

ANNUAL REPORT 2025

KUCINGKO



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ABOUT US

Corporate Information

BOARD OF DIRECTORS

Lim Chor Ghee

Independent Non-Executive
Chairman

See Chin Joo

Executive Director

Ooi Kok Hong

Executive Director

Quah Bee Fong

Independent Non-Executive
Director

Elaine Law Soh Ying

Independent Non-Executive
Director

Puar Chin Jong

Independent Non-Executive
Director

Ku Chia Loon

Non-Independent Non-Executive
Director

AUDIT AND RISK

MANAGEMENT COMMITTEE

Puar Chin Jong (Chairman)

Elaine Law Soh Ying

Quah Bee Fong

REMUNERATION COMMITTEE

Quah Bee Fong (Chairperson)

Elaine Law Soh Ying

Puar Chin Jong

NOMINATION COMMITTEE

Elaine Law Soh Ying (Chairperson)

Puar Chin Jong

Quah Bee Fong

LONG TERM INCENTIVE

PLAN COMMITTEE

See Chin Joo (Chairman)

Lim Chor Ghee

Quah Bee Fong

STOCK EXCHANGE

**ACE Market of Bursa Malaysia
Securities Berhad**

Sector: Telecommunications and
Media

Stock Name : KUCINGKO

Stock Code : 0315

Listing Date : 26 July 2024

AUDITORS

TGS TW PLT

202106000004

(LLP0026851-LCA) & AF002345

Unit E-16-2B, Level 16

ICON Tower (East)

No. 1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia

Tel : (603) 9771 4326

Fax : (603) 9771 4327

REGISTERED OFFICE

Level 7, Mercu 3

No. 3, Jalan Bangsar, KL Eco City

59200 Kuala Lumpur, Malaysia

Tel : (603) 2280 6388

Fax : (603) 2280 6399

Email : listcomalaysia@acclimate.com

CORPORATE OFFICE

H-G-03A, Glomac Square

Jalan SS6/16A, Kelana Jaya

47301 Petaling Jaya, Selangor,
Malaysia

Tel : (603) 7880 9943

Website : www.kucingko.com

SHARE REGISTRAR

**Boardroom Share Registrars
Sdn Bhd**

Registration No. 199601006647
(378993-D)

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor, Malaysia

Tel : (603) 7890 4700

Fax : (603) 7890 4680

Email :

BSR.Helpdesk@boardroomlimited.com

Website :

www.boardroomlimited.com

PRINCIPAL BANKERS

Malayan Banking Berhad

HSBC Bank Malaysia Berhad

CIMB Bank Berhad

Standard Chartered Bank

Malaysia Berhad

OCBC Al-Amin Bank Berhad

COMPANY SECRETARIES

Lim Li Heong

(MAICSA7054716)

SSM PC No. 202008001981

Wong Mee Kiat

(MAICSA7058813)

SSM PC No. 202008001958

SPONSOR

Kenanga Investment Bank Berhad

Registration No. 197301002193 (15678-H)

Level 17, Kenanga Tower

237, Jalan Tun Razak

50400 Kuala Lumpur, Malaysia

Tel : (603) 2172 2888

Fax : (603) 2172 2999

Website : <https://www.kenanga.com.my>

FROM 2D to 3D and GAMES

Kucingko Berhad ("Kucingko" or "the Company") is a public company listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Founded in 2002 and headquartered in Petaling Jaya, Selangor, Kucingko and its subsidiary (collectively the "Group") holds the distinction of being the first animation studio to be listed on Bursa Securities — a milestone achieved on 26 July 2024, when the Group raised RM30.0 million in gross proceeds through its initial public offering at an issue price of RM0.30 per share.

The Group operates through a portfolio spanning animation production, game art and 3D animation production, IP content development, food and beverage, and technology services. Kucingko's principal revenue-generating subsidiary, Inspidea Sdn Bhd, is a specialist in 2D animation production for animated television series and digital shorts targeting international broadcasters and streaming platforms. A second key subsidiary, Fuloso Sdn Bhd, addresses the growing demand for 3D art, game assets, and 3D animation production services. Other subsidiaries include Bowleh Sdn Bhd, Toonigami Sdn Bhd, and Tourific Sdn Bhd, which operate across food and beverage, animation content production, and digital media services respectively.

The Group's primary markets are international in orientation. Asia-Pacific emerged as the single largest revenue contributor in financial year ended 31 December ("FYE") 2025, accounting for 66.92% of total revenue — reflecting the Group's ongoing geographic diversification strategy, particularly the expansion into South Korea and Japan initiated during the year. North America had historically been the dominant market (70.50% in FYE 2024). This export-led revenue profile underscores the Group's competitive strength in delivering internationally compliant, multi-language animation production services to content owners, broadcasters, and global streaming platforms.

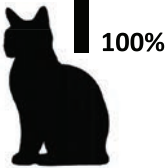
Our Subsidiaries at a Glance

Subsidiary	Focus	Role in the Group
Inspidea Sdn Bhd ("Inspidea")	2D Animation Production	Principal revenue generator; produces animated TV series and digital shorts for international broadcasters and streaming platforms
Fuloso Sdn Bhd ("Fuloso")	3D Art, Game Assets & 3D Animation	Growth driver; provides 3D character art, environment assets and animation for global gaming publishers and interactive content creators.
Pipapo Sdn Bhd ("Pipapo")	IP Content Development	Develops original animation IP and content concepts for licensing and co-production opportunities.
Toonigami Sdn Bhd ("Toonigami")	2D/3D Animation Production	Produces 2D and 3D animated TV series and digital shorts.
Bowleh Sdn Bhd ("Bowleh")	Food & Beverage	Cafe catering to staff, non-core segment.
Tourific Sdn Bhd ("Tourific")	Digital Media Services	Technology and digital media services arm of the Group

Corporate Structure

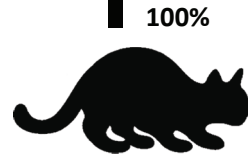


Registration No. 202301011068 (1504989-A)



Inspidea Sdn Bhd

Registration No.
200201012802 (580465-T)



Fuloso Sdn Bhd

Registration No.
201801045770 (1307802-K)



Bowleh Sdn Bhd

Registration No.
201701042933 (1257106-H)



Pipapo Sdn Bhd

Registration No.
202401038379 (1584226-V)



Toonigami Sdn Bhd

Registration No.
200801004656 (805940-X)



Tourific Sdn Bhd

Registration No.
199901025996 (500896-D)

5 Years Financial Highlights

	2025 RM'million	2024 RM'million	2023 RM'million	2022 RM'million	2021 RM'million
FINANCIAL RESULTS					
Revenue	3.6	25.8	28.2	23.5	17.7
(Loss)/Profit Before Tax	(12.0)	7.0	10.8	9.4	8.2
(Loss)/Profit After Tax	(12.0)	5.0	8.4	8.0	6.5
FINANCIAL POSITION					
Total Assets	36.4	49.4	25.4	23.2	19.1
Total Liabilities	5.6	6.6	7.4	7.5	4.6
Shareholders' Equity	30.8	42.8	17.0	15.8	14.5
Cash and Cash Equivalents	2.5	9.7	12.1	13.4	9.4
Short Term Investment	25.5	10.1	-	-	-
Fixed Deposits with licensed banks	1.8	25.2	7.2	9.7	9.8





LEADERSHIP AND PEOPLE

10 Directors' Profile

13 Key Senior Management's Profile

LEADERSHIP AND PEOPLE

Directors' Profile

LIM CHOR GHEE

Independent Non-Executive Chairman

Age : 57**Gender** : Male**Nationality** : Malaysian**Appointment Date** : 15.09.2023**Academic and Professional Qualification(s)**

- Bachelor of Commerce, University of Melbourne, Australia
- Master of Business Administration, Heriot-Watt University, United Kingdom
- Master in International Studies, University of Sydney, Australia
- Postgraduate Diploma in Laws (Environment and Natural Resources Law), University of London
- Member of the Australian Society of Certified Practising Accountants (CPA)
- Member of the Malaysian Institute of Accountants

Present Appointment(s)

- Director of IMT Software Solutions Pte Ltd
- Director of Indochina Link Pte Ltd
- Director of Peligo Link Sdn Bhd
- Senior Advisor of ADK Vietnam Lawyers

Past Relevant Experience(s)

- Over 25 years of experience in providing business consultancy services
- Adjunct Professor in Finance and Accounting at the Management and Science University, Malaysia
- Co-founder of Tricor Services Vietnam Co., Ltd
- Co-founder of Tricor Axcelasia Vietnam Co., Ltd (fka Tricor Vietnam Co., Ltd)

Other Present Directorship(s)

- Listed Company: Nil
- Public Company: Nil

SEE CHIN JOO

Executive Director

Age : 55**Gender** : Male**Nationality** : Malaysian**Appointment Date** : 23.03.2023**Academic and Professional Qualification(s)**

- Bachelor of Commerce, Finance and Accounting, University of Melbourne, Australia
- Endeavor Entrepreneur in the 65th Endeavor International Selection Panel in Bali

Present Appointment(s)

- Executive Director of Kucingko Berhad

Past Relevant Experience(s)

- Over 24 years of experience in the animation production industry
- Co-founder (as Sales and Marketing Director) of Inspidea Sdn Bhd
- Co-founder (as Sales and Marketing Director) of Tourific Sdn Bhd
- Research Analyst of HLG Securities Sdn Bhd

Other Present Directorship(s)

- Listed Company: Nil
- Public Company: Nil



Directors' Profile

OOI KOK HONG

Executive Director

Age : 55

Gender : Male

Nationality : Malaysian

Appointment Date : 23.03.2023

Academic and Professional Qualification(s)

- Master of Science (Planning), Universiti Sains Malaysia
- Bachelor of Science (Housing, Building & Planning) Hons., Universiti Sains Malaysia
- Endeavor Entrepreneur in the 65th Endeavor International Selection Panel in Bali

Present Appointment(s)

- Executive Director of Kucingko Berhad

Past Relevant Experience(s)

- Over 24 years of experience in the animation production industry
- Co-founder (as Managing Director) of Inspidea Sdn Bhd
- Co-founder (as Technology Director) of Tourific Sdn Bhd

Other Present Directorship(s)

- Listed Company: Nil
- Public Company: Nil

KU CHIA LOON

Non-Independent Non-Executive Director

Age : 50

Gender : Male

Nationality : Malaysian

Appointment Date : 15.09.2023

Academic and Professional Qualification(s)

- Bachelor of Engineering (Information Technology), University of Western Australia, Australia

Present Appointment(s)

- Director of Impresions Solutions Sdn Bhd

Past Relevant Experience(s)

- Over 20 years of experience in IT consultancy services
- Co-founder of Impresions Solutions Sdn Bhd
- Group Manager in Consulting Services of ISATEC Sdn Bhd (fka I.S.A Technologies Sdn Bhd)

Other Present Directorship

- Listed Company: Nil
- Public Company: Nil

QUAH BEE FONG

Independent Non-Executive Director

Age : 56

Gender : Female

Nationality : Malaysian

Appointment Date : 15.09.2023

Academic and Professional Qualification(s)

- Bachelor of Commerce, majoring in Management Economics and Finance, University of Guelph, Ontario, Canada

Present Appointment(s)

- Director of Academy for Silent Member

Past Relevant Experience(s)

- Over 20 years of experience in investment management
- Non-Independent and Non-Executive Director of Astro Malaysia Holdings Berhad
- Director in Investments Division of Khazanah Nasional Berhad

Other Present Directorship(s)

- Listed Company : Nil
- Public Company : Nil



LEADERSHIP AND PEOPLE

Directors' Profile

PUAR CHIN JONG

Independent Non-Executive Director

Age : 56**Gender :** Male**Nationality :** Malaysian**Appointment Date :** 15.09.2023**Academic and Professional Qualification(s)**

- Bachelor of Economics (Business Administration), University of Malaya
- Associate Member of Chartered Institute of Management Accountants

Present Appointment(s)

- Partner of ECore Synergy PLT

Past Relevant Experience(s)

- Over 30 years of experience in corporate finance, and mergers and acquisitions
- Divisional General Manager, Group Corporate Finance of S P Setia Berhad
- Head of Corporate Affairs, Group Corporate Finance of S P Setia Berhad

Other Present Directorship(s)**Listed Company :**

- Independent Non-Executive Director of SCC Holdings Berhad
- Independent Non-Executive Director of Heng Hup Holdings Limited (listed on the Hong Kong Stock Exchange)

Public Company :

- Independent Non-Executive Director of Qube International Berhad

ELAINE LAW SOH YING

Independent Non-Executive Director

Age : 48**Gender :** Female**Nationality :** Malaysian**Appointment Date :** 15.09.2023**Academic and Professional Qualification(s)**

- Bachelor of Law, University of Leicester, United Kingdom
- Master of Law (International Commercial Law), University of Leicester, United Kingdom
- Certificate in Legal Practice (CLP)
- Member of the Malaysian Bar, Malaysia

Present Appointment(s)

- Partner in Messrs Law Kuan Yew & Co

Past Relevant Experience(s)

- Over 22 years of experience in corporate and commercial law practice
- Formerly a Partner in Azman Davidson & Co, Advocates & Solicitors
- Formerly a Legal Associate in Messrs Foong & Partners and Zain & Co.

Other Present Directorship(s)**Listed Company :**

- Independent Non-Executive Director of KJTS Group Berhad
- Independent Non-Executive Director of Empire Premium Food Berhad

Public Company :

- Nil



Key Senior Management Profile

MEMBERSHIP OF BOARD COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE

Puar Chin Jong (Chairman)
Elaine Law Soh Ying
Quah Bee Fong

REMUNERATION COMMITTEE

Quah Bee Fong (Chairperson)
Elaine Law Soh Ying
Puar Chin Jong

NOMINATION COMMITTEE

Elaine Law Soh Ying (Chairperson)
Puar Chin Jong
Quah Bee Fong

LONG TERM INCENTIVE PLAN COMMITTEE

See Chin Joo (Chairman)
Lim Chor Ghee
Quah Bee Fong

YOSHIYA AYUGAI

Head of Content & Development

Age : 55

Gender : Male

Nationality : Japanese

Appointment Date : 1 February 2024

Academic and Professional Qualification(s)

- Bachelor of Arts (Philosophy), Faculty of Comparative Culture, Sophia University, Tokyo

Past Relevant Experience(s)

- Over 22 years in animated IP development and content production for Disney, Cartoon Network and Netflix
- Manager, Kids & Family of Netflix Pte Ltd (Singapore)
- Executive Producer of Turner International Asia Pacific Limited (Hong Kong)
- Senior Manager of Walt Disney Television International (Japan)

Directorships in other Public Companies

- Nil

Notes to Directors' Profile and Key Senior Management Profile:

- Save for the disclosure of Mr. Ku Chia Loon, who is the son of Mr. Koo Hong @ Ku Hong Hai, a major shareholder of the Company, the other Directors and Key Senior Management have no family relationship with any Director and/or major shareholder of the Company
- None of the Directors and Key Senior Management has any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries.
- None of the Directors and Key Senior Management has been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has any public sanction or penalty been imposed on them by the relevant regulatory bodies during the financial year ended 31 December 2025.
- The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2025 is disclosed in the Corporate Governance Overview Statement of this Annual Report.



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Chairman's Statement



“

The industry delivered an exceptionally difficult operating environment, and our financial results reflected that fully. What those results do not capture is what we have preserved through it — an intact talent base, active and robust client relationships, a strong balance sheet, and a fully funded strategic agenda. On those measures, we enter 2026 from a position of genuine strength. ”

LIM CHOR GHEE

Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders,

It is with a spirit of candour, resilience, and tempered optimism that I present to you the Chairman's Statement for the financial year ended 31 December 2025 — Kucingko Berhad's first full financial year as a publicly listed company on the ACE Market of Bursa Malaysia.

First year as a listed entity was not the one any of us had envisioned at the time of our listing in July 2024. The global animation industry entered one of its most pronounced cyclical downturns in a generation, compressing commissioning pipelines across North America and Europe with a speed and severity that few in the industry anticipated. These market conditions also affected Kucingko and our financial results for FYE 2025 reflect that reality.

And yet, I write to you today as a Chairman who is genuinely confident in where this company stands and where it is headed. We navigated FYE 2025 without compromising the talent, the capabilities, and the balance sheet that will drive our recovery. We held firm on the investments that matter most. And as the industry begins its return toward recovery, we enter FYE 2026 better positioned.

Financial Performance — A Year of Industry-Wide Headwinds

I will not seek to gloss over the financial facts of FYE 2025. The numbers were difficult, and our shareholders deserve a frank account of what happened and why.

Our principal revenue-generating subsidiary, Inspidea, experienced a dramatic reduction in project deliveries during the year. Group revenue contracted by approximately 86.0% year-on-year to RM3.6 million, against RM25.8 million in FYE 2024. The Group recorded a net loss of RM12.0 million — substantially below the performance levels our shareholders would have expected when we listed.

These results demand an explanation, and that explanation is rooted firmly in forces that were exogenous to our studio — industry-wide, systemic, and ultimately temporary in character.

The global animation commissioning market entered a prolonged freeze beginning in late 2024 and deepening through into 2025. The Writers Guild of America and SAG-AFTRA strikes in the United States disrupted production approval cycles in ways whose full effects were not felt until they flowed through to outsourcing studios like Inspidea Sdn Bhd in the quarters that followed. Major streaming platforms restructured their internal animation units, committing to leaner content slates rather than the ambitious multi-series pipelines that had driven outsourcing demand in prior years. The television broadcasting ecosystem in North America — our single largest market, representing approximately 70.5% of our revenue in FYE 2024 — saw multiple major networks cutting their scripted animation commitments year-on-year. Corporate mergers and media company integrations further delayed approval processes as newly merged entities prioritised operational rationalisation over new content greenlight decisions.

Our cost structure during this period reflected a deliberate choice: to retain our talented team in robust production readiness rather than to shed capability for short-term cost relief. Employee remuneration and facility costs represent fixed commitments that cannot be switched on and off in response to project delivery timing. We made the decision, with the full support of the Board, to sustain these commitments through the contraction — because the artists, animators, supervisors, and production managers who comprise Inspidea's talent base are an indispensable part of Kucingko as we recover and strive ahead.

That difficult choice largely contributed to the net loss of RM12.0 million in FYE 2025. I believe it was the right choice, and the Board and I are prepared to be judged on that belief when the recovery manifests in our FYE 2026 results.

Chairman's Statement

Balance Sheet Resilience — Our Foundation for Recovery

While our profit and loss statement reflected the full impact of the commissioning downturn, our balance sheet remained a source of strength throughout FYE 2025.

As of 31 December 2025, the Group held approximately RM29.8 million in cash, with approximately RM20.4 million of our IPO proceeds remaining unutilised and specifically earmarked for strategic growth initiatives — including the establishment of a business development presence in North America and the build-out of our capacity for 3D art and game content production through Fulofo Sdn Bhd. Our total debt-to-equity ratio was modest at 0.2%, reflecting a conservatively structured balance sheet with no refinancing pressure.

This financial position means that Kucingko enters the recovery phase of the industry cycle not as a studio scrambling for survival, but as a studio with the resources to be purposeful and strategic. We have the capital to undertake rigorous business development activities and embark on the right projects, and invest in the technology and skills to stay ahead of the disruptions that AI brings to the global animation industry. All this hard work will drive our next phase of growth, allowing us to present ourselves to international clients as a stable, well-governed, long-term partner.

