUR	1,723	635	-	2,358
JPY	2	-	-	2
RMB	(10,986)	5,543	-	(5,443)
	<b>254,194</b>	<b>4,991</b>	<b>359,594</b>	<b>618,779</b>
<b>2024</b>				
USD	200,960	5,308	328,422	534,690
VND	27	-	-	27
EUR	4,265	-	-	4,265
JPY	3	-	-	3
RMB	(4,621)	-	-	(4,621)
	<b>200,634</b>	<b>5,308</b>	<b>328,422</b>	<b>534,364</b>

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The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows: (contd.)

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net functional assets/(liabilities) held</b>		
USD	(102,471)	(170,835)

Foreign currency risk sensitivity analysis

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

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>Increase/ (decrease)</b>	<b>Increase/ (decrease)</b>	<b>Increase/ (decrease)</b>	<b>Increase/ (decrease)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
<b>Effects on profit after taxation:</b>				
<b>USD / RM</b>				
Strengthened by 5%	23,631	20,318	(3,894)	(6,492)
Weakened by 5%	(23,631)	(20,318)	3,894	6,492
<b>SGD / RM</b>				
Strengthened by 5%	(1)	-	-	-
Weakened by 5%	1	-	-	-
<b>EUR / RM</b>				
Strengthened by 5%	90	162	-	-
Weakened by 5%	(90)	(162)	-	-
<b>VND / RM</b>				
Strengthened by 5%	1	1	-	-
Weakened by 5%	(1)	(1)	-	-
<b>RMB / RM</b>				
Strengthened by 5%	(207)	(176)	-	-
Weakened by 5%	207	176	-	-

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**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****28. Financial instruments (contd.)****Foreign currency risk (contd.)**

As at end of the reporting date, the Group has entered into foreign currency forward contracts with the following notional amounts and maturities:

	<b>Group 2025</b>		<b>Group 2024</b>	
	<b>Notional value RM'000</b>	<b>Fair value RM'000</b>	<b>Notional value RM'000</b>	<b>Fair value RM'000</b>
<b>Forward contracts used to hedge trade payables</b>				
United States Dollar ("USD")	14,942	14,942	10,590	10,590
Chinese Renminbi ("RMB")	-	-	1,760	1,760
	<u>14,942</u>	<u>14,942</u>	<u>12,350</u>	<u>12,350</u>

All of these contracts mature within twelve months of the end of the reporting date.

**Fair values**

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

**(i) Cash and cash equivalents, trade and non-trade receivables/payables and short term borrowings**

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

**(ii) Borrowings**

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

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The aggregate fair value and the carrying amount of the financial liabilities carried on the statements of financial positions as at the end of the reporting period are as follows:

	<b>Group 2025</b>		<b>Group 2024</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>Financial liabilities:</b>				
<b>Group</b>				
Lease liabilities	<u>6,416</u>	<u>6,416</u>	<u>7,485</u>	<u>7,485</u>

**(iii) Other financial assets and financial liabilities maturing within the next 12 months**

The financial assets and financial liabilities maturing within the next 12 months approximated fair values due to the relatively short term maturity of the financial instruments.

**(iv) Forward currency contracts**

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing. The models incorporate various inputs including foreign exchange spot and forward rates.

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Fair value hierarchy

The fair values of other financial assets and liabilities together with the carrying amounts shown in the statement of financial position, are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Input for the assets or liabilities that are not based on observable market data (unobservable inputs).

	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>2025</b>				
<b>Financial asset</b>				
Transferable club memberships	-	-	59	59
Forward currency contracts	<u>14,942</u>	<u>-</u>	<u>-</u>	<u>14,942</u>
<b>2024</b>				
<b>Financial asset</b>				
Transferable club memberships	-	-	59	59
Forward currency contracts	<u>12,350</u>	<u>-</u>	<u>-</u>	<u>12,350</u>

**29. Capital management**

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

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The Group and the Company manage its capital based on debt to equity ratio. The Group's and the Company's strategies were unchanged from the previous financial year. The debt to equity ratio is calculated as net debt divided by total capital.

Net debt is calculated as trade and non-trade payables, amount due to immediate holding company and borrowings. Total capital is calculated as equity plus net debt.

The debt to equity ratio of the Group as at the end of the reporting period was as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Lease liabilities	6,416	7,485
Borrowings	<u>5,692</u>	<u>5,541</u>
	12,108	13,026
Less: Cash and cash equivalents	<u>(608,626)</u>	<u>(536,829)</u>
Net debt	(596,518)	(523,803)
Total equity	<u>1,242,860</u>	<u>1,118,615</u>
Total capital	<u>646,342</u>	<u>594,812</u>
Gearing ratio (times)	<u>n/a</u>	<u>n/a</u>

There is no external capital requirement imposed in the Group and the Company.

**30. Holding companies**

The immediate and ultimate holding companies of the Company are Yantai Moon Group (Hong Kong) Limited "YMHK" and Moon Environment Technology Co., Ltd. "MET" respectively. YMHK is incorporated in Hong Kong Special Administrative Region of the People's Republic of China, and MET is incorporated in the People's Republic of China and listed on the Shenzhen Stock Exchange.

**DUNHAM-BUSH HOLDING BHD.**

Registration No.: 198401016800 (129358-X)

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025****31. General information**

The Company is a public limited liability company that is incorporated and domiciled in Malaysia.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Lot 5755-6, Kidamai Industrial Park, Bukit Angkat, Sungai Chua, 43000 Kajang, Selangor Darul Ehsan, Malaysia.

The financial statements were approved and authorised for issue by the Board of Directors on 15 May 2026.