Our Five Priorities for FYE 2026 — A Year of Disciplined Recovery

We enter 2026 with cautious but genuine optimism. The conditions for a meaningful recovery are gathering, and the strategic investments we have preserved through the contraction are now positioned to deliver returns. The global animation commissioning environment is showing early signs of normalisation. The major corporate restructurings that depressed approval decisions in 2024 and 2025 — which included the Warner-Discovery integration and various streaming platform portfolio reviews — are substantially complete. We are observing early signs of institutional adaptation to AI-driven change, as industry participants progressively integrate new technologies within evolving operational and governance frameworks.

The sequential narrowing of our net losses, from RM3.7 million in Q1 FYE 2025 to RM2.5 million in Q4 FYE 2025, provides early empirical confirmation that our project delivery pipeline is beginning to rebuild.

Against this backdrop, the Board has identified five priorities that will define our FYE 2026 execution agenda:

1. Revenue Recovery Through Inspidea's Project Pipeline

The immediate and most critical imperative is the restoration of Inspidea's project delivery cadence to levels that return the business to operating profitability. We are in active engagement with existing North American and new Asian clients whose pipelines are reactivating. Our team is production-ready, and the backlog of deferred projects that were delayed rather than cancelled represents near-term revenue opportunity.

2. Scaling Fulofo's 3D and Game Art Revenue

The gaming end-use segment within animation outsourcing is among the fastest-growing application categories in the industry, with Mordor Intelligence projecting a 14.5% CAGR through 2030, driven by publishers' growing demand for film-quality cinematic trailers, cutscenes, and in-game character art. Fulofo's capability in 3D game art, character design, and environment production positions us to participate meaningfully in this growth. Our priority in FYE 2026 is to close the public portfolio gap by delivering completed, attributable credits for mid-tier game clients and to build the commercial pipeline that will make Fulofo a meaningful contributor to Group revenue moving forward.

3. AI Integration Across Inspidea and Fuluso

We have committed to integrating AI-assisted production tools into our workflows in FYE 2026. For Inspidea, this means deploying AI animation and style-generation tools that improve throughput per animator without compromising the quality standards our international clients expect. For Fuluso, it means adopting AI-driven production tools and real-time rendering tools that enable rapid character prototyping — a capability increasingly demanded by game publisher clients seeking faster creative iteration cycles.

4. Leveraging Malaysia's Policy Environment

The Malaysian government's commitment to the creative economy has never been stronger. The Film in Malaysia Incentive (FIMI) — offering a 30% cash rebate on qualifying production expenditure — provides a structural cost advantage we are actively incorporating into project financing conversations with international clients. MDEC's expanded animation funding programmes and the RMK13 plan's designation of the orange economy as a strategic national priority collectively create a policy tailwind available to us as a Malaysian-domiciled studio.

5. Strengthening Investor Relations and Market Visibility

As Bursa Malaysia's first public listed animation group, we carry a governance standard and institutional credibility that represents a genuine competitive differentiator in client conversations. In FYE 2026, we will invest in strengthening our market communications and investor relations, and build the track record of execution that translates into shareholders value.

Closing Remarks

2025 tested Kucingko's resolve in ways we did not anticipate at listing. The industry delivered an exceptionally difficult operating environment, and our financial results reflected that fully. What those results do not capture is what we have preserved through it — an intact talent base, active and robust client relationships, a strong balance sheet, and a fully funded strategic agenda. On those measures, we enter 2026 from a position of genuine strength.

The global animation market's long-term trajectory — driven by the structural and growing demand of streaming platforms and gaming publishers worldwide — is unambiguously upward. Managed well, AI can propel the industry forward by expanding its optionality. Malaysia's creative industry ecosystem has never been better supported by government policy. And Kucingko, as the only publicly listed animation group on Bursa Malaysia, carries a governance standard and institutional credibility that positions us to grow our market share as the cycle turns.

I am deeply grateful to our management team and every member of our production staff, who maintained their commitment to Kucingko through a genuinely difficult year. I am grateful to our clients, who have sustained relationships through the delays that the industry cycle imposed on all of us. And I am grateful to our shareholders, whose patience and confidence through our first full year as a public company reflects a long-term perspective that we intend to reward.

The recovery has begun. The work continues.

Yours sincerely,

Lim Chor Ghee

Independent Non-Executive Chairman
 Kucingko Berhad

Management Discussion and Analysis

OVERVIEW

RM3.6M

FYE 2025 REVENUE

▼ 86.0% YoY

RM16.9M

OPERATING EXPENSES

▼ 13.3% YoY

RM12.0M

LOSS BEFORE TAX

vs. PBT RM7.0M in FY24

RM29.8M

CASH & EQUIVALENTS

Current Ratio: 9.2x

The financial year ended 31 December 2025 ("FYE 2025") was a year of material financial challenge for Kucingko Berhad, reflecting the direct impact of the global animation commissioning slowdown on the Group's principal revenue stream. The 2D animation production segment, operated through Inspidea Sdn Bhd, experienced significant project delivery compression, as international content buyers — predominantly in North America — deferred or delayed the greenlight and delivery of commissioned productions in response to industry-wide project and budget rationalisation.

Notwithstanding this challenge, management's deliberate decision to preserve core production talent and capability through the downturn, to actively diversify the revenue base through Fuloso Sdn Bhd's 3D and game art offering, and to expand the Group's geographic reach into Asia-Pacific markets — particularly South Korea and Japan — means that Kucingko enters FYE 2026 operationally intact and strategically positioned to participate in the industry's recovery.

FINANCIAL PERFORMANCE

	FYE 2025 RM'million	FYE 2024 RM'million	Changes	
			RM'million	%
Revenue	3.6	25.8	(22.2)	(86.0)
Operating expenses	16.9	19.5	(2.6)	(13.3)
(Loss)/Profit before tax	(12.0)	7.0	(19.0)	(271.4)
(Loss)/Profit after tax	(12.0)	5.0	(17.0)	(340.0)

REVENUE

In FYE 2025, Kucingko reported consolidated revenue of RM3.6 million, a decline of approximately 86.0% year-on-year against the RM25.8 million recorded in FYE 2024. This dramatic compression reflected the near-complete cessation of deliverable project milestones during the year, as the outsourcing pipeline depletion — a consequence of the late-2024 commissioning freeze — flowed through to Inspidea's delivery schedule.

The principal drivers of the revenue decline were twofold: first, a significant slowdown in project deliveries as international content buyers deferred commissioning decisions; and second, a broader softening of industry demand as major streaming platforms and broadcasters rationalised their animation content slates in response to post-pandemic budget normalisation and the after effects of the 2023 WGA and SAG-AFTRA industrial action in the United States.

It is important to contextualise this decline within the broader industry environment. Leading animation studios globally reported similar reductions in project delivery throughput during the same period, affirming that Kucingko's FYE 2025 revenue contraction was a function of systemic market conditions rather than any competitive or operational deficiency.

Management Discussion and Analysis

A significant geographic reorientation also occurred during FYE 2025. Asia-Pacific, led by nascent engagement in South Korea and Japan, emerged as the Group's single largest revenue contributor at 66.9% of total revenue — a material shift from North America's 70.5% dominance in FYE 2024. This geographic diversification, whilst partially a function of reduced North American commissioning, also reflects management's deliberate and successful effort to open new revenue channels in the Asia-Pacific region.

OPERATING EXPENSES

The Group's total operating expenses for FYE 2025 amounted to RM16.9 million, a decrease of RM2.6 million or approximately 13.3% from RM19.5 million in FYE 2024. While this reduction reflects management's deliberate efforts to recalibrate the Group's cost base in response to the revenue contraction, operating expenses nonetheless remained materially elevated relative to the revenues generated during the year — a direct consequence of the operating leverage dynamics inherent to project-based creative services businesses.

The Group maintained its animation talent pool as its most critical productive asset throughout the downturn. Every effort was made to retain core production capabilities and experienced personnel while rightsizing the overall workforce to a level sustainable against the lower revenue environment. This approach was both a deliberate strategic choice and an investment in the Group's recovery capacity. Replacing skilled animators, riggers, and production supervisors in an industry upturn carries both direct cost and significant time-to-production risk that management was unwilling to accept.

LOSS BEFORE TAX

Loss Before Tax (“LBT”) for FYE 2025 was RM12.0 million, compared to a Profit Before Tax (“PBT”) of RM7.0 million in FYE 2024 — a decline of RM19.0 million or 271.4%. This deterioration reflects the inherent operating leverage challenge of project-based creative services businesses during periods of revenue contraction.

Fixed operating costs — principally comprising employee payroll and facility costs — were maintained at levels substantially in excess of revenue during FYE 2025. This structure is economically rational for a studio maintaining production readiness and talent retention in anticipation of pipeline recovery, but it generates significant operating losses when project deliveries are compressed. The Group's cost architecture is, by design, optimised for sustained production throughput rather than minimal cost during idle periods — a posture that imposes short-term financial pain but preserves long-term capability.

LOSS AFTER TAX

For FYE 2025, the Group recorded a Loss After Tax (“LAT”) of RM12.0 million, compared to a Profit After Tax (“PAT”) of RM5.0 million in FYE 2024. The effective tax position in FYE 2025 was minimal, as operating losses generated no taxable income. The absence of a material tax shield effect in a loss year is consistent with the Group's deferred tax asset recognition policy.

Management Discussion and Analysis

BALANCE SHEET AND LIQUIDITY

Notwithstanding the challenging financial performance, the Group's balance sheet position as at 31 December 2025 remained robust and provides a strong foundation for the recovery phase.

Liquidity Indicator	FYE 2025	Benchmark / FYE 2024	Assessment
Cash and Fixed Deposits and Short Term Investment	RM29.8 million	RM41.6M (IPO proceeds)	Strong
IPO Proceeds (Remaining)	RM20.4 million	Earmarked for growth	Fully available
Current Ratio	9.2x	Benchmark : 1.5 - 2.0x	Excellent
Debt-to-Equity Ratio	0.2x (18%)	Low-leverage quartile	Conservative
Net Cash Position	Positive	No near-term refinancing risk	Healthy

The Group's Cash and Fixed Deposits and Short Term Investments and Short Term Investments of RM29.8 million, combined with a current ratio of 9.2x and a net cash position, places Kucingko in an exceptionally strong liquidity position — far exceeding the commonly accepted 1.5x to 2.0x benchmark for healthy going concern assessments. In addition, the Group's debt-to-equity ratio on a pure borrowing's basis of approximately 0.2x places Kucingko firmly in the low-leverage quartile, with no near-term refinancing risk.

This balance sheet strength is not incidental — it reflects the deliberate capital discipline exercised since listing, and the Group's decision to deploy IPO proceeds in a phased and measured manner consistent with its strategic roadmap rather than accelerating expenditure to generate short-term revenue at the cost of financial resilience.

CASH FLOW ANALYSIS

	FYE 2025 RM'million	FYE 2024 RM'million	Changes	
			RM'million	%
Net cash (used in)/from operating activities	(11.9)	7.6	(19.5)	(256.6)
Net cash (used in)/from investing activities	5.3	(28.9)	34.2	118.3
Net cash (used in)/from financing activities	(0.9)	18.9	(19.8)	(104.8)

Operating Activities. Net cash used in operating activities amounted to RM11.9 million in FYE 2025, representing a deterioration of RM19.5 million or approximately 256.6% compared to the RM7.6 million inflow recorded in FYE 2024. This movement is principally attributable to the operating losses incurred across multiple subsidiaries during the year, which depleted operating cash flow. The magnitude of this outflow reflects the Group's decision to sustain fixed cost commitments — particularly payroll — through the revenue contraction, consistent with the talent-retention strategy described above.

Investing Activities. Net cash from investing activities improved from an outflow of RM28.9 million in FYE 2024 to an inflow of RM5.3 million in FYE 2025 — a positive movement of RM34.2 million or approximately 118.3%. This significant swing reflects the drawdown of RM20.1 million from longer-dated fixed deposits upon maturity, subsequently reinvested into money market funds — reflecting the Group's post-IPO treasury optimisation strategy, which seeks to balance capital preservation with improved yield on short-term cash holdings.

Management Discussion and Analysis

Financing Activities. Net cash used in financing activities amounted to RM0.9 million in FYE 2025, compared to an inflow of RM18.9 million in FYE 2024. The FYE 2024 inflow was driven by IPO proceeds; the FYE 2025 outflow reflects routine lease repayments, term loan repayments, and interest payments in the absence of new financing activity. No dividend was declared for FYE 2025. The Board will revisit distributions once the Group achieves a sustainable profitability trajectory.

ANTICIPATED AND KNOWN RISKS

#	Risk Factor	Mitigation Strategy	Risk Level
1	Revenue & Client Concentration	Geographic diversification into Asia-Pacific (Japan) underway; Fulofo Sdn Bhd expanding 3D/game art revenue base; broadening client portfolio across project types and sizes.	High — Monitoring
2	Commissioning Cycle Risk	Proactive pipeline cultivation with existing and new clients; targeting broader spread of project types, geographies and client sizes; core production team maintained at full readiness to capture upturn.	High — Active Management
3	AI Disruption & Opportunity	FY2026 roadmap commits to AI pipeline integration in both Inspidea (that improve throughput per animator) and Fulofo (real-time rendering, character prototyping); positioned as opportunity rather than threat.	Medium — Opportunity
4	Talent Retention	Core production team retained through contraction; competitive compensation maintained; creative environment preservation prioritised.	Medium — Active Management
5	Foreign Exchange Exposure	Structural mismatch between USD-denominated revenue and MYR cost base actively monitored; formal hedging programme under development as revenue volumes recover.	Medium — Monitoring

Management Discussion and Analysis

OUTLOOK FOR FYE 2026

The Group enters FYE 2026 with cautious but genuine optimism. The conditions for a meaningful recovery are gathering. The global animation commissioning environment is showing early signs of normalisation — consistent with the sequential narrowing of the Group's net losses from RM3.7 million in Q1 FYE 2025 to RM2.5 million in Q4 FYE 2025, indicating that the project delivery pipeline is beginning to rebuild.

Strategic diversification into Asia-Pacific initiated in FYE 2025 will present tangible near-term revenue opportunities. The Group's engagement with Japanese content producers and broadcasters represents a structural market development that reduces dependence on the historically dominant North American channel.

The strategic investments made in 3D animation and gaming through Fuloso during the contraction are now positioned to deliver returns. The Group's priority in FYE 2026 is to build the commercial pipeline that will make Fuloso a meaningful contributor to Group revenue by year-end, complementing the recovery of Inspidea's 2D animation business.

Malaysia's supportive policy environment — including the Film in Malaysia Incentive (FIMI) 30% cash rebate, MDEC's expanded animation funding programmes, and RMK13's designation of the orange economy as a strategic national priority — provides a structural tailwind that management intends to deploy actively in business development strategy.

MANAGEMENT FORWARD COMMITMENT

Revenue recovery : Restore Inspidea's project delivery to operating profitability.

Fuloso growth : Build commercial pipeline for meaningful Group revenue contribution moving forward.

AI integration : Deploy AI-assisted tools in Inspidea and Fuloso production workflows.

Policy leverage : Actively incorporate FIMI and MDEC incentives in client conversations.

Investor communication : Strengthen reporting cadence and investors engagement.



Sustainability Statement

Board Statement

The Group remains committed to transparency and good governance. In line with Bursa Malaysia Securities Berhad ("Bursa Securities") enhanced sustainability reporting framework, we have prepared our Sustainability Statement for FYE 2025 using the new prescribed format via the CSI Platform, while continuing to work towards full alignment with IFRS sustainability standards by the 2027 deadline. This Statement has been reviewed internally by the Board of Directors to ensure accuracy and completeness. For FYE 2025, this Statement has not been subject to independent external assurance. We will work towards assurance readiness in accordance with the roadmap for ACE Market listed issuers.

REPORTING SCOPE AND BOUNDARIES

Unless otherwise specified, the scope of this Statement covers Kucingko Berhad and its key operating subsidiaries: Inspidea Sdn Bhd ("Inspidea"), Pipapo Sdn Bhd ("Pipapo"), Bowleh Sdn Bhd ("Bowleh"), Fuloso Sdn Bhd ("Fuloso"), Toonigami Sdn Bhd ("Toonigami") and Tourific Sdn Bhd ("Tourific"). The reporting scope encompasses our core operations in 2D animation production, 3D animation and game art production, IP and content development, and restaurant operations based in Malaysia.

The contents of this Statement encompass the financial year from 1 January 2025 to 31 December 2025 ("FYE 2025"). Comparative data from prior periods is provided to support continuity and demonstrate progress against sustainability targets.

REPORTING GUIDELINES

This Statement complies with Bursa Securities ACE Market Listing Requirements ("AMLR") and has been prepared in reference to the United Nations Sustainable Development Goals ("UNSDGs") and Global Reporting Initiative ("GRI") Standards. Data disclosures have been submitted through the Bursa Malaysia Centralised Sustainability Intelligence ("CSI") Platform in accordance with the enhanced sustainability reporting obligations effective for financial years ending on or after 31 December 2025.

Framework Global Reporting Initiative (GRI) Standards	Goals United Nations Sustainable Development Goals (UNSDGs)	Listing Requirements Bursa Malaysia ACE Market Listing Requirements (AMLR) & CSI Platform
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SUSTAINABILITY GOVERNANCE

The Board of Directors of Kucingko Berhad ("Board") holds ultimate accountability for identifying and overseeing sustainability-related risks and opportunities, and for approving the Group's overall sustainability strategy. Sustainability considerations are embedded into the Board's regular agenda and form an integral part of strategic decision-making.

To support this oversight role, the Board is assisted by the Executive Directors and the Head of Communications, who work together to ensure the effective management, monitoring and reporting of Kucingko's ESG matters across all subsidiaries. As the Group grows, it is committed to strengthening its sustainability governance structure, including consideration of a dedicated Sustainability Committee at the Board level.

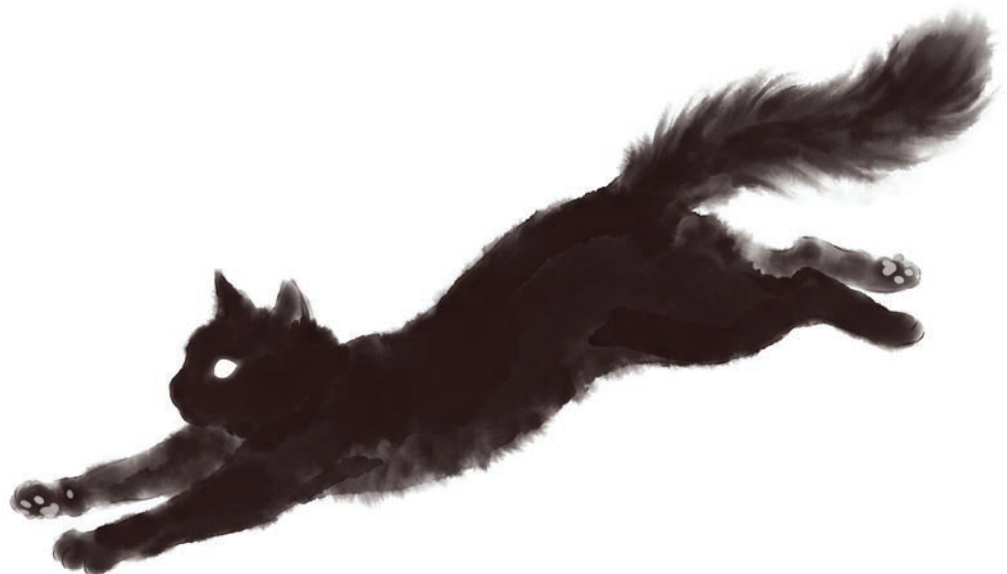
Governance Structure

Board of Directors (Ultimate accountability) → Executive Directors & Head of Communications (Operational oversight) → Subsidiary Management Teams (Implementation) → All Employees (Day-to-day ESG practices)

OUR SUSTAINABILITY VISION

Kucingko is committed to embedding sustainability into its business practices and strategies. We recognise that as a creative enterprise, our influence extends beyond the screen — our stories, our craft, our people, and our operations are integral to how we operate. At Kucingko, sustainability is embedded into our processes, our creative practices, employment approach, and engagement with the broader environment.

Our sustainability vision is anchored upon three strategic pillars: Environmental Responsibility, Social Responsibility, and Governance and Ethical Conduct. These pillars guide our efforts to address ESG issues that are material to our business and contribute to twelve (12) United Nations Sustainable Development Goals (UNSDGs).



Sustainability Statement

STAKEHOLDER ENGAGEMENT

We believe that meaningful stakeholder engagement is essential for long-term corporate success and business resilience. Through regular engagement with our diverse stakeholders, we gain valuable insights into their expectations and interests, enabling us to align our sustainability initiatives accordingly and ensure our material ESG topics reflect real-world impact.

Stakeholders	Expectation and Interests	How we engage
Investors	<ul style="list-style-type: none"> • Financial performance value creation • Sustainable dividend policy • Corporate governance and compliance • ESG risk management 	<ul style="list-style-type: none"> • Annual general meetings • Annual reports • Quarterly financial reports • Corporate websites and investor
Customers	<ul style="list-style-type: none"> • Timely delivery of production • Alignment of production quality and timeline • Good relationship rapport 	<ul style="list-style-type: none"> • Regular meetings and feedback • Physical engagement aimed at building relationships • Dedicated production management tools • Effective communication of progress
Employees	<ul style="list-style-type: none"> • Training and development • Occupational health and safety • Competitive remuneration and rewards 	<ul style="list-style-type: none"> • Continuous training and development programs • Team building activities • Work-life balance and wellbeing • Quarterly performance appraisals • Whistle-blowing policy
Suppliers	<ul style="list-style-type: none"> • Transparent procurement processes • Regular payment schedule • Data privacy and protection • Ethical business conduct 	<ul style="list-style-type: none"> • Timely payments • Proper and accurate record keeping • Data privacy and protection • Whistle-blowing policy
Communities	<ul style="list-style-type: none"> • Interaction with and support for local communities • Building good relationships and reputation • Industry knowledge sharing 	<ul style="list-style-type: none"> • Collaboration with schools and colleges • Social responsibility programs • Industry events participation • Industry knowledge sharing
Government and Regulators	<ul style="list-style-type: none"> • Compliance with corporate governance standards • Compliance with all local laws and regulations • Industry development contribution 	<ul style="list-style-type: none"> • Annual reports and regulatory filings • Participation in government seminars and industry forums • Regulatory updates and disclosures

MATERIAL ASSESSMENT OF SUSTAINABILITY MATTERS

Our materiality assessment is guided by three considerations: (i) the significance of ESG impacts of the Group on the economy, environment, and society; (ii) the influence of sustainability matters on stakeholder decisions; and (iii) alignment with commonly recognised material sustainability themes relevant to the animation and creative production sector.

The material assessment is driven by a three-step process to identify and prioritise ESG topics that are relevant to the Group and its stakeholders. For FYE 2025, this assessment was conducted through a review of peer and industry benchmarks, regulatory guidance updates from Bursa Malaysia, and internal management consultations to validate the continued relevance of each material topic.

Based on the assessment, we have prioritised nine (9) sustainability topics under the pillars of Environmental Responsibility, Social Responsibility, and Governance and Ethical Conduct.

Pillar	Material Topic	Significance to Kucingko	Contributing UNSDGs
Environment	<ul style="list-style-type: none"> • Energy Consumption & Efficiency • Water Consumption • Waste Management 	Managing operational footprint across studios and restaurant facilities	<ul style="list-style-type: none"> • SDG 7: Affordable and Clean Energy • SDG 12: Responsible Consumption • SDG 13: Climate Action
Social	<ul style="list-style-type: none"> • Diversity, Equity & Inclusion • Talent Management & Development • Community Engagement • Ethical Labour Practices 	People are the foundation of creative excellence; community trust underpins our brand	<ul style="list-style-type: none"> • SDG 4: Quality Education • SDG 5: Gender Equality • SDG 8: Decent Work • SDG 10: Reduced Inequalities
Governance	<ul style="list-style-type: none"> • Transparent Business Practices • Compliance & Legal Standards 	Listing obligations, IP protection and anti-corruption critical to investor confidence	<ul style="list-style-type: none"> • SDG 16: Peace, Justice & Strong Institutions • SDG 17: Partnerships for Goals

Sustainability Statement

PILLAR 1 : ENVIRONMENTAL RESPONSIBILITY

We strive to minimise our environmental footprint by adopting eco-friendly practices and exploring innovative solutions that promote resource efficiency. Our initial focus includes energy efficiency, water conservation, waste reduction, and responsible sourcing within our operations. As a primarily digital and knowledge-based business, our environmental footprint is relatively contained; however, we recognise our responsibility to continually improve and to lead by example within Malaysia's creative industry.

Sustainable Animation Production

(i) Energy Consumption

The Group recognises that our carbon footprint primarily stems from energy consumption across our animation production studios, office equipment, computing infrastructure, and restaurant facilities. The Group continues to focus on tangible initiatives to enhance energy efficiency, including switching to LED lighting throughout our premises, utilising distinct electrical circuits to optimise lighting usage, and investing in energy-efficient computers and appliances.

In FYE 2025, total electricity consumption across the Group's operations was 479,301 kWh, representing an intensity of 15.3 kWh per square foot of occupied space. These steps form the foundation of our broader commitment to reducing our carbon footprint, and we will continue to explore additional measures including renewable energy sourcing as the Group scales.

Energy Metric	FYE 2023	FYE 2024	FYE 2025
Total Electricity Consumption (kWh)	386,879	496,039	479,301
Electricity Intensity (kWh/sqft)	12.3	15.8	15.3
LED Lighting Coverage	Partial	Majority	Majority

Note: Comparative data for FYE 2023 and FYE 2024 will be included in future reports as the Group establishes its three-year rolling data baseline in accordance with Bursa Malaysia's sustainability reporting requirements.

(i) Water Consumption

Kucingko is mindful of its water footprint and its potential impact on water quality and wastewater generation. Through our subsidiary Bowleh, which operates food and beverage facilities, we practice water conservation by repurposing cooking water for cleaning and other kitchen uses, thereby reducing overall freshwater demand. Across our animation studios and offices, we promote awareness among employees to use water responsibly, reinforcing our commitment to sustainable resource management throughout the Group.

In FYE 2025, total water consumption across the Group was 3,059 m³, representing an intensity of 0.10 m³ per square foot of occupied space. We will continue to monitor water usage trends and implement targeted conservation measures where material savings can be achieved.

Water Metric	FYE 2023	FYE 2024	FYE 2025
Total Water Consumption (m³)	4,112	3,537	3,059
Water Intensity (m³/sqft)	0.13	0.11	0.10

Waste Management

The Group's operations generate minimal waste, limited primarily to office materials, electronic peripherals, and food packaging from our restaurant subsidiary. To reduce our environmental impact, we have implemented a paperless workflow across our production pipeline, utilising digital production management tools and Adobe E-Signature for all key documents, thereby significantly reducing paper consumption.

In our pantry and communal areas, we provide reusable kitchenware and utensils to minimise single-use plastics. All new employees receive a reusable cup upon joining, embedding sustainable habits as part of our onboarding culture. We continue to evaluate opportunities to formalise our waste management practices, including the introduction of e-waste disposal protocols for end-of-life computing equipment.

Animal Welfare

At Kucingko, we believe that compassion extends beyond creative storytelling and into the workplace. As part of our commitment to animal welfare and community support, we currently care for eight (8) resident cats within our office premises. This initiative not only enriches our creative working environment but also contributes to reducing the stray animal population in our local community, demonstrating that corporate responsibility can be expressed in meaningful, human-scale ways.

PILLAR 2 : SOCIAL RESPONSIBILITY

We are dedicated to fostering positive impacts on society. This includes creating a safe, inclusive and empowering workplace, investing in our employees' professional development, and supporting community initiatives that align with our values as a Malaysian creative enterprise. Our social strategy recognises that our people are our most valuable asset and that our platform — as storytellers — carries the ability to shape how Malaysian and global audiences engage with important human themes.

Diversity, Equity and Inclusion (DEI)

The Group believes that a diverse and inclusive workplace is essential to fostering creativity, innovation, and long-term business success. By embracing employees from all backgrounds — regardless of age, nationality, gender, or physical ability — we enrich our creative perspectives, strengthen our storytelling, and build a culture of empathy and respect that reflects the values we portray in our work.

We are committed to providing equal opportunities for all employees to pursue their career aspirations. Our recruitment practices actively seek talent from a wide range of backgrounds, including both local and foreign nationals, across different age groups, and individuals with disabilities (Orang Kurang Upaya, "OKU"). A meaningful example of this commitment is our Finance Executive, who has been with us since 2012 and is hearing-impaired. His dedication and professional contributions over more than a decade exemplify our firm belief that ability is not defined by disability.

Sustainability Statement

We maintained balanced gender representation across our workforce in FYE 2025 and continue to employ staff of various nationalities, reflecting our commitment to cultural diversity as a genuine creative strength.

Workforce Metric	FYE 2023	FYE 2024	FYE 2025
Total Headcount	313	246	174
Nationalities Represented	10	9	9
OKU Employees	1	1	1
Gender Balance (Female : Male)	143 : 170 45% : 55%	104 : 142 42% : 58%	64 : 110 37% : 63%

Talent Management

Our people are the heart of our business. At Kucingko, we believe that investing in continuous learning not only supports our employees' personal growth but also empowers them to drive the Group's strategic goals. Our creative output is only as strong as the skills and passion of those who create it, and we are deeply committed to ensuring that every team member has access to meaningful development opportunities.

In FYE 2025, the Group continued to prioritise training in key technical areas of animation, encompassing both foundational skills and advanced production techniques. Training programs are delivered through a combination of internal workshops and external courses, ensuring that employees at all levels — from junior animators to senior production staff — have access to relevant and high-quality learning experiences. The Group recorded a total of 90,528 training hours across all subsidiaries in FYE 2025.

Training Metric	FYE 2023	FYE 2024	FYE 2025
Total Training Hours	N/A	33,419	90,528
Training Delivery Mode	N/A	Internal & External	Internal & External
Key Training Areas	N/A	2D Animation, Production Management, Leadership	2D/3D Animation, Production Management, Leadership

Community Engagement

The Group believes in giving back to the community that helped shape us. Drawing from our own roots as a business founded through entrepreneurial programs, we are committed to supporting the next generation of Malaysian creators, animators and entrepreneurs. In FYE 2025, our community engagement activities included substantial outreach to educational institutions and participation in national industry events.

Studio Visits and Educational Outreach

The Group believes in giving back to the community that helped shape us. Drawing from our own roots as a business founded through entrepreneurial programs, we are committed to supporting the next generation of Malaysian creators, animators and entrepreneurs. In FYE 2025, our community engagement activities included substantial outreach to educational institutions and participation in national industry events.

We hosted multiple studio visits from students across leading tertiary institutions, providing hands-on exposure to animation workflows, career pathways, and production realities. Institutions engaged in FYE 2025 include:

- **Asia Pacific University (APU):** Two studio visits in 2025, approximately 30 students per visit; final-year students additionally received private portfolio consultations with our Head of Animation, Raymond Yap
- **ITE Singapore:** One studio visit consisting of 30 students and 3 lecturers, featuring an educational session on real-world production workflow, hosted by Animation Supervisor Zulkifly Amiruddin
- **Universiti Pendidikan Sultan Idris (UPSI):** One studio visit consisting of 38 students and 2 lecturers – educating on production workflow and studio operations, hosted by Animation Supervisor Zulkifly Amiruddin
- **The One Academy:** Workshop for 38 graduating students and 2 lecturers, providing insights on the animation industry and studio operation, hosted by Animation Supervisor Zulkifly Amiruddin
- **Taylor's University:** Workshop for 30 students and 3 lecturers, providing insights on studio space and environment design optimised for an animation studio, hosted by Interior designer Swofinty Yik- the students' external advisor.

These sessions covered Kucingko's growth journey, our animation workflow and departmental structure, career pathways in the animation industry, and practical portfolio and project guidance.

Industry Events Participation

The Group believes in giving back to the community that helped shape us. Drawing from our own roots as a business founded through entrepreneurial programs, we are committed to supporting the next generation of Malaysian creators, animators and entrepreneurs. In FYE 2025, our community engagement activities included substantial outreach to educational institutions and participation in national industry events.

In FYE 2025, Kucingko and its subsidiary Inspidea actively participated in major industry and public events to raise the profile of Malaysian animation and identify creative talent:

- **MDEC Kre8tif! Conference, Kuching, Sarawak:** Our Production Director, Chris Leong, served as a panel consultant for student portfolio reviews from Universiti Malaysia Sarawak (UNIMAS), providing career mentorship to the next generation of animation graduates in East Malaysia
- **HobbyCon Sabah 2025, Sabah International Convention Centre (13–14 December):** Inspidea operated a dedicated exhibition booth, engaging with animation enthusiasts and creative talent from East Malaysia. Chris Leong delivered a special Q&A session on animation production planning, offering audiences a behind-the-scenes perspective on professional production
- **Malaysian Animation Film Festival 2025 (MAFF):** A short film based on a story by employee Yong Kim Pang, centred on the theme of unity and produced in conjunction with Malaysia Day 2025. The film was submitted and subsequently nominated at MAFF.

Community Impact Highlight

In FYE 2025, Kucingko and Inspidea reached students and creative professionals across five universities and colleges, three national industry events spanning both Peninsular and East Malaysia, and audiences in Singapore — demonstrating our commitment to nurturing talent beyond our own walls and contributing meaningfully to Malaysia's creative economy.

Sustainability Statement

Employee Wellbeing and Retention

We recognise that retaining skilled talent goes beyond professional development. At Kucingko, we believe that happy and connected employees are the foundation of a thriving creative business. We promote work-life balance through flexible working arrangements and a range of team-building activities designed to foster bonding, collaboration, and belonging.

In FYE 2025, employee engagement initiatives included:

- **Cultural celebrations:** Chinese New Year, Hari Raya and Malaysia Day festivities fostering inclusivity and team cohesion
- **Blood Donation Drive:** In collaboration with the National Blood Centre (Pusat Darah Negara), reinforcing our commitment to community welfare
- **Lepak Lukis:** Creative sketching sessions that celebrate artistic expression and provide a relaxed space for team connection
- **Annual General Meeting** hosting at our Kucingko venue, enabling direct stakeholder engagement within our creative workspace
- **Pyjama Parties and fun social events,** contributing to a vibrant and psychologically safe workplace culture
- **EPF Awareness Day:** Organised in collaboration with KWSP Petaling Jaya to support employees in accessing essential KWSP services, including member registration, i-Akaun setup, voluntary contributions, and retirement advisory services.

Ethical Labour Practices

Kucingko strongly upholds fair labour practices, ensuring that all employees and business partners are treated with respect and compensated fairly for their work. We strictly adhere to the Employment Act 1955, the Minimum Wages Order, and all applicable Malaysian labour regulations. We maintain a safe and supportive environment across all our offices and production facilities, with measures in place to safeguard the physical and mental well-being of our employees. We operate a zero-tolerance policy towards forced labour, child labour, and any form of workplace discrimination or harassment.



Festive gathering at Kucingko in celebration of Chinese New Year, highlighting the importance of inclusivity, collaboration, and employee wellbeing.

Sustainability Statement

PILLAR 3 : GOVERNANCE AND ETHICAL CONDUCT

Integrity and transparency are the cornerstones of our governance framework. As a publicly listed company on Bursa Malaysia's ACE Market, Kucingko is held to the highest standards of corporate accountability, and we view compliance not merely as a regulatory obligation but as the foundation of long-term stakeholder trust and business sustainability.

Transparent Business Practices

As a listed entity, we are committed to adhering to the highest standards of corporate governance and compliance, ensuring accountability in every aspect of our operations. Our corporate governance is supported by an independent Board and transparent management structures. We effectively identify and manage the risks inherent in our business through clear accountability and transparency in our decision-making processes. To build and maintain stakeholder trust, Kucingko has implemented a suite of zero-tolerance-driven policies that apply across all levels of the organisation:

- Fit and Proper Policy — ensuring the integrity of Board members and key management personnel
- Code of Conduct and Code of Ethics — setting out the standards of behaviour expected of all employees
- Whistle-Blowing Policy — providing a safe and confidential channel for reporting ethical concerns
- Anti-Bribery and Corruption Policy — establishing clear prohibitions and procedures to prevent corrupt practices

These policies provide guidance and raise awareness among all stakeholders, helping them identify, avoid, and reject any unethical or illegal activities, and encouraging the reporting of credible information about violations.

Compliance and Legal Standards

Kucingko closely monitors its compliance with relevant local and international laws governing intellectual property, labour, and environmental standards applicable to the animation and creative production industry. In respect of content production, we adhere to the Motion Picture Association of America (MPAA) Best Practices Common Guidelines. Our Creative team works diligently to ensure that all content — from scripts to final animation — is original or properly licensed. We also ensure that all necessary permissions and clearances are obtained for any third-party materials used in our productions. By adhering to these rigorous standards, we uphold the integrity of our work and protect the rights of creators, ensuring that our content is both legally compliant and respectful of intellectual property laws.

Key Governance Policies in Place

Fit and Proper Policy • Code of Conduct • Code of Ethics • Whistle-Blowing Policy • Anti-Bribery and Corruption Policy • MPAA Content Production Best Practices • Data Privacy and Protection Protocols

Assurance and Forward-Looking Commitments

The Board has confirmed that this Sustainability Statement has been reviewed internally to ensure its accuracy and completeness. For FYE 2025, this Statement has not been subject to independent external assurance. The Group will work towards assurance readiness in accordance with the roadmap for ACE Market listed issuers under Bursa Malaysia's enhanced sustainability reporting framework, targeting full compliance with IFRS sustainability disclosure standards by the 2027 deadline.

Looking ahead, Kucingko is committed to strengthening its ESG data infrastructure, expanding its baseline metrics across all subsidiaries, and progressively enhancing the depth and rigour of its sustainability disclosures in each subsequent reporting period.

Summary of ESG Metrics and Targets - FYE 2025

The following summary table presents Kucingko's key sustainability metrics for FYE 2025 as disclosed in accordance with Bursa Malaysia's sustainability reporting requirements. This data has been submitted via the Centralised Sustainability Intelligence (CSI) Platform.

	Metric	FYE 2023	FYE 2024	FYE 2025
Environment	• Electricity Consumption (kWh)	386,879	496,039	479,301
	• Electric Intensity (kWh/sqft)	12.3	15.8	15.3
	• Water Consumption (m ³)	4,112	3,537	3,059
	• Water Intensity (m ³ /sqft)	0.13	0.11	0.10
Social	• Total Training Hours	N/A	33,419	90,528
	• OKU Employees	1	1	1
	• Student Outreach (Institutions)	24	20	13
	• Industry Events Participated	8	4	5
Governance	• Key Policies Implemented	N/A	4 core policies active	4 core policies active
	• External Assurance	N/A	Internal review only	Internal review only

Note: The Group will build a three-year rolling baseline for all metrics commencing FYE 2025, in accordance with Bursa Malaysia sustainability reporting requirements. Comparative FYE 2025 data will be included in the FYE 2026 and FYE 2027 Sustainability Statements respectively as the baseline is established.

Sustainability Statement

Looking Ahead : Our Sustainability Commitments

As Kucingko Berhad continues to grow and mature as a listed entity, we are committed to elevating our sustainability practices and disclosures in line with evolving regulatory requirements and stakeholder expectations. Our priorities for the coming years include:

- Establishing a formal three-year rolling ESG data baseline across all material metrics by FYE 2026
- Advancing towards IFRS S1 and IFRS S2 disclosure readiness in preparation for the 2027 mandatory compliance deadline for ACE Market issuers
- Exploring the feasibility of renewable energy adoption across our primary studio facilities
- Strengthening our DEI framework with formalised targets and reporting metrics
- Expanding community engagement programs to reach a greater number of institutions and aspiring creative professionals across Malaysia

Our ESG Commitment

Kucingko Berhad is committed to continuous improvement in our sustainability journey. We recognise that transparency, accountability and a genuine commitment to doing better — for our people, our planet and our stakeholders — are not just obligations of a listed company, but the foundations of lasting creative and business excellence.

Sustainability Report

KUCINGKO BERHAD
BMLR Transition Period

Date & Time: 2026-04-27 15:50:08
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Environmental Responsibilities - Energy Consumption & Efficiency	Total electricity consumption	KWh	479,301	No Targets	No assurance	
Environmental Responsibilities - Water Consumption	Total water consumption	m ³	3,059	No Targets	No assurance	
Environmental Responsibilities - Waste Management	Waste management practices	Qualitative	n/a	No Targets	No assurance	Paperless workflow is put in place, and reusable materials are encouraged
Social Responsibilities - Diversity, Equity & Inclusion	Workforce diversity	% and number	37% Female Representation OKU Staff = 1	No Targets	No assurance	Diverse workforce across gender and nationality
Social Responsibilities - Talent Management	Total training hours	Hours	90,528	No Targets	No assurance	Continuous internal and external training programs for upskilling
Social Responsibilities - Community Engagement	Community engagement activities	Number	8	No Targets	No assurance	Engagement with educational institutions and participation in industry events
Social Responsibilities - Ethical Labour Practices & Employee's Wellbeing	Engagement Activities	Number	0	No Targets	No assurance	
Governance - Transparent Business Practices	Policies in Place	Number of Policies	4	No Targets	No assurance	
Governance - Compliance & Legal	Policies in Place	Number of Policies	4	No Targets	No assurance	



CORPORATE GOVERNANCE

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Corporate Governance Overview Statement

The Board of Directors (“Board”) of Kucingko Berhad (“Kucingko” or “Company”) recognises the importance of upholding and maintaining strong governance practices across the Company and its subsidiaries (“the Group”) to ensure sustainable business growth, safeguard shareholders' interests, enhance shareholder value, and protect stakeholders' interests.

The Board is pleased to present this Corporate Governance Overview Statement (“CG Statement” or “Statement”) for FYE 2025, prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This CG Statement provides an overview of the Company’s corporate governance practices for FYE 2025, with reference to the following three (3) key principles as guided by the Malaysian Code on Corporate Governance (“MCCG”):-

- Principle A: Board Leadership and Effectiveness
- Principle B: Effective Audit and Risk Management
- Principle C: Integrity in Corporate Reporting and Meaningful Engagement with Stakeholders

This CG Statement shall be read together with the Corporate Governance Report 2025 (“CG Report”), which disclosed the application of each practice set out in the MCCG during FYE 2025. The prescribed CG Report is accessible on the Company’s website at www.kucingko.com/investor-relations and the Company’s announcement on the website of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART I : BOARD RESPONSIBILITIES

1. Board Leadership

The Group acknowledges the vital role of the Board in providing strategic leadership, governance and oversight. The Board is entrusted with establishing the Group’s corporate governance framework, setting the strategic direction, defining key objectives, and ensuring alignment with shareholders’ interests. It is also responsible for overseeing financial management, risk governance, and regulatory compliance, while ensuring that robust internal controls are in place to safeguard the Group’s assets.

The key responsibilities of the Board include:

- a. Reviewing and approving the Group’s corporate strategies, business plans, significant investments, and major business restructuring initiatives;
- b. Overseeing the Group’s overall business operations, financial performance, and the implementation of strategic initiatives to ensure long-term value creation for stakeholders;
- c. Promoting and embedding a robust corporate governance culture within the Group through ethical leadership, transparency, and accountability;
- d. Assessing and managing principal risks, determining the Group’s risk appetite, and ensuring the effectiveness of the enterprise risk management framework;

Corporate Governance Overview Statement

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

- e. Ensuring the adequacy and integrity of the Group's internal controls, risk management, and information management systems to support effective decision-making; and
- f. Ensuring the reliability of both financial and non-financial reporting, including compliance with applicable financial reporting standards and regulatory disclosure requirements

While the Board sets the overall strategic direction, the execution of strategies and day-to-day management of the business are delegated to the Executive Directors and management team, within clearly defined authority limits. The management team meets regularly to navigate business priorities and implement strategic initiatives effectively. The Executive Directors provide quarterly updates to the Board on financial performance, operational developments, and key management initiatives.

To enhance the Board's effectiveness in discharging its fiduciary duties, the Board has established four (4) Board Committees, namely the Audit and Risk Management Committee, Nomination Committee, Remuneration Committee, and Long-Term Incentive Plan Committee. Each Board Committee operates within its respective Terms of Reference, which are periodically reviewed to ensure continued relevance and effectiveness in supporting the Board's oversight responsibilities. The Terms of Reference of these Committees are accessible on the Company's website at www.kucingko.com. Additionally, the Board is responsible for ensuring that the Company and the Group comply with the AMLR, the Companies Act 2016, and the applicable rules and regulations set by other relevant authorities.

The Board is chaired by Mr. Lim Chor Ghee, an Independent Non-Executive Chairman. The Chairman's primary responsibilities include fostering a culture of sound corporate governance, providing leadership to the Board, and ensuring its effective functioning. In this role, the Chairman facilitates constructive deliberations during Board meetings, ensures that all Directors have the opportunity to actively participate in discussions, and oversees the comprehensive deliberation of agenda items to support informed decision-making.

The Group ensures a balance of power and authority between the Board Chairman and Executive Directors, with a clear separation of responsibilities between the leadership of the Board and the management of the Company's business operations.

In line with Practice 1.3 of the MCGG, the positions of Board Chairman and Executive Directors are held by different individuals, ensuring no single person has unfettered decision-making authority.

The Board Chairman, Mr. Lim Chor Ghee, provides leadership to the Board, ensures effective corporate governance, and facilitates constructive discussions among Directors. Meanwhile, the Executive Directors, Mr. See Chin Joo and Mr. Ooi Kok Hong, are responsible for overseeing day-to-day business operations, implementing the Board's policies, and ensuring the achievement of corporate objectives and performance targets.

The distinct roles and responsibilities of the Board Chairman and Executive Directors are clearly defined in the Board Charter, ensuring a structured governance framework that enhances accountability and decision making.

Corporate Governance Overview Statement

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

The Board upholds the principles of good corporate governance in line with Practice 1.4 of the MCCG, ensuring that the Chairman of the Board, Mr. Lim Chor Ghee, is not a member of the Audit and Risk Management Committee, Nomination Committee, or Remuneration Committee. This allows him to maintain independence, provide an objective perspective, and offer guidance to the Board Committees based on his extensive experience.

The Board is supported by two (2) suitably qualified Company Secretaries, both of whom are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretaries pursuant to Section 235 of the Companies Act 2016.

The Company Secretaries provide essential support and guidance on all secretarial matters of the Company, ensuring compliance with the Companies Act 2016, the AMLR of Bursa Securities, and the MCCG, among other relevant regulations.

To ensure they remain informed about regulatory changes and developments in corporate governance, the Company Secretaries regularly attend relevant training and development programmes.

The Board meets regularly, at least once every quarter, to review and approve the Group's quarterly financial results and other key matters, with meetings scheduled in advance to ensure active participation. Additional or special Board meetings may be convened as and when necessary to deliberate on urgent proposals or matters requiring the Board's immediate attention and decision.

In FYE 2025, a total of six (6) Board meetings were held. The attendance of each Director is as follows :

Directors	Directorship	Meeting Attendance
Lim Chor Ghee	Independent Non-Executive Chairman	6/6
See Chin Joo	Executive Director	6/6
Ooi Kok Hong	Executive Director	6/6
Quah Bee Fong	Independent Non-Executive Director	6/6
Elaine Law Soh Ying	Independent Non-Executive Director	6/6
Puar Chin Jong	Independent Non-Executive Director	6/6
Ku Chia Loon	Non-Independent Non-Executive Director	6/6

The Board has full and unrestricted access to all information concerning the Group, including direct access to Management, to enable them to discharge their fiduciary and oversight responsibilities effectively. Agenda items and reports, covering both qualitative and quantitative information, are provided to Board members ahead of meetings. This ensures they have sufficient time for review, facilitating effective deliberation and informed decision-making. Additionally, the Board may seek independent professional advice, at the Company's expense, whenever necessary to ensure they are well-informed in discharging their responsibilities. The Company Secretaries facilitate the effective conduct of Board and Board Committee meetings, ensuring that all deliberations and decisions are accurately recorded and minuted.

Corporate Governance Overview Statement

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

2. Board Charter

The Board has adopted a Board Charter that outlines the roles and responsibilities of the Board, its Committees, and individual Directors. The Board Charter provides guidance and clarity for the Board in overseeing the implementation of strategic plans, the overall performance of the Group, and fulfilling its fiduciary duties and leadership functions.

The Board will regularly review the Board Charter as and when required to ensure it is updated in accordance with current legal requirements and to reaffirm its relevance in terms of objectives and responsibilities. The Board Charter is available on the Company's website at www.kucingko.com.

3. Business Ethics and Integrity

The Group is dedicated to upholding high ethical standards across all areas of its operations. The Board recognizes its responsibility to lead by example and cultivate a corporate culture that encourages ethical behaviour throughout the Group. To reinforce this commitment, the Board has adopted and implemented a Code of Conduct for all employees, including Directors, Management, and staff, along with a separate Code of Ethics specifically for the Board. These codes are intended to guide actions, ensuring that all business interactions are conducted with integrity, fairness, and in full compliance with applicable laws and regulations.

The Group has implemented the Anti-Bribery and Corruption Policy in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), emphasising its zero-tolerance approach to bribery and corruption. This policy reflects the Group's commitment to conducting business in a professional, fair, and ethical manner across all its relationships. It provides a clear framework, outlining the key principles and procedures for addressing any bribery and corruption-related activities or issues that may arise.

The Group has also established a Whistleblowing Policy to reinforce its commitment to ethical and legal business operations. This policy provides a secure and confidential channel for individuals with genuine concerns to report any suspected wrongdoing, business misconduct, or malpractice without fear of discrimination, retaliation, or harassment. Whistleblowers may report concerns directly to the Chairman of the Audit and Risk Management Committee via email.

The Board adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant skills, knowledge, experience, competence, and time commitment required to effectively carry out their roles and responsibilities in the best interest of the Group and its stakeholders. The Nomination Committee will conduct the fit and proper assessment prior to appointing any candidate as a Director or recommending the re-election of an existing Director of the Group.

The Code of Conduct, Code of Ethics, Anti-Bribery and Corruption Policy, Whistleblowing Policy and Directors' Fit and Proper Policy are available on the Company's website at www.kucingko.com.

Corporate Governance Overview Statement

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

4. Sustainability Governance

The Board recognises the importance of sustainability in driving long-term value for stakeholders and is committed to integrating environmental, social, and governance (“ESG”) considerations into the Group’s business strategies and operations. The Group has established an ESG framework that guides its sustainability initiatives, ensuring that key ESG principles are embedded across its business activities.

Further details on the Group’s sustainability initiatives, key focus areas, and performance for the financial year are provided in the Sustainability Statement of this Annual Report.

PART II : BOARD COMPOSITION

5. Board Diversity

The Board currently comprises seven (7) members, of whom four (4) are Independent Non-Executive Directors (including the Board Chairman), two (2) Executive Directors, and one (1) Non-Independent Non-Executive Director, as follows :

Name	Directorship
Lim Chor Ghee	Independent Non-Executive Chairman
See Chin Joo	Executive Director
Ooi Kok Hong	Executive Director
Quah Bee Fong	Independent Non-Executive Director
Elaine Law Soh Ying	Independent Non-Executive Director
Puar Chin Jong	Independent Non-Executive Director
Ku Chia Loon	Non-Independent Non-Executive Director

The current Board composition fulfils the requirements under Rule 15.02 of the AMLR, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent. Additionally, the Company complies with Practice 5.2 of the MCCG, which recommends that at least half of the Board comprises Independent Non-Executive Directors. All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which would interfere with the exercise of their independent judgment.

The Board recognises that having a mix of backgrounds, experiences, and perspectives among its members can support more effective governance and balanced decision-making. As at the reporting date, the Board comprises seven (7) members, including two (2) female Directors, constitute nearly 30% of the Board. This reflects the Board’s continued effort to encourage diversity at the leadership level.

While gender diversity is taken into account during Board appointments, selection is primarily based on merit, with attention to the skills, experience, and capabilities needed to support the Group’s business needs and strategic direction. The Board adopts a balanced approach to diversity without setting specific numerical targets.

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION (CONT'D)

5. Board Diversity (Cont'd)

At the workplace level, the Group is also mindful of promoting inclusiveness and providing equal opportunities regardless of gender, ethnicity, nationality, religion, age, or family background. The Group does not tolerate any form of discrimination or harassment. To support these principles, the Board adopted a Gender and Diversity Policy on 22 November 2023. The Policy is accessible on the Company's website at www.kucingko.com.

The Board members have diverse backgrounds and extensive experience across various fields. Collectively, they bring a broad range of skills, expertise, and knowledge to effectively oversee and guide the Group's business operations. The Directors' profiles are detailed in the 'Profile of Board of Directors' section of this Annual Report.

The Board is cognisant that the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years, as recommended under Practice 5.3 of the MCCG. Should the Board wish to retain an Independent Non-Executive Director who has served for more than nine (9) years, it must provide justification and seek the approval of shareholders through a two-tier voting process at the Annual General Meeting ("AGM").

As of the date of this Statement, none of the Company's Independent Non-Executive Directors has served on the Board for more than nine (9) years.

6. Nomination Committee

The Board has established the Nomination Committee ("NC") to assist in fulfilling its responsibilities by regularly reviewing the structure, size, and composition of the Board, as well as evaluating the performance of the Board, Board Committees, and Directors on an ongoing basis. The NC is also responsible for assessing the appropriate skills, experience, and characteristics required of Board members, in line with the needs of the Group. The duties and responsibilities of the NC are outlined in its Terms of Reference, which is available on the Company's website at www.kucingko.com.

The NC is composed exclusively of Independent Non-Executive Directors and the record of meeting attendance for each member during FYE 2025 are as follows:

Position	Name	Attendance
Chairperson	Elaine Law Soh Ying	1/1
Member	Quah Bee Fong	1/1
Member	Puar Chin Jong	1/1

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION (CONT'D)

6. Nomination Committee (Cont'd)

During the financial year under review, the NC undertook the following activities in the discharge of its duties:

- a. Reviewed the composition and effectiveness of the Board and Board Committees;
- b. Reviewed and assessed the independence of the Independent Directors of the Company;
- c. Reviewed the term of office and performance of the Audit and Risk Management Committee;
- d. Reviewed and assessed the Directors' training needs;
- e. Reviewed and recommended to the Board to put forth the proposal for the re-election of directors at the Second AGM.

Pursuant to Clause 94 of the Company's Constitution, Directors appointed during the year by the Board shall hold office until the next AGM and shall be eligible for re-election. In accordance with Clause 96 of the Company's Constitution, at least one-third (1/3) of the Directors shall retire from office at each AGM. All Directors shall retire at least once every three (3) years but shall be eligible for re-election.

The Directors seeking re-election are subject to an assessment by the NC. The NC has conducted an evaluation of Mr. Ooi Kok Hong and Ms. Elaine Law Soh Ying (collectively, the "Retiring Directors"), who are standing for re-election at the Company's forthcoming AGM. The NC concluded that both Retiring Directors meet the criteria of character, experience, integrity, competence, and time, as required to effectively discharge their respective roles as Directors, in line with the AMLR of Bursa Securities.

Additionally, the NC performed a fit and proper assessment on the Retiring Directors and was satisfied with the outcome. The Retiring Directors have provided the necessary fit and proper declarations in accordance with the Directors' Fit and Proper Policy.

The Board concurs with the findings of the NC and recommends the re-election of the Retiring Directors, who are seeking re-election pursuant to Clause 96 of the Company's Constitution at the forthcoming AGM.

The Board recognises the importance of continuous training for all Directors to ensure they remain well-informed and capable of discharging their duties effectively. Directors are encouraged to regularly assess their training needs and participate in relevant programmes, seminars, briefings, or dialogues that will enhance their knowledge and ability to contribute to the Board.

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION (CONT'D)

6. Nomination Committee (Cont'd)

All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. The briefings, seminars, conferences, workshops and training programmes attended by the Directors during the FYE 2025 are summarised as below:

Name of Directors	Seminar/Conferences/Training Programmes Attended	Date
Lim Chor Ghee	● Mandatory Accreditation Programme Part II: Leading for Impact	20 & 21 May 2025
	● Vietnam Singapore Board Forum (VSBF) 2025: Charting ASEAN's Sustainable Future- Green Business Opportunities in A Surging Net-Zero World	13 June 2025
	● Eco-Business: Unlocking Capital for Sustainability 2025 (Malaysia)	28 July 2025
See Chin Joo	● Kidscreen Summit	9 - 12 February 2025
	● Games Development Conference 2025	18 - 22 March 2025
	● China-Malaysia Film & Animation Industry Exchange 2025	16 Apr 2025
	● Anney International Animation Film Festival and Market	8 - 14 June 2025
	● Mandatory Accreditation Programme Part II: Leading for Impact	6 & 7 August 2025
	● Tokyo Games Show 2025	25 - 28 September 2025
	● International Market of Communications Programmes (MIPCOM)	13 - 16 October 2025
	● The World Animation Summit	17 - 19 November 2025
Ooi Kok Hong	● Kidscreen Summit	9 - 12 February 2025
	● Anney International Animation Film Festival and Market	8 - 14 June 2025
	● Unlocking Southeast Asia's AI Potential: Malaysia Developer Meetup	16 July 2025
	● Mandatory Accreditation Programme Part II: Leading for Impact	6 & 7 August 2025
	● ASEAN AI Malaysia Summit	12 & 13 August 2025
	● ASEAN Digital Content Summit 2025 / Kre8tif!	2- 4 September 2025
	● GenAI Open Innovation- Malaysia Chapter	30 September 2025
	● International Market of Communications Programmes (MIPCOM)	13 - 16 October 2025
	● The World Animation Summit	17 - 19 November 2025

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION (CONT'D)

6. Nomination Committee (Cont'd)

All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. The briefings, seminars, conferences, workshops and training programmes attended by the Directors during the FYE 2025 are summarised as below: (Cont'd)

Name of Directors	Seminar/Conferences/Training Programmes Attended	Date
Quah Bee Fong	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact 	30 & 31 July 2025
Elaine Law Soh Ying	<ul style="list-style-type: none"> Corporate Finance for Non-Finance Directors Trademark Agent Renewal Course (Virtual) 	13 & 14 October 2025 13 November 2025
Puar Chin Jong	<ul style="list-style-type: none"> Transformational Leadership in Finance: How Management Accountants Can Drive Business Growth Mastering E-Invoicing: A practical Guide to My Invoice Portal and Compliance Elevating Finance Professionals in a Disruptive World 	27 February 2025 10 June 2025 16 July 2025
Ku Chia Loon	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact 	6 & 7 August 2025

7. Board Assessment and Evaluation

On 12 February 2026, the Board reviewed and discussed the results of the formal and objective annual evaluation for the financial year ended 31 December 2025. This assessment, which was facilitated by the NC, covered the following areas:

- Performance of the Board as a whole;
- Performance of the Board Committees as a whole;
- Performance of individual Directors;
- Board skills matrix; and
- Self-assessment of Independent Non-Executive Directors.

Based on the results of the annual assessment for the financial year ended 2025, the NC concluded that:

- a. The current structure, size, and composition of the Board, comprising Directors with a diverse range of expertise, experience, and skills, enable them to discharge their duties effectively.

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION (CONT'D)

7. Board Assessment and Evaluation (Cont'd)

- b. All Directors met expectations in terms of character, integrity, competency, experience, and time commitment in fulfilling their roles.
- c. The Board and its Committees had effectively carried out their responsibilities, in line with the Company's requirements.
- d. Independent Non-Executive Directors remained independent from management and free from any business relationships that could compromise their independent judgment.
- e. There was mutual respect among Directors, fostering a conducive environment for constructive deliberations and decision-making.

Pursuant to Rule 15.20 of the AMLR of Bursa Securities, the NC also reviewed the term of office and performance of the Audit and Risk Management Committee ("ARMC") and each of its members. The NC was satisfied that the ARMC and its members had effectively carried out their duties in accordance with their Terms of Reference.

The findings of the annual evaluations, including specific feedback from individual Directors, were deliberated by the NC and subsequently reported to the Board. All evaluation processes and results have been duly documented and recorded by the Company Secretaries.

PART III : REMUNERATION

8. Remuneration Policy

The Company has adopted a formal Remuneration Policy to ensure a fair, transparent, and competitive remuneration framework for its Directors and Key Senior Management ("KSM"). Approved by the Board and implemented through the Remuneration Committee ("RC"), the policy, which is available on the Company's website, aims to attract, retain, and motivate individuals of high calibre with the requisite skills and experience to support the Group's long-term success.

The Remuneration Policy outlines the principles and criteria for determining remuneration, taking into account the complexity of the Company's operations, performance, and the roles, responsibilities, and contributions of each individual. The RC is guided by the Remuneration Policy and its Terms of Reference in recommending remuneration packages to the Board for approval. The remuneration structure is as follows:

- Executive Directors and Key Senior Management – Their remuneration is performance-based, commensurate with their skills, responsibilities, and contributions, ensuring competitiveness in attracting and retaining talent.
- Non-Executive Directors – Their fees and benefits are determined based on their contributions, level of expertise, commitment, and responsibilities undertaken on the Board and its Committees. The remunerations fixed in sum and not based on commissions, profits, or turnover.

In line with good governance practices, Directors do not participate in discussions or decisions regarding their own remuneration. Furthermore, Directors who are shareholders must abstain from voting on resolutions pertaining to their fees and benefits at general meetings.

Corporate Governance Overview Statement

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

PART III : REMUNERATION (CONT'D)

9. Remuneration Committee

The Board has established the RC to assist in developing and implementing the remuneration framework and policies for Directors and Senior Management. The RC is responsible for reviewing and recommending remuneration packages and annual performance rewards to the Board for approval.

The RC comprises exclusively Independent Non-Executive Directors, with the following composition:

Position	Name	Directorship
Chairperson	Quah Bee Fong	Independent Non-Executive Director
Member	Elaine Law Soh Ying	Independent Non-Executive Director
Member	Puar Chin Jong	Independent Non-Executive Director

The RC operates under its Terms of Reference, as approved by the Board, which is available on the Company's website at www.kucingko.com.

During FYE 2025, the RC reviewed the remuneration packages of the Executive Directors and recommended no changes be made. In addition, the RC proposed a voluntary and temporary 10% reduction in Director's Fees for all Non-Executive Director, effective from August 2025 to May 2026. Both proposals were subsequently approved by the Board.

10. Remuneration of Directors

The Company aims to set remuneration levels that are competitive and appropriate to attract and retain Directors and Senior Management capable of driving the Company's success. In determining remuneration, the Company considers all relevant factors, including skill requirements, workload, responsibilities, and the overall performance of the Group.

Pursuant to Section 230(1) of the Companies Act 2016, the fees and benefits payable to Directors of a listed company and its subsidiaries must be approved at a general meeting.

The remuneration of Directors of the Company, including remuneration for services rendered to the Group and the Company for the financial year ended 31 December 2025, is as follows:

Group Level (RM'000)

	Fees ^(a)	Meeting Allowance	Salaries ^(b)	Bonus	Other Emoluments	Total
Executive Directors						
See Chin Joo	--	--	331.64	--	41.19	372.83
Ooi Kok Hong	--	--	331.58	--	41.18	372.76

Corporate Governance Overview Statement

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

PART III : REMUNERATION (CONT'D)

10. Remuneration of Directors (Cont'd)

The remuneration of Directors of the Company, including remuneration for services rendered to the Group and the Company for the financial year ended 31 December 2025, is as follows: (Cont'd)

Group Level (RM'000) (Cont'd)

	Fees ^(a)	Meeting Allowance	Salaries ^(b)	Bonus	Other Emoluments	Total
Non-Executive Directors						
Lim Chor Ghee	57.50	7.0	--	--	--	64.50
Quah Bee Fong	47.92	8.5	--	--	--	56.42
Elaine Law Soh Ying	47.92	7.5	--	--	--	55.42
Puar Chin Jong	47.92	10.0	--	--	--	57.92
Ku Chia Loon	47.92	3.0	--	--	--	50.92

(a) Included a reduction of 10% of in fees beginning from August 2025.

(b) Salaries for the Executive Directors were transferred from Inspidea to Kucingko effective from June 2025.

Company Level (RM'000)

	Fees ^(a)	Meeting Allowance	Salaries ^(b)	Bonus	Other Emoluments	Total
Executive Directors						
See Chin Joo	--	--	187.48	--	23.31	210.79
Ooi Kok Hong	--	--	187.45	--	23.31	210.76
Non-Executive Directors						
Lim Chor Ghee	57.50	7.0	--	--	--	64.50
Quah Bee Fong	47.92	8.5	--	--	--	56.42
Elaine Law Soh Ying	47.92	7.5	--	--	--	55.42
Puar Chin Jong	47.92	10.0	--	--	--	57.92
Ku Chia Loon	47.92	3.0	--	--	--	50.92

(a) Included a reduction of 10% of in fees beginning from August 2025.

(b) Salaries for the Executive Directors were transferred from Inspidea to Kucingko effective from June 2025.

Corporate Governance Overview Statement

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

PART III : REMUNERATION (CONT'D)

11. Remuneration of Senior Management

The Company has opted not to disclose the detailed remuneration of individual KSM personnel on a named basis, as it is of the view that such disclosure is not in the best interest of the Group or the individuals concerned, particularly in light of confidentiality considerations and the competitive nature of the human resource market.

The Group currently has three (3) KSM personnel, of which two (2) are Executive Directors whose remuneration details have already been disclosed under the Directors' Remuneration section. The remuneration packages of the remaining KSM members are structured to remain competitive and are benchmarked against prevailing industry practices.

The Company remains committed to ensuring that its overall remuneration framework for employees, including KSM, is performance-driven, fair, and aligned with market expectations. Annual reviews, increments, and performance bonuses are granted based on merit and overall Group performance.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I : AUDIT AND RISK MANAGEMENT COMMITTEE

12. Effective and Independent Audit and Risk Management Committee

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, as below:-

Position	Name	Directorship
Chairman	Puar Chin Jong	Independent Non-Executive Director
Member	Quah Bee Fong	Independent Non-Executive Director
Member	Elaine Law Soh Ying	Independent Non-Executive Director

The ARMC is entrusted by the Board with the responsibility of overseeing the Group's financial reporting, external and internal audit processes, risk management, and internal control systems. The ARMC operates in accordance with its Terms of Reference to ensure transparency, integrity, and accountability in the Group's governance framework.

In line with Practice 9.1 of the MCCG, the roles of the Board Chairman and ARMC Chairman are held by separate individuals to maintain objectivity and independence. Mr. Lim Chor Ghee serves as the Board Chairman, while Mr. Puar Chin Jong holds the position of ARMC Chairman. This separation ensures that the Board can impartially assess the ARMC's findings and recommendations.

All ARMC members are financially literate and possess the necessary expertise to effectively discharge their duties. They remain updated on accounting and auditing standards, practices, and regulatory requirements through continuous professional development and updates from both Management and external auditors.

Corporate Governance Overview Statement

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

PART I : AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

12. Effective and Independent Audit and Risk Management Committee (Cont'd)

To safeguard the independence of the ARMC, and in compliance with MCCG Practice 9.2, any former partner of the Company's external audit firm must undergo a minimum cooling-off period of three (3) years before being eligible for appointment to the ARMC. Currently, none of the ARMC members are former partners of the external audit firm.

The ARMC is responsible for evaluating the suitability, objectivity, and independence of the External Auditors. This assessment is conducted based on key criteria outlined in the ARMC's Terms of Reference, including:

- a. Performance, suitability, objectivity, and independence of the external auditors;
- b. Adequacy of external audit arrangements, particularly the scope and quality of audit procedures;
- c. Capacity, resources, and ability of the external auditors to meet deadlines and address issues promptly, as stipulated in the Audit Planning Memorandum; and
- d. Nature and extent of non-audit services provided by the external auditors, ensuring that such services do not impair their independence.

The Board, through the ARMC, conducts an annual evaluation of the external auditors to ensure compliance with these criteria. As part of this process, the External Auditors, Messrs. TGS TW PLT, have provided written assurance confirming their independence in accordance with the professional and ethical standards established by the Malaysian Institute of Accountants.

The details of the key activities carried out by the ARMC during the FYE 2025 are set out in the Audit and Risk Management Committee Report in this Annual Report.

PART II : RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

13. Risk Management and Internal Control Framework

The Board is steadfast in its commitment to upholding a robust risk management and internal control framework, designed to safeguard shareholders' investments, protect stakeholders' interests, and preserve the integrity of the Group's assets and operations. To achieve these objectives, the Board has instituted an Enterprise Risk Management ("ERM") Framework, which was officially adopted on 23 December 2024. This framework outlines a structured and systematic approach to identifying, assessing, and mitigating risks that could potentially affect the Group's ability to meet its business objectives.

The ARMC plays a crucial role in assisting the Board with its oversight of the Group's risk management and internal control systems. This involves evaluating the adequacy and effectiveness of these systems and ensuring that risk management practices are aligned with the Enterprise Risk Management (ERM) Framework and corporate governance standards. The internal auditor, which is outsourced to an independent professional firm, further reinforce and support the ARMC by providing an external objective assessment of the Group's risk management and internal control systems.

For further information on the Group's risk management and internal control systems, please refer to the Statement on Risk Management and Internal Control in this Annual Report.

Corporate Governance Overview Statement

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

PART I : ENGAGEMENT WITH STAKEHOLDERS

14. Communication between the Company and Stakeholders

The Company is committed to ensuring that shareholders and investors are kept informed of all significant corporate developments, financial performance, and other material information. This is achieved by promptly disseminating such information through announcements to Bursa Securities and the Company's website at www.kucingko.com

The Board recognises that fostering a constructive and effective investor relationship is vital to enhancing shareholder value. Timely and transparent information dissemination to shareholders and stakeholders is of utmost importance. The Board is accountable for the performance and operations of the Company, and as such, strives to provide shareholders and investors with accurate and timely disclosure of all material information concerning the Group.

PART II : CONDUCT OF GENERAL MEETINGS

15. Effective General Meetings

The AGM serves as the principal forum for dialogue and interaction with shareholders. The Chairman, together with other Directors and the External Auditors, will be present at the forthcoming AGM to address any enquiries from shareholders. Shareholders who are unable to attend the AGM in person may appoint proxies to attend and vote on their behalf.

In line with the recommendations of the MCCG 2021, the notice of the AGM will be sent to shareholders at least twenty-eight (28) days before the meeting. This provides shareholders with ample time to review the Annual Report and make the necessary arrangements for attendance and voting. The notice of AGM, which outlines the business to be transacted, will also be published in a major local newspaper.

The Board ensures that each item of special business in the AGM or Extraordinary General Meeting notices is accompanied by a full explanation of the potential effects of any proposed resolution. In compliance with Rule 8.31A of the AMLR of Bursa Securities, all resolutions in the notice of the general meeting will be put to a vote by poll. The Company will appoint an independent scrutineer to validate the votes cast during the meeting. The outcome of the general meeting will be announced to Bursa Securities on the same day, while the minutes will be uploaded to the Company's website within thirty (30) business days from the meeting date.

For our 2nd AGM, the Notice was issued to shareholders on 30 April 2025, which was at least twenty-eight (28) days before the date of the AGM scheduled on 26 June 2025.

The 2nd AGM was attended by all Directors and the External Auditors. During the meeting, the Executive Director presented a summary of the Group's financial and business performance for the year. The Chairman provided shareholders with the opportunity to pose questions, ensuring that all queries received appropriate responses prior to the commencement of the voting process.

In compliance with the AMLR of Bursa Securities, all resolutions were voted on by poll. The Company appointed an independent scrutineer to validate the results, which were announced to Bursa Securities on the same day. In accordance with Practice 13.6 of the MCCG, the minutes of the 2nd AGM, including a summary of the key matters discussed, were published on the Company's website within thirty (30) business days of the meeting.

Corporate Governance Overview Statement

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

As part of its commitment to corporate governance, the Board of Directors is responsible for ensuring the integrity and accuracy of the financial statements for each financial year. In accordance with the Companies Act 2016, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year, as well as the results and cash flows for that period.

For the financial year ended 31 December 2025, the Directors are satisfied that the financial statements have been prepared in accordance with appropriate accounting policies, which have been consistently and prudently applied. The Directors have ensured that all relevant approved accounting standards have been followed in the preparation of these financial statements, upholding transparency and accountability in the Group's financial reporting.

COMPLIANCE STATEMENT

The Board is committed to ensuring that the Group adheres to the principles and practices set forth in the MCCG. The Board will continuously review and enhance its procedures to ensure ongoing compliance with the Code and to uphold the highest standards of corporate governance.

This CG Overview Statement was approved by the Board on 17 April 2026.

Audit and Risk Management Committee Report

The Board of Directors of Kucingko Berhad ("Kucingko" or "Company") is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the financial year ended 31 December 2025 ("FYE 2025") in compliance with Rule 15.15 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Malaysian Code on Corporate Governance ("MCCG").

COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors and each satisfies the independence requirements contained under the AMLR of Bursa Securities. The ARMC meets the requirements of Rule 15.09(1)(a) and (b) of the AMLR.

The composition of the ARMC is as follows:

Name	Position	Directorship
Puar Chin Jong	Chairman	Independent Non-Executive Director
Quah Bee Fong	Member	Independent Non-Executive Director
Elaine Law Soh Ying	Member	Independent Non-Executive Director

The Chairman of the ARMC, Mr Puar Chin Jong, is a member of the Chartered Institute of Management Accountants ("CIMA") and holds the title of Associate Chartered Management Accountant ("ACMA"). Hence, the composition of the ARMC complies with the requirements of Rule 15.09(1)(c)(ii) of the AMLR.

In accordance with Rule 15.10 of the AMLR and Practice 9.4 of the Malaysian Code on Corporate Governance ("MCCG"), Mr. Puar, as the Chairman of the ARMC, is not the Chairman of the Board. In addition, the Company also complies with Rule 15.09(2) of the AMLR as there is no alternate Director appointed as a member of the ARMC.

All the ARMC members are financially literate and possess the requisite skills, competencies and experience to discharge their duties and responsibilities as outlined in the ARMC's Terms of Reference.

MEETINGS AND ATTENDANCE

The ARMC conducted six (6) meetings during FYE 2025. The attendance of the ARMC members at the ARMC meetings held during the financial year ended 31 December 2025 is as follows:

Name	Number of meetings attended / Number of meetings held	Percentage of Attendance (%)
Puar Chin Jong	6/6	100%
Quah Bee Fong	6/6	100%
Elaine Law Soh Ying	6/6	100%

Audit and Risk Management Committee Report

MEETINGS AND ATTENDANCE (CONT'D)

The representatives of our Sponsor, Kenanga Investment Bank Berhad, the External Auditors, Executive Directors and the representatives of internal audit service providers were invited to attend the ARMC meetings to facilitate direct communication on matters under the consideration of the ARMC, or which, in their opinion, should be brought to the attention of the ARMC.

The Chairman of the ARMC reports to the Board on matters discussed at every ARMC meeting as well as the ARMC's recommendations, to the Board for consideration after the ARMC meeting. All deliberations during the ARMC meeting were minuted and distributed to the Board members for notation after being reviewed and approved at each succeeding ARMC meeting.

TERMS OF OFFICE AND PERFORMANCE

The Nomination Committee has assessed the term of office and performance of the ARMC and each of its members for FYE 2025 and was satisfied that each of them has discharged their duties effectively in accordance with the ARMC's Terms of Reference. The results of the ARMC performance assessment for FYE 2025 was reported to the Board.

TERMS OF REFERENCE

The duties and responsibilities of the ARMC are set out in the Terms of Reference of the ARMC, which are available on the Company's website at www.kucingko.com

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE ARMC

The duties and responsibilities of the ARMC are set out in the Terms of Reference of the ARMC, which are available on the Company's website at www.kucingko.com

The summary of activities undertaken by the ARMC in the discharge of its duties and responsibilities for the financial year ended 31 December 2025 includes the following:

Financial Reporting

- (a) Reviewed and deliberated the unaudited quarterly interim financial reports for the quarter ended 31 March 2025, 30 June 2025, 30 September 2025 and 31 December 2025 of the Group before recommending to the Board for their consideration, approval and subsequent announcements to Bursa Securities.
- (b) On 17 April 2026, the ARMC reviewed the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2025, including the application of major accounting policies and practices, to ensure compliance with approved accounting standards, legal and regulatory requirements, before recommending them to the Board for consideration and approval, and subsequent tabling at the upcoming AGM.

Audit and Risk Management Committee Report

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE ARMC (CONT'D)

External Audit

- (a) Reviewed and approved the Audit Planning Memorandum for FYE 2025, covering the areas of audit approach, audit materiality, key audit areas, key audit matters, target audit timeline, proposed audit fees, MFRS updates and any other regulatory requirements applicable to the Group.
- (b) At the meeting held on 12 February 2026, the ARMC reviewed and discussed with the External Auditors the status of the audit for the FYE 2025, audit findings, potential Key Audit Matters and potential adjustments highlighted in the Audit Completion Memorandum.
- (c) Had private sessions with the External Auditors without the presence of the Executive Directors and Management on 24 February 2025 and 13 November 2025 to discuss key issues within their responsibilities and to ensure there were no restrictions on their scope of audit for the FYE 2025. There were no major concerns from the External Auditors, and they had been receiving full co-operation from Management during the course of the audit.
- (d) Evaluated the independence and performance of the External Auditors, covering areas such as calibre, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees as well as the audit communications of the External Auditors. The ARMC was satisfied with the independence and performance of TGS, had recommended the re-appointment of TGS as External Auditors to the Board for consideration and tabled to the shareholders for approval at the forthcoming Annual General Meeting of the Company.

Internal Audit

- (a) Reviewed and approved the Internal Audit Plan for FYE 2025, ensuring that the scope, coverage, and resources were adequate to effectively assess and monitor the Group's internal control systems.
- (b) Reviewed the internal audit reports presented by the Internal Auditors, including deliberation on key findings, Management's responses, and the corresponding recommendations put forward by the Internal Auditors.
- (c) Reviewed follow-up reports issued by the Internal Auditors, including the status of Management's implementation of agreed mitigating actions, to ensure that key risks and control deficiencies are appropriately addressed.
- (d) Assessed the adequacy of the internal audit function in terms of scope, competency, and resources, and was satisfied with the performance of the Internal Auditors for FYE 2025.

Related Party Transactions

- (a) Reviewed related party transactions and recurrent related party transactions ("RRPT") entered by the Group on a quarterly basis and assessed whether such transactions are carried out on an arm's length basis, fair and reasonable, on normal commercial terms and are not detrimental to the interest of the minority shareholders of the Company.

Audit and Risk Management Committee Report

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE ARMC (CONT'D)

Related Party Transactions (Cont'd)

- (b) Reviewed the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for RRPT prior to recommending the same for the Board's approval on 17 April 2026, for subsequent tabling at the forthcoming Annual General Meeting of the Company.

Conflict of Interest

- (a) Reviewed potential conflict of interest situations that may arise and the measures to mitigate the conflict of interest.

There was no conflict of interest or potential conflict of interest that arose, persisted or may arise within the Group, including any transaction, procedure, or course of conduct that raises questions of Management's integrity, during the financial year under review.

Risk Management and Internal Control

- (a) Reviewed and assessed the Enterprise Risk Management Framework, ensuring its alignment with the Group's risk management objectives and regulatory requirements.
- (b) Monitored and followed up on the implementation of risk mitigation measures.

Sustainability Reporting

- (a) Reviewed and evaluated the Environmental, Social, and Governance ("ESG") Framework ensuring its alignment with the Group's long-term sustainability objectives and regulatory expectations.
- (b) Monitored key sustainability risk and opportunities, integrating ESG considerations into the Group's risk management approach.

Other Matters

- (a) Reviewed the Audit and Risk Management Committee Report, Statement on Risk Management and Internal Control, Additional Compliance Information, Sustainability Report, Corporate Governance Overview Statement, and Directors' Responsibility Statement in respect of the Audited Financial Statements, prior to recommending for Board's approval and inclusion in the Company's Annual Report.
- (b) Conducted a self-assessment to evaluate their own effectiveness in discharging their duties and responsibilities.
- (c) Reviewed and provided oversight on the Group's budget for the financial year 2026, which was tabled and approved by the Board, ensuring financial prudence and alignment with the Group's strategic objectives.

Audit and Risk Management Committee Report

INTERNAL AUDIT FUNCTION

The Company outsourced its internal audit function to Axcelasia Sdn Bhd (“Axcelasia”), as an independent professional firm appointed to conduct a systematic and objective assessment of the adequacy, efficiency and effectiveness of the Group’s internal control system.

The outsourced internal audit function reports directly to the ARMC to ensure independence and objectivity. The appointment and resignation of internal audit service provider, as well as the proposed audit fees, are subject to review and approval of the ARMC.

During FYE 2025, the Internal Auditor conducted two (2) cycles of assessments on the Company’s internal control system and risk management. The cycles covered included Production Management and Talent/HR Management. The outcome of the internal audit reviews was discussed and deliberated with the Management prior to tabling to the ARMC. Recommended remedial actions were monitored closely to ensure gaps and weaknesses were addressed promptly. The Internal Auditor has submitted their report on 21 August 2025 and 13 November 2025 to ARMC, and subsequently presented to the Board for deliberation and approval.

Total fees incurred for the outsourced internal audit function for the financial year ended 31 December 2025 amounted to RM46,000.00.

This Audit and Risk Management Committee Report was approved by the Board on 17 April 2026.



Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (“Board”) of Kucingko Berhad (“Company”) and its subsidiaries (collectively the “Group”) is pleased to present its Statement on Risk Management and Internal Control (“Statement”) for the financial year ended 31 December 2025 (“FYE 2025”).

This Statement on Risk Management and Internal Control (“Statement”) is prepared pursuant to Paragraph 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Principle B of the Malaysian Code on Corporate Governance 2021 (“MCCG”), with guidance from the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers”.

BOARD RESPONSIBILITY

The members of the Board are committed to maintaining a sound system of risk management and internal control (“System”) of Kucingko Berhad (“Kucingko” or the “Group”). While the Board sets the key strategies and policies for handling significant risks and control matters, the management team of the Group (“Management”) plays the role in putting those policies into action by way of identifying, monitoring and managing risks effectively.

The Board ensures that the risk management and internal control system is able to identify, assess, mitigate, monitor and manage risks relevant to the Group within acceptable risk appetite. This risk appetite is reviewed periodically and is approved by the Board to ensure continued alignment with the Group’s business strategic and operational objectives.

Further, the risk management and the internal control system is designed to provide reasonable, rather than absolute assurance against material financial misstatements, management information errors, or potential financial losses or fraud.

The risk management and internal control framework are integrated into the Group’s activities, cultures and processes, which are subject to regular Board reviews. These reviews are ongoing processes for identifying, assessing and managing those risks that could impact the Group’s financial viability and achievement of business goals.

The Board has entrusted the Audit and Risk Management Committee (“ARMC”), made up entirely of Independent Non-Executive Directors, with the responsibility of overseeing the adequacy, effectiveness and integrity of the System. Notwithstanding, the Board still holds the responsibility for reviewing the committee’s findings.

The Board has also adopted the Three Line Model for risk management and internal control framework :

The First Line : Head of Department and Business Units will provide the first layer of defense through implementation of operational controls and risk management

The Second Line : The committee assigned with compliance and risk management functions will provide the second layer of defense through ongoing oversight on risk management and internal control system.

The Third Line : Internal Auditor will provide independent assurance on the adequacy and effectiveness of the risk management and internal control system.

Statement on Risk Management and Internal Control

BOARD RESPONSIBILITY (CONT'D)

However, given the limitations inherent in any systems of internal controls and risk management, such systems are designed to manage rather than eliminate the risk of failure to achieve the business objectives of the Group. Hence, the Group's system of internal controls can only provide reasonable assurance but not absolute assurance against material misstatement or loss to the Group.

RISK MANAGEMENT

Risk management is an integral part of the Group's business strategy formulation and implementation. The ARMC reports to the Board quarterly, on business plans, performance reports and major risks which may impede business performance, to ensure right decisions are made to achieve profitability targets.

RISK MANAGEMENT FRAMEWORK

The Enterprise Risk Management ("ERM") Framework has been established to provide a structured and systematic approach to managing risks across the organisation.

The ERM Framework is designed to align with the organization's goals, ensuring that risk management is embedded in decision-making and operations at all levels. Built on best practices, industry standards, and regulatory requirements, the framework offers a comprehensive approach to address both existing and emerging risks, as it clearly defines the roles and responsibilities to ensure accountability and ownership across the organisation.

The framework encompasses risk identification, assessment, response strategies, monitoring and reporting for effective risk management. Risk identification and assessment are conducted through discussions with the Management team at the outset of each project to identify potential risks and emerging risks such as ESG related. The SWOT analysis model is adopted to identify internal and external risks, which are then categorised and rated using a risk register. Risk-ratings are determined based on a matrix that evaluates severity of the impact on the Group's business and the likelihood of risks events occurring, after considering mitigation that have been implemented.

To ensure ongoing risk monitoring, the risk assessment process remains ongoing throughout each project phase, allowing for early identification of new risks as they arise. Regular reporting of key risks is facilitated through quarterly updates on risks and mitigation strategies during ARMC meetings. These key risks are subsequently mapped into the Group's risk register, which includes corresponding risk ratings and mitigation measures. To ensure the viability of the System, the framework is reviewed every two years and presented to the Board for approval. The ERM Framework was approved by the Board on 23 December 2024.

The ERM Framework applies to all stages of animation production, including pre-production, production, post-production and the delivery of the final animation content to customers, distributors and other platforms.

The following key risks have been identified along mitigating plans to address those risks for the financial year under review.

Statement on Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK (CONT'D)

The following key risks have been identified along mitigating plans to address those risks for the financial year under review. (Cont'd)

1. Revenue and Client Concentration

The Group's dependence on North America as our primary revenue market remains our most significant structural vulnerability. FYE 2025 demonstrated, with clarity, what happens when that market contracts. Our strategic response is twofold: First, to reduce reliance on a single market, the Group intends to diversify revenue to include 3D animation production and Gaming through our subsidiary Fuloso, and secondly to expand our client geography into Asia-Pacific – an initiative already started in FYE 2025.

2. Commissioning Cycle Risks

The animation production industry is inherently cyclical and the pace at which our pipeline recovers in FYE 2026 will depend in part on factors outside our control — the speed at which major content buyers resume their commissioning activity, the success of specific projects we are in discussions on, and the overall health of the global content investment environment. The Group is managing this risk through proactive pipeline cultivation and by targeting a broader spread of project types, geography spread and client sizes.

3. Talent Retention

Our people are our product. The decision to sustain our core production team through FYE 2025's revenue contraction was driven by this conviction. As the industry recovers — competition for skilled animators, designers, and production supervisors will intensify. Sustaining competitive compensation, providing clear career development pathways, and maintaining a creative environment in which talented people can do their best work are non-negotiable priorities for the management team.

4. AI Disruption & Opportunity

Generative artificial intelligence is the single most consequential development affecting our industry in a generation. AI tools — now embedded within the professional software platforms our animators already use daily, including Autodesk's Maya and Adobe's Creative Cloud suite — are automating aspects of the animation production pipeline that have historically been labour-intensive. Studios report completing projects up to twice as efficient when AI is integrated into the workflow. For Kucingko, this is simultaneously a risk and an opportunity. The risk is that studios that do not adopt AI-augmented pipelines will face structural cost disadvantages relative to peers that do, and that new entrants with lower cost bases could compete on price in segments where production quality differentials are narrowing. The opportunity is that AI adoption allows us to improve throughput per animator, reduce variable costs per project, and ultimately deliver more content at better margins once commissioning volumes recover. Our roadmap for AI pipeline adoption and integration in both Inspidea and Fuloso is a strategic priority for FYE 2026.

5. Foreign Exchange Exposure

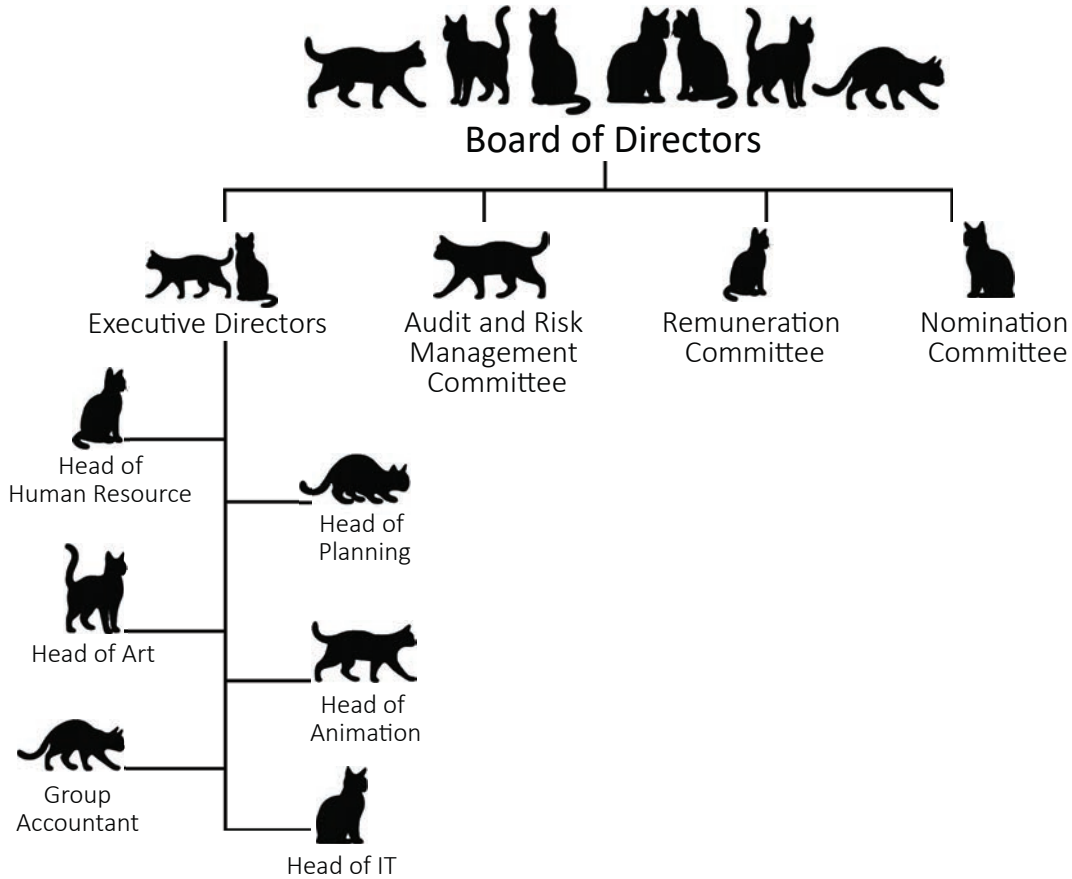
The structural mismatch between our predominantly foreign currency revenue base and our Malaysian Ringgit operating cost base creates currency exposure that management monitors actively. In periods where the Ringgit strengthens against the US dollar, our translated revenue is reduced while costs are unchanged, compressing margins. We are developing hedging strategies to manage this exposure more systematically as our revenue volumes recover to levels that justify the administrative overhead of a formal hedging programme.

Statement on Risk Management and Internal Control

CONTROL ENVIRONMENT AND STRUCTURE

The Board and Management have established robust policies and processes to facilitate the effectiveness and efficiency of the Group’s internal control procedures, continuously updating the internal control systems to adapt to changes in the business environment and regulatory requirements. These processes have been in place for the financial year ended to the date of approval of this Statement.

ORGANISATIONAL STRUCTURE



Statement on Risk Management and Internal Control

INTERNAL CONTROL ENVIRONMENT

The key elements of the Group's control environment include:

Board Committees

The Board holds overall responsibility for the governance of the Group, primarily on the oversight of its internal control system to ensure its effectiveness. The Board, through its appointed committees including ARMC, Remuneration Committee ("REMCOM"), Nomination Committee ("NOMCOM") and Long-Term Incentive Plan Committee ("LTIPCOM") assist in carrying out this responsibility to ensure that the Group's activities are consistent with its approved risk appetite, strategies and policies. Each of these committees has its specific responsibilities based on the terms of reference ("TOR") approved by the Board, which can be accessed on the Group's website at www.kucingko.com.

Audit Risk and Management Committee

The ARMC meets quarterly to review internal control and risk-related matters, which are subsequently tabled to the Board for deliberation and approval. The ARMC plays a critical role in assessing the significant financial risks and internal control findings highlighted by internal and external auditors, ensuring that management takes appropriate actions to address those issues. Additionally, the ARMC ensures that the internal control procedures comply with relevant regulatory requirements and recommendations. The ARMC is also tasked with approving the Group's quarterly financial statements, year-end financial statements, and ensuring proper disclosure in the annual report. The committee also reviews related party transactions to ensure management's integrity and transparency in the Group's financial reporting.

Management

The Executive Directors are responsible for implementing corporate policies established by the Board and managing the Group's overall operations. The Executive Directors delegate operational responsibilities to the Key Management Personnel ("KMP"), comprising the Head of Planning, Head of Human Resource, Head of Animation and Head of Art, Head of Information Technology and Group Accountant. These KMPs are accountable for executing risk management activities in accordance with the ERM Framework within their respective functions, ensuring Group's objectives are met efficiently and effectively.

Internal Audit Function

The Board recognises that continuous monitoring through an internal audit function is crucial to maintaining a sound internal control system. The internal auditor reports directly to the ARMC, providing independent and objective assessments of the internal control environment across the Group, as required by Paragraph 15.27 of the AMLR. The internal audit function evaluates, monitors and manages risks that may impede the Group's objectives to ensure the effectiveness of the internal control system. The scope of work, processes and assessment results covered by the internal audit function are discussed in the ARMC meeting and subsequently presented to the Board for deliberation and approval. Observations along with management's responses and proposed action plans on the internal control system are reviewed by the ARMC and tracked during follow-up internal audits. The Group has engaged Axcelasia Sdn Bhd as the Group's Internal Auditor to carry out the internal audit function.

The Internal Audit function adheres to the International Standards for the Professional Practice of Internal Auditing. The internal auditing work covers the conduct of audit planning, execution, documentation, communication of findings and consultation with Management and the Board on any audit concerns. Summary of works carried out by the Internal Auditors during the financial year under review are set out in the ARMC report of the Annual Report.

Corporate Governance Practices and Policies

To reinforce control within its business environment, the Group has implemented several key policies, including Anti-Bribery & Corruption Policy, Whistleblowing Policy and Code of Conduct. Additionally, the Group

Statement on Risk Management and Internal Control

INTERNAL CONTROL ENVIRONMENT (CONT'D)

Corporate Governance Practices and Policies (Cont'd)

has developed various corporate governance policies including the Board Charters, Fit and Proper Policy, Code of Ethics, Board Diversity Policy, ARMC charter, REMCOM charter and NOMCOM charter. A description of the current corporate governance practices and Group Policies can be found in the Corporate Governance Overview Statement in this Annual Report.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

Management is responsible for assisting the Board in identifying risks relevant to the business of the Group, implementing Board's policies and strategies, maintaining sound system of risk management and internal control, and monitoring and reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group from achieving its objectives and performance.

The responsibilities of Management in respect of risk management include but not limited to the following:

- Identify the key risks relevant to the businesses of the Group and the achievement of the Group's objectives and strategies;
- Design, implement and monitor the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- Identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the ARMC and the Board.

The Board has received assurance from the Executive Directors that to the best of their knowledge, the Group's risk management and internal control system has been operating adequately and effectively in all material aspects, throughout the financial year under review and up to the date of issuance of this Statement

BOARD CONCLUSION AND ASSURANCE

The Board is pleased to report that the Group's System effectively supports the Group's objective of ensuring strong corporate governance. For the year under review, there was no failure or weakness that would have a material adverse impact on the Group's results. The Board has also received reasonable assurance from the Group's Executive Directors that the risk management and the System is operating adequately and effectively, in all material aspects.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

As required under Paragraph 15.23 of the AMLR of Bursa Malaysia, the external auditor has reviewed this Statement. The review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 Guidance for Auditors on Engagements to Report.

Based on the review, the external auditor reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This Statement of Risk Management and Internal Control was approved by the Board on 17 April 2026.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 26 July 2024. In conjunction with the listing exercise, the Company undertook a Public Issue of 100,000,000 new ordinary shares and at an issue price of RM0.30 per share, raising gross proceeds of RM30.0 million (“IPO Proceeds”).

For the FYE 2025, the Company did not undertake any corporate proposal to raise capital and funding.

The status of the utilisation of the IPO Proceeds as of 31 March 2026 is as follows:

Purpose of Utilization	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Estimated timeframe for utilisation from the Date of Listing	Revised timeframe for utilisation from the Date of Listing
Capacity of expansion ⁽¹⁾	17,767	2,141	15,626	Within 36 months	No changes
United States of America sales office	4,377	345	4,032	Within 36 months	No changes
Working capital ⁽²⁾	4,256	3,429	827	Within 12 months	Within 30 months
Listing expenses	3,600	3,600	--	Immediate	--
Total	30,000	9,515	20,485		--

Notes:

- (1) Capacity expansion includes setting up branch offices in Sabah and Sarawak, as well as refurbishment of existing production facilities in Selangor.
- (2) As disclosed in the Prospectus, the IPO Proceeds allocated for working capital were initially expected to be fully utilised by July 2025. On 25 July 2025, the Board has resolved to extend the timeframe to 30 months from the Date of Listing. This prudent approach was adopted in consideration of the global animation commissioning slowdown.

The breakdown of the IPO Proceeds allocated for working capital purposes is as follows:

No.	Description	IPO Proceeds RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000
1	Payroll expenses for animation technical personnel	847	847	--
2	Marketing support expenses such as travelling expenses, international tradeshow participation, branding and advertising	2,154	1,327	827
3	Administrative expenses such as remunerations for administrative staff and directors, legal and professional fees and office upkeep and maintenance	1,255	1,255	--
Total		4,256	3,429	827

Additional Compliance Information

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-statutory audit fees paid or payable to the external auditor's firm by the Group and the Company for the FYE 2025 are set out as below:

	Group RM	Company RM
Statutory audit	88,000	30,000
Non-statutory audit- TGS TW PLT ⁽¹⁾	5,000	5,000
Non-statutory audit- Affiliate firm of TGS TW PLT ⁽²⁾	22,000	3,300
Total	115,000	38,300

Notes :

- (1) The non-audit fee is for the review of Statement on Risk Management and Internal Control
- (2) The non-statutory audit fees include tax compliance services

3. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors and major shareholders of the Company during FYE 2025, either still subsisting at the end of the financial year ended 31 December 2025 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS

The details of the Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") of the Group pursuant to the shareholders' mandate during the FYE 2025 are as follows:-

Company/ Subsidiary involved	Transacting Related Party	Nature of Recurrent Transactions	Aggregate Value RM'000	Related parties
Inspidea	Tessereum	Payment of licence fees to Tessereum pursuant to the software sublicense agreement dated 1 January 2025 between Inspidea and Tessereum in respect of the usage of the animation production management software titled "TESSR"	317	See Chin Joo ⁽¹⁾ Ooi Kok Hong ⁽²⁾ Cat Ching Sdn Bhd ⁽³⁾ Koo Hong @ Ku Hong Hai ⁽⁴⁾ Ku Chia Loon ⁽⁵⁾

Notes :

- (1) See Chin Joo is the Executive Director and a major shareholder of Kucingko. He is also an indirect major shareholder of Tessereum through Arboratory Limited by virtue of his shareholdings in Defyx Sdn Bhd.
- (2) Ooi Kok Hong is the Executive Director and a major shareholder of Kucingko. He is also a director and major shareholder of Tessereum by virtue of his direct shareholdings and indirect shareholdings through Arboratory Limited by virtue of his shareholdings in Defyx Sdn Bhd.
- (3) Cat Ching Sdn. Bhd. is a major shareholder of Kucingko. It is owned and controlled by SeeChin Joo and Ooi Kok Hong , who are both the interested Directors and interested major shareholders of Kucingko. As such, Cat Ching is deemed a related party in the RRPT.
- (4) Koo Hong @ Ku Hong Hai is a major shareholder of Kucingko. He is also an indirect major shareholder of Tessereum through Arboratory Limited by virtue of his shareholdings in Netval Ventures Sdn Bhd.
- (5) Ku Chia Loon is the Non-Independent Non-Executive Director of Kucingko. He is the son of Koo Hong @ Ku Hong Hai, one of the major shareholders of Kucingko, and is therefore deemed a person connected to him pursuant to Rule 1.01 of the Listing Requirements.

Additional Compliance Information

5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

Since commencement date up until 31st December 2025, the company offered two (2) batches of ESOS option to eligible Executive Directors, Directors of subsidiaries and employees in accordance with the provisions of the bylaws of Long-Term Incentive Plan (LTIP). The key details of the ESOS options offered are as follows:

ESOS	Offer Date	Exercise Price RM	ESOS (Total)	ESOS (Exercised)	ESOS (Lapsed) ^(a)	ESOS (Outstanding)
Batch I	26.7.2024	0.30	14,300,000	-	(1,100,000)	13,200,000
Batch II	19.12.2025	0.11	15,000,000	-	-	15,000,000
Total			29,300,000	-	(1,100,000)	28,200,000

(a) lapsed due to resignation

The breakdown of the ESOS options granted for Batch II to various categories of eligible employees and directors during the FYE 2025 is as follows:

Category of Employees and Director	Aggregate Option Granted (Number)	Aggregate Option Granted (%)	Number of Participants
Directors	5,500,000	36.67%	3
Senior Management	2,400,000	16.00%	3
Other Employees	7,100,000	47.33%	20
Total	15,000,000	100%	26

There were no ESOS options offered to the Independent Non-Executive Directors of the Company for the financial year ended 31 December 2025.

Of the total ESOS options granted for Batch II, 5,500,000 were granted to the Executive Directors and eligible Directors. The breakdown of the options granted to individual Directors is as follow:

Name of Directors	Role	Number of ESOS Option Offered
See Chin Joo	Executive Director	2,500,000
Ooi Kok Hong	Executive Director	2,500,000
Wooi Yaik Seng	Director of Inspidea	500,000

Additional Compliance Information

The percentages of ESOS options granted to eligible Directors and Senior Managements during the financial year end and since its commencement, and up to 31 December 2025 are set out below.

Description	During the FYE 2025	Since 26 July 2024 up until 31 December 2025
Aggregate maximum allocation as per By-Law 5.4 of the LTIP (%)	80.00%	80.00%
Actual percentage granted (%)	52.67%	51.42%

There were no ESOS options offered to the Independent Non-Executive Directors of the Company since the commencement until the financial year ended 31 December 2025.

6. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the following financial information is disclosed for the purpose of Shariah screening by the Shariah Advisory Council (“SAC”) of the Securities Commission Malaysia. This includes data relating to Shariah non-permissible income derived from the Company’s business activities, as well as the Company’s interest-based financial position.

The company’s total income and assets during the financial year FYE 2025 are set out below:

Description	FYE 2025 RM	FYE 2024 RM
Revenue	3,611,988	25,750,343
Other Income	1,345,408	890,931
Total Income for the Financial Year	4,957,396	26,641,274
Total Assets for the Financial Year	36,382,595	49,372,791

The Company’s non-permissible income derived from shariah non-compliant business activities are set out as below.

Shariah Non-Compliant Activities	Remarks	FYE 2025 RM	FYE 2024 RM
Other Activities	Animation Services	116,567	3,308,508
Other Activities	Food & Beverages	105,833	77,781
Interest Income	Conventional	160,837	745,559
Other Operating Income	-	364,746	137,701
Total for the Financial Year		747,983	4,269,549

Additional Compliance Information

6. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

The Company's cash and debt components that are shariah compliant and non-compliant are setup as below:

Cash Component	FYE 2025 RM	FYE 2024 RM
Islamic- Cash at Bank	-	300,174
Islamic- Deposit with licensed Bank	-	4,000,000
Islamic- Money Market Instruments	25,577,496	10,057,671
Islamic Cash - Total	25,577,496	14,357,845
Conventional- Cash at Bank	2,460,991	5,975,196
Conventional- Deposit with licensed Bank	1,750,000	21,274,290
Conventional - Money Market Instruments	-	-
Conventional Cash - Total	4,210,991	27,249,486

Debt Component	FYE 2025 RM	FYE 2024 RM
Islamic Financing- Current	-	-
Islamic Financing- Non Current	-	-
Islamic Financing - Total	-	-
Conventional Financing- Current (a)	74,751	215,415
Conventional Financing- Non Current (a)	-	74,726
Conventional Financing - Total	74,751	290,141

Note (a) : The conventional financing are primarily bank borrowings.

Statement of Directors' Responsibility

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the requirements of the Companies Act 2016 in Malaysia.

The Directors are responsible for ensuring that the financial statements present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors ensured that the Management has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis;

The Directors are responsible for ensuring that the Group and the Company maintain accounting records that accurately disclose the financial position of the Group and Company, enabling the financial statements to comply with the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.



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Directors' Report

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	12,009,386	4,333,645

RESERVES AND PROVISIONS

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

DIVIDENDS

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

ISSUANCE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up any unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

At an Extraordinary General Meeting held on 8 May 2024, the Company's shareholders approved the establishment of ESOS of not more than 10% of the issued and paid-up ordinary share capital of the Company to eligible Directors and employees of the Group.

The salient features of the ESOS are as follows:

- (a) The ESOS is administered by a committee appointed by the Board of Directors.
- (b) The aggregate number of options exercised and options and to be offered under the ESOS shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS and shall not be more than ten per centum (10%) of the ordinary shares available under the ESOS shall be allocated to any eligible employee who, either singly or collectively through his or her associates, holds twenty per centum (20%) or more of the issued and paid-up ordinary share capital of the Company.

Directors' Report

- (c) The eligible employee must be at least eighteen (18) years of age, is not an undischarged bankrupt nor subject to any bankruptcy proceedings, must have been confirmed in service, and has not given any notice of resignation or received a notice of termination or has otherwise ceased or had his/her employment terminated.
- (d) The subscription price for each ordinary share shall be the weighted average market price of the shares of the Company as shown in the Daily Official List issued by Bursa Securities for the five (5) market days immediately preceding the date of the offer with a discount of not more than ten per centum (10%).
- (e) The option is personal to the grantee and is non-assignable.
- (f) The ESOS shall be in force for a period of five (5) years commencing from the Effective Date (24 July 2024), after which the Board shall have the sole and absolute discretion to extend in writing the tenure of the ESOS for another five (5) years, in so long that the tenure does not exceed the maximum duration of a share issuance scheme allowed by the relevant authorities.

As at 31 December 2025, the options offered to take up unissued ordinary shares and the exercise prices are as follows:

	Date of offer	Exercise price	Number of option			Balance as at 31.12.2025
			Balance as at 1.1.2025	Granted	Lapsed	
		RM	Unit	Unit	Unit	Unit
ESOS I	26 July 2024	0.30	14,300,000	-	(1,100,000)	13,200,000
ESOS II	19 December 2025	0.11	-	15,000,000	-	15,000,000

DIRECTORS

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

Lim Chor Ghee
 See Chin Joo*
 Ooi Kok Hong*
 Quah Bee Fong
 Elaine Law Soh Ying
 Puar Chin Jong
 Ku Chia Loon

* *Director of the Company and of its subsidiaries*

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year/period up to the date of this report:

Wooi Yaik Seng

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

Directors' Report

DIRECTORS' INTEREST IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations of those who were Directors at financial year (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Acquired	Sold	
Interest in the Company				
Direct interests				
Lim Chor Ghee	300,000	240,000	7,900	532,100
See Chin Joo	483,001	922,800	-	1,405,801
Ooi Kok Hong	700,001	1,700,00	-	2,400,001
Quah Bee Fong	300,000	-	-	300,000
Elaine Law Soh Ying	100,000	-	-	100,000
Puar Chin Jong	300,000	-	-	300,000
Ku Chia Loon	300,000	11,000,000	-	11,300,000
Indirect interests				
See Chin Joo*	172,889,216	-	-	172,889,216
Ooi Kok Hong*	172,889,216	-	-	172,889,216

	Number of options over ordinary shares			At 31.12.2025
	At 1.1.2025	Granted	Exercised	
Interest in the Company				
Direct interests				
See Chin Joo	2,500,000	2,500,000	-	5,000,000
Ooi Kok Hong	2,500,000	2,500,000	-	5,000,000

* Deemed interest by virtue of the shareholdings in Cat Ching Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

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

Directors' Report

DIRECTORS' BENEFITS

Since the end of previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 25 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business in which a Director is a member as disclosed in Note 32 to the financial statements.

The Directors' remuneration for the Group and the Company as set out in Note 25 to the financial statements are RM1,030,765 and RM706,724 respectively.

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

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Group and of the Company in accordance with Section 289 of the Companies Act 2016.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D)

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

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

(d) In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 6 to the financial statements.

AUDITORS

The Auditors, TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company as set out in Note 27 to the financial statements are RM88,000 and RM30,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 April 2026.

OOI KOK HONG

SEE CHIN JOO

KUALA LUMPUR

Statements By Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 89 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 April 2026.

OOI KOK HONG

SEE CHIN JOO

KUALA LUMPUR

FINANCIAL STATEMENTS

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, See Chin Joo, being the Director primarily responsible for the financial management of Kucingko Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 89 to 143 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at)
Kuala Lumpur in the Federal Territory on)
17 April 2026)
) **SEE CHIN JOO**

Before me,

Commissioner for Oaths

Independent Auditors' Report

To the Members of KUCINGKO BERHAD
[Registration No.: 202301011068 (1504989-A)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kucingko Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 89 to 143.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

Key audit matter is those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. This matter was addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we addressed the key audit matter
<p>Revenue recognition</p> <p>Consolidated revenue recorded by the Group during the financial year amounted to RM3,611,988.</p> <p>The revenue recognition from rendering of services depends on the nature of the contractual arrangements with customers which could affect the point at which control is transferred and the service is rendered, thereby impacting the timing and extent of revenue recognition in terms of both occurrence and existence of the underlying transactions.</p> <p>We have identified revenue recognition as a key audit matter as there is higher risk of material misstatement from the perspective of timing of revenue recognition based on different contractual arrangements with customers.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • reviewing and evaluating the accounting policy on revenue recognition, taking into account the performance obligations stipulated in the sales; • testing the occurrence and accuracy of revenue transactions to supporting evidence such as customer's contract, invoice and relevant supporting documents; • testing the operating effectiveness of the Group's internal controls over timing and amount of revenue recognised; and • assessing the completeness and accuracy of disclosures as required by MFRS 15 <i>Revenue from Contracts with Customers</i>.

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

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of KUCINGKO BERHAD

[Registration No.: 202301011068 (1504989-A)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

Independent Auditors' Report

To the Members of KUCINGKO BERHAD
[Registration No.: 202301011068 (1504989-A)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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

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

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

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

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

FINANCIAL STATEMENTS**Independent Auditors' Report**

To the Members of KUCINGKO BERHAD

[Registration No.: 202301011068 (1504989-A)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other matters

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

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

TEOH CHEY YEAT
03447/08/2027 J
Chartered Accountant

KUALA LUMPUR
17 April 2026

Statements of Financial Position

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	2,022,157	2,587,375	-	-
Right-of-use assets	5	2,262,062	2,877,410	-	-
Investment in subsidiaries	6	-	-	6,107,740	9,560,100
Goodwill on consolidation	7	57,132	62,819	-	-
Deferred tax asset	8	-	-	-	-
		4,341,351	5,527,604	6,107,740	9,560,100
Current assets					
Inventories	9	7,232	5,589	-	-
Trade receivables	10	564,016	604,799	-	-
Other receivables	11	875,052	1,627,468	1,000	235,340
Contract assets	12	268,026	-	-	-
Amount due from subsidiaries	13	-	-	1,923,000	2,900
Tax recoverable		538,431	-	12,888	-
Short-term investments	14	25,577,496	10,057,671	24,354,342	6,905,267
Fixed deposits with licensed banks	15	1,750,000	25,274,290	-	20,099,290
Cash and bank balances	16	2,460,991	6,275,370	111,064	69,686
		32,041,244	43,845,187	26,402,294	27,312,483
Total assets		36,382,595	49,372,791	32,510,034	36,872,583
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17(a)	38,637,732	38,637,732	38,637,732	38,637,732
Invested equity	17(b)	-	-	-	-
Merger deficit	18	(2,948,573)	(2,948,573)	-	-
Employee share-based reserve	19	38,946	-	38,946	-
(Accumulated losses)/Retained earnings		(4,906,123)	7,103,263	(6,240,874)	(1,907,229)
Total equity		30,821,982	42,792,422	32,435,804	36,730,503
LIABILITIES					
Non-current liabilities					
Bank borrowings	20	-	74,726	-	-
Lease liabilities	21	2,074,175	2,400,299	-	-
Deferred tax liability	8	-	52,000	-	-
		2,074,175	2,527,025	-	-

FINANCIAL STATEMENTS

Statements of Financial Position

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	22	4,706	2,653	-	-
Other payables	23	2,689,905	2,703,837	74,093	42,313
Contract liabilities	12	386,383	37,120	-	-
Amount due to subsidiaries	13	-	-	137	-
Bank borrowings	20	74,751	215,415	-	-
Lease liabilities	21	326,127	605,914	-	-
Tax payable		4,566	488,405	-	99,767
		3,486,438	4,053,344	74,230	142,080
Total liabilities		5,560,613	6,580,369	74,230	142,080
Total equity and liabilities		36,382,595	49,372,791	32,510,034	36,872,583

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

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	24	3,611,988	25,750,343	-	5,505,254
Other operating income		1,345,408	890,931	816,288	435,672
Changes in inventories		(63,598)	(72,726)	-	-
Staff costs	25	(10,619,361)	(11,337,448)	(1,022,736)	(245,583)
Depreciation of property, plant and equipment and right-of-use assets		(1,430,409)	(1,434,708)	-	-
Other operating expenses		(4,753,025)	(6,679,273)	(4,128,218)	(3,243,617)
(Loss)/Profit from operations		(11,908,997)	7,117,119	(4,334,666)	2,451,726
Finance costs	26	(121,432)	(138,128)	-	-
(Loss)/Profit before tax	27	(12,030,429)	6,978,991	(4,334,666)	2,451,726
Taxation	28	21,043	(1,935,095)	1,021	(99,767)
(Loss)/Profit for the financial year, representing total comprehensive (loss)/ income for the financial year		(12,009,386)	5,043,896	(4,333,645)	2,351,959
(Loss)/Earnings per share:					
Basic (sen)	29	(2.40)	1.66		
Diluted (sen)	29	(2.40)	1.66		

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

FINANCIAL STATEMENTS

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025

	Note	← Attributable to owners of the Company →					Distributable Retained earnings/ (Accumulated losses)	Total equity
		Share capital	Invested equity	Merger deficit	ESOS reserve	Non-distributable		
		RM	RM	RM	RM	RM	RM	
Group								
At 1 January 2024		3	6,611,427	-	-	11,328,770	17,940,200	
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	5,043,896	5,043,896	
Transactions with owners:								
Effect of restructuring exercise	17(a),17(b)	9,560,000	(6,611,427)	(2,948,573)	-	-	-	
Issuance of share	17(a)	30,000,000	-	-	-	-	30,000,000	
Share issuance expenses	17(a)	(922,271)	-	-	-	-	(922,271)	
Dividend to Common Control Shareholders	30	-	-	-	-	(5,019,403)	(5,019,403)	
Dividend to owners of the Company	30	-	-	-	-	(4,250,000)	(4,250,000)	
Total transactions with owners		38,637,729	(6,611,427)	(2,948,573)	-	(9,269,403)	19,808,326	
At 31 December 2024		38,637,732	-	(2,948,573)	-	7,103,263	42,792,422	
At 1 January 2025		38,637,732	-	(2,948,573)	-	7,103,263	42,792,422	
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	(12,009,386)	(12,009,386)	
Transactions with owners:								
Share-based contribution pursuant to ESOS granted	19	-	-	-	38,946	-	38,946	
At 31 December 2025		38,637,732	-	(2,948,573)	38,946	(4,906,123)	30,821,982	

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025

	Note	Share capital RM	ESOS reserve RM	Accumulated losses RM	Total RM
Company					
At 1 January 2024		3	-	(9,188)	(9,185)
Profit for the financial period, representing total comprehensive income for the financial year		-	-	2,351,959	2,351,959
Transaction with owners:					
Effect of restructuring exercise	17(a),17(b)	9,560,000	-	-	9,560,000
Issuance of share	17(a)	30,000,000	-	-	30,000,000
Share issuance expenses	17(a)	(922,271)	-	-	(922,271)
Dividend to owners of the Company	30	-	-	(4,250,000)	(4,250,000)
Total transaction with owners		38,637,729	-	(4,250,000)	34,387,729
At 31 December 2024		38,637,732	-	(1,907,229)	36,730,503
At 1 January 2025		38,637,732	-	(1,907,229)	36,730,503
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(4,333,645)	(4,333,645)
Transactions with owners:					
Share-based contribution pursuant of ESOS granted	19	-	38,946	-	38,946
At 31 December 2025		38,637,732	38,946	(6,240,874)	32,435,804

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

FINANCIAL STATEMENTS

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(12,030,429)	6,978,991	(4,334,666)	2,451,726
Adjustments for:					
Depreciation of property, plant and equipment		815,061	856,064	-	-
Depreciation of right-of-use assets		615,348	578,644	-	-
Dividend income		-	(7,671)	-	(5,505,254)
Equity-settled share based payment transaction		38,946	-	-	-
Gain on disposal of short-term investment		(73,970)	-	(43,886)	-
Gain on disposal of property, plant and equipment		(2,391)	(600)	-	-
Impairment losses on goodwill on consolidation		5,687	-	-	-
Impairment loss on investment in subsidiaries		-	-	3,691,206	-
Interest expenses		121,432	138,128	-	-
Interest income		(906,691)	(745,588)	(772,402)	(435,672)
Property, plant and equipment written off		593	486	-	-
Unrealised gain on foreign exchange		(240,171)	-	-	-
Operating (loss)/profit before working capital changes		(11,656,585)	7,798,454	(1,459,748)	(3,489,200)
Changes in working capital:					
Inventories		(1,643)	1,290	-	-
Receivables		793,199	1,263,486	234,340	(235,340)
Payables		(48,065)	273,186	31,780	33,125
Contract balances		81,237	138,799	-	-
Cash (used in)/generated from operations		(10,831,857)	9,475,215	(1,193,628)	(3,691,415)
Tax refund		131	-	-	-
Tax paid		(1,053,358)	(2,112,477)	(111,634)	-
Interest received		10,120	219,695	-	36,727
Net cash (used in)/from operating activities		(11,874,964)	7,582,433	(1,305,262)	(3,654,688)
Cash flows from investing activities					
Acquisition of property, plant and equipment		(250,436)	(291,225)	-	-
Acquisition of right-of-use assets	A	-	-	-	-
Acquisition of subsidiary		-	-	(100,000)	-
Additional investment in subsidiary	B	-	-	-	-
Dividend received		-	-	-	5,499,987
Increased in fixed deposits with maturity of more than three months		-	(20,099,290)	-	(20,099,290)
Interest received		132,042	525,893	67,213	398,945
Incorporation of subsidiary		-	-	-	(100)

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from financing activities (Cont'd)					
Proceeds from disposal of short-term investment		5,300,000	-	3,300,000	-
Proceeds from disposal of property, plant and equipment		2,391	600	-	-
Placement of short-term investment		(20,000,000)	(10,050,000)	(20,000,000)	(6,900,000)
Withdrawals of fixed deposits with maturity of more than three months		20,099,290	1,000,000	20,099,290	-
Net cash from/(used in) investing activities		5,283,287	(28,914,022)	3,366,503	(21,100,458)
Cash flows from financing activities					
Dividen paid		-	(9,269,403)	-	(4,250,000)
Interest paid		(121,432)	(138,128)	-	-
Interest received		18,674	-	-	-
Advanced to subsidiaries	C	-	-	(2,019,863)	(2,900)
Advanced from a Director		36,186	-	-	-
Proceed from the issuance of shares, net of share issuance expenses		-	29,077,729	-	29,077,729
Repayments of bank borrowing		(215,390)	(207,996)	-	-
Repayments of lease liabilities	D	(605,911)	(551,757)	-	-
Net cash (used in)/from investing activities		(887,873)	18,910,445	(2,019,863)	24,824,829
Net (decrease)/increase in cash and cash equivalents		(7,479,550)	(2,421,144)	41,378	69,683
Effect of foreign exchange differences		240,171	-	-	-
Cash and cash equivalents at beginning of the financial year		9,700,370	12,121,514	69,686	3
Cash and cash equivalents at end of the financial year		2,460,991	9,700,370	111,064	69,686
Cash and cash equivalents at end of the financial year comprises:					
Cash and bank balances		2,460,991	6,275,370	111,064	69,686
Fixed deposits with licensed banks		1,750,000	25,274,290	-	20,099,290
		4,210,991	31,549,660	111,064	20,168,976
Less: Fixed deposits pledged with licensed banks	15	(750,000)	(750,000)	-	-
Less: Fixed deposits more than 3 months to maturity	15	(1,000,000)	(21,099,290)	-	(20,099,290)
		2,460,991	9,700,370	111,064	69,686

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

NOTES TO THE STATEMENTS OF CASH FLOWS

		Group	
		2025	2024
	Note	RM	RM

A. Acquisition of right-of-use assets

Total acquisition of right-of-use assets		-	880,642
Less: Acquisition through lease arrangement		-	(880,642)
Total cash payment		-	-

		Company	
		2025	2024
	Note	RM	RM

B. Additional investment in a subsidiary

Total addition		99,900	-
Less: Capitalisation of amount due from a subsidiary	C	(99,900)	-
Net cash used in additional of investment in a subsidiary		-	-

		Company	
		2025	2024
	Note	RM	RM

C. Advances to subsidiaries

Advances to subsidiaries		1,919,963	2,900
Less: Acquisition of a subsidiary by mean of capitalisation of amount due from a subsidiary	B	99,900	-
Net cash used in additional of investment in subsidiary		2,019,863	2,900

		Group	
		2025	2024
		RM	RM

D. Cash outflows for leases as a lessee

Included in net cash (used in)/from operating activities:

Payment relating to short-term leases	27	97,500	84,564
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Included in net cash (used in)/from financing activities:

Payment of lease liabilities		605,911	551,757
Payment on interest of lease liabilities		114,689	123,843
		720,600	675,600
		818,100	760,164

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

Notes to the Financial Statements

31 December 2025

1. CORPORATE INFORMATION

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

The registered office of the Company was located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur. With effect from 30 June 2025, the Company's registered office had been relocated to Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at H-G-03A, Glomac Square, Jalan SS6/16A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial year/period.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the financial statements.

Adoption of amended standards

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

Amendments to MFRS 121

Lack of Exchangeability

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

Notes to the Financial Statements

31 December 2025

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standard issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature - dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

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

(b) Functional and presentation currency

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

Notes to the Financial Statements

31 December 2025

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for leases of office building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if to relocate the office building or suitable locations may not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- (a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) The Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Notes to the Financial Statements

31 December 2025

2. BASIS OF PREPARATION (CONT'D)

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

Judgements (Cont'd)

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment and right-of-use ("ROU") asset

The Group regularly review the estimated useful lives of property, plant and equipment and ROU asset based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU asset would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU asset.

Deferred tax assets

Deferred tax assets are recognised for all unutilised business losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unutilised business losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Inventories valuation

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

Discount rate used in leases

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

Notes to the Financial Statements

31 December 2025

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (Cont'd)

Income taxes

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

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

Determination of transaction prices

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

Employee share options

The Group and the Company measure the cost of equity-settled transactions with employee by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

3. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. 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. Potential voting rights are considered when assessing whether the Group has power over another entity. Subsidiaries are fully consolidated from the date that control commences until the date control ceases.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Inter-company transactions and balances on transactions between Group entities are eliminated.

Notes to the Financial Statements

31 December 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(ii) Common control business combination

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, and accordingly the accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the Group in the financial statements.

In applying merger accounting, financial statements items of the Group for the reporting period in which the common control combination occurs, and for any comparative years disclosed, are included in the financial statements of the entity as if the combination had occurred from the date when the combining entities first came under the control of the controlling party or parties prior to the common control combination.

The assets and liabilities are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On combination, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in merger reserve.

(iii) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any NCI 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 recorded as goodwill. If the total consideration transferred, NCI recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (i.e., a bargain purchase), the gain is recognised in profit or loss.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired.

(b) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and less accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use.

Notes to the Financial Statements

31 December 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment (Cont'd)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

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

Furniture and fittings	12%
Motor vehicle	33%
Office equipment	12% - 33%
Renovation	12%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimated and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(ii) Derecognition

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount recognised in profit or loss.

(c) Leases

(i) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition exemption

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

Notes to the Financial Statements

31 December 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Leases (Cont'd)

(iii) Depreciation

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The ROU asset are depreciated over the lease term as follows:

Hostels	Over the lease term
Offices	Over the lease term

(d) Contract assets and contract liabilities

Contract assets represent the Group's right to consideration for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets are subject to impairment assessment in accordance of MFRS 9 Financial Instruments.

Contract liabilities are the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(e) Financial instruments

At the reporting date, the Group and the Company have financial assets at amortised cost and fair value through profit or loss ("FVTPL") on their statements of financial position. The Group's financial assets at amortised cost include trade receivables, other receivables, fixed deposits with licensed banks and cash and bank balances and financial assets at FVTPL include short-term investments. The Company's financial assets at amortised cost include only other receivables, amount due from subsidiaries and cash and bank balances and financial assets at FVTPL include short-term investments.

At the reporting date, the Group and the Company have financial liabilities at amortised cost on their statements of financial position. The Group's financial liabilities at amortised cost include trade payables, other payables and borrowings. The Company's financial liabilities at amortised cost include other payables and amount due to subsidiaries.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value and determined using first-in-first-out basis.

Cost of foods and beverages consists of the expenditure incurred in bringing the inventories and other costs in bringing them to their existing location and condition.

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

Notes to the Financial Statements

31 December 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Revenue recognition

(i) Revenue from contracts with customers

The Group recognises revenue from the following major sources:

(a) Sales of goods

The Group generally provide provision of foods and beverages to customer and selling merchandise such as clothing, hats, tote bags and other products featuring original animation characters to customer. Revenue from sale of goods is recognised when control of the products has transferred, being the products are delivered to the customer.

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

(b) Animation production services

The Group generally provide animation and information technology service to customer. The revenue is recognised at a point in time when the goods are delivered to the customer. The Group's general payment terms are short-term in duration.

Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the goods and services are delivered or rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(c) Renders of services

The Group offers its customers for computer animation maintenance services. Revenue is allocated to the service obligations and recognised overtime of performance of services to customers. When consideration is collected from customer in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue when the related services is rendered.

Notes to the Financial Statements

31 December 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Revenue recognition (Cont'd)

(ii) Dividend income

Dividend income is recognised when the the Group's and the Company's right to receive payment is established.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Rental income

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

4. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings RM	Motor vehicle RM	Office equipment RM	Renovation RM	Total RM
Group					
Cost					
At 1 January 2024	557,932	73,700	4,974,117	3,505,958	9,111,707
Additions	54,822	-	87,707	148,696	291,225
Disposal	-	-	(15,895)	-	(15,895)
Written off	-	-	(2,254)	-	(2,254)
At 31 December 2024	612,754	73,700	5,043,675	3,654,654	9,384,783
Additions	43	-	250,393	-	250,436
Disposal	-	-	(440,679)	-	(440,679)
Written off	-	-	(1,174)	-	(1,174)
At 31 December 2025	612,797	73,700	4,852,215	3,654,654	9,193,366
Accumulated depreciation					
At 1 January 2024	517,041	14,187	3,829,415	1,598,364	5,959,007
Charge for the financial year	24,216	24,321	487,359	320,168	856,064
Disposals	-	-	(15,895)	-	(15,895)
Written off	-	-	(1,768)	-	(1,768)
At 31 December 2024	541,257	38,508	4,299,111	1,918,532	6,797,408
Charge for the financial year	20,075	24,321	448,357	322,308	815,061
Disposals	-	-	(440,679)	-	(440,679)
Written off	-	-	(581)	-	(581)
At 31 December 2025	561,332	62,829	4,306,208	2,240,840	7,171,209
Carrying amount					
At 31 December 2025	51,465	10,871	546,007	1,413,814	2,022,157
At 31 December 2024	71,497	35,192	744,564	1,736,122	2,587,375

Notes to the Financial Statements

31 December 2025

5. RIGHT-OF-USE ASSETS

	Hostels RM	Offices RM	Total RM
Group			
Cost			
At 1 January 2024	546,971	3,891,690	4,438,661
Additions	-	880,642	880,642
At 31 December 2024	546,971	4,772,332	5,319,303
Expiration of lease contracts	(244,737)	(918,576)	(1,163,313)
At 31 December 2025	302,234	3,853,756	4,155,990
Accumulated depreciation			
At 1 January 2024	331,464	1,531,785	1,863,249
Charge for the financial year	101,832	476,812	578,644
At 31 December 2024	433,296	2,008,597	2,441,893
Charge for the financial year	101,843	513,505	615,348
Expiration of lease contracts	(244,737)	(918,576)	(1,163,313)
At 31 December 2025	290,402	1,603,526	1,893,928
Carrying amount			
At 31 December 2025	11,832	2,250,230	2,262,062
At 31 December 2024	113,675	2,763,735	2,877,410

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	9,560,100	9,560,100
Addition	199,900	-
Allocation ESOS charge in respect of share options granted to the employees of subsidiaries	38,946	-
	9,798,946	9,560,100
Less: Accumulated impairment losses	(3,691,206)	-
	6,107,740	9,560,100

Notes to the Financial Statements

31 December 2025

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The movement of accumulated impairment losses are as follows:

	Company	
	2025	2024
	RM	RM
At beginning of the financial year	-	-
Recognised during the financial year	3,691,206	-
At end of financial year	3,691,206	-

During the financial year, the Company recognised impairment loss of RM3,691,206 in respect of certain investment in subsidiaries. This was due to the subsidiaries' continued making losses, which led the Company to determine that the recoverable amount of these investment was lower than the cost of investment of RM3,691,206.

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
Inspidea Sdn. Bhd.	Malaysia	100	100	Engaged in the business of animation entertainment production and distribution
Pipapo Sdn. Bhd.	Malaysia	100	100	Engaged in creation and development of original animated intellectual properties and retail sale of merchandise such as clothing, hats, tote bags and other products featuring original animation characters via online platforms
Fuloso Sdn. Bhd.	Malaysia	100	-	Provision of computer games for all platforms and motion picture, video, and television programme production activities
<u>Held through</u> <u>Inspidea</u> <u>Sdn. Bhd.</u>				
Tourific Sdn. Bhd.	Malaysia	100	100	Providing interest business or services, online content development, online content publishing, internet consultancy services and related services
Toonigami Sdn. Bhd.	Malaysia	100	100	Provision of computer animation solutions and services
Bowleh Sdn. Bhd.	Malaysia	100	100	Restaurant operator
Fuloso Sdn. Bhd.	Malaysia	-	100	Provision of computer games for all platforms and motion picture, video, and television programme production activities

Notes to the Financial Statements

31 December 2025

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

(a) Incorporation/Additional subscription of a subsidiary

On 11 September 2024, the Company incorporated a wholly-owned subsidiary, Pipapo Sdn. Bhd., with cash subscription of RM100.

On 8 December 2025, the Company had further subscribed 99,900 ordinary shares of RM1 each for a total consideration of RM99,900. These shares have been fully subscribed by the Company by way of capitalisation of amount due from a subsidiary.

(b) Internal reorganisation

On 21 May 2025, the Company had acquired 100% equity interest in Fuloso Sdn. Bhd. from Inspidea Sdn. Bhd. of 100,000 ordinary shares for total cash consideration of RM100,000.

7. GOODWILL ON CONSOLIDATION

	Group	
	2025	2024
	RM	RM
At beginning of the financial year	62,819	62,819
Less: Accumulated impairment losses	(5,687)	-
At end of the financial year	57,132	62,819

The movement of accumulated impairment losses are as follows:

	Group	
	2025	2024
	RM	RM
At beginning of the financial year	-	-
Recognised during the financial year	5,687	-
At end of the financial year	5,687	-

Goodwill acquired in a business combination is allocated, at acquisition date, to the cash-generating unit ("CGU") that is expected to benefit from the business combination. No impairment was recognised for the goodwill on consolidation as the net assets of the subsidiary was in excess of its carrying values, except for impairment losses on goodwill of RM5,687 has been recognised in other operating expenses in the statements of profit or loss and other comprehensive income of the Group for Bowleh Sdn. Bhd. due to continuously loss making and the Group has determined the recoverable amount to be lower than its carrying values.

Notes to the Financial Statements

31 December 2025

8. DEFERRED TAX ASSET/(LIABILITY)

	Asset RM	Liability RM	Net RM
Group			
At 1 January 2024	12,500	-	12,500
Recognised in profit or loss	(12,500)	(52,000)	(64,500)
At 31 December 2024	-	(52,000)	(52,000)
Recognised in profit or loss	-	52,000	52,000
At 31 December 2025	-	-	-

The components and movements of deferred tax asset and liability at the end of the reporting date are as follows:

Deferred tax asset	Unutilised business losses RM
Group	
At 1 January 2024	12,500
Recognised in profit or loss	(12,500)
At 31 December 2024/31 December 2025	-

Deferred tax liability	Property, plant and equipment RM
Group	
At 1 January 2024	-
Recognised in profit or loss	52,000
At 31 December 2024	52,000
Recognised in profit or loss	(52,000)
At 31 December 2025	-

Notes to the Financial Statements

31 December 2025

9. INVENTORIES

	Group	
	2025	2024
	RM	RM
Foods and beverages	3,989	5,589
Trading goods	3,243	-
	7,232	5,589

	Group	
	2025	2024
	RM	RM
Recognised in profit or loss		
Inventories recognised as cost of sales	63,598	72,726

10. TRADE RECEIVABLES

Trade receivables of the Group are non-interest bearing and are generally on 30 days (2024: 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The following table provide information about the exposure to credit risk and allowance for expected credit losses ("ECLs") for trade receivables:

	Gross amount	ECLs	Net amount
	RM	RM	RM
Group			
2025			
Not past due	517,791	-	517,791
Past due:			
More than 90 days	46,225	-	46,225
	564,016	-	564,016
2024			
Not past due	103,083	-	103,083
Past due:			
Less than 30 days	44,405	-	44,405
31 to 60 days	42,837	-	42,837
61 to 90 days	123,615	-	123,615
More than 90 days	290,859	-	290,859
	604,799	-	604,799

Notes to the Financial Statements

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The foreign currency profile of trade receivables are as follows:

	Group	
	2025	2024
	RM	RM
United States Dollar (“USD”)	541,342	528,127
Canadian Dollar (“CAD”)	-	53,293
Japanese Yen (“JPY”)	18,674	-
Singapore Dollar (“SGD”)	-	23,379

11. OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-trade receivables	-	487,828	-	-
Deposits	600,025	424,219	1,000	235,340
Prepayments	275,027	715,421	-	-
	875,052	1,627,468	1,000	235,340

In previous financial year, included in non-trade receivable of the Group is an amount of RM487,828 due from a company in which certain Directors have interests. The amount is unsecured, non-interest bearing and repayable on demand.

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025	2024
	RM	RM
Contract assets (a)	268,026	-
Contract liabilities (b)	(386,383)	(37,120)

Notes to the Financial Statements

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12. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Contract assets

	Group	
	2025	2024
	RM	RM
At beginning of the financial year	-	-
Additional by obligation performed but not billed during the financial year	268,026	-
At end of the financial year	268,026	-

The contract assets primarily relate to the Group's right to consideration for work performed but not yet billed as at the reporting date. This balance will be invoiced progressively upon the acceptance of completed works by customers.

The following table provide information about the exposure to credit risk and allowance for ECLs for contract assets as the Group is expected to have similar risk nature with trade receivables:

	Gross amount	ECLs	Net amount
	RM	RM	RM
Group			
2025			
Not past due	268,026	-	268,026

(b) Contract liabilities

	Group	
	2025	2024
	RM	RM
At beginning of the financial year	(37,120)	101,679
Revenue recognised that was included in the contract liabilities recognised at the beginning of the financial year	2,542,110	6,971,965
Increase due to cash received, excluding amounts recognised as revenue during the financial year	(2,891,373)	(7,110,764)
At end of the financial year	(386,383)	(37,120)

The contract liabilities primarily relate to the advance consideration received from customers. The amount will be recognised as revenue when the performance obligations are satisfied.

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12. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Contract liabilities (cont'd)

Contract value yet to be recognised as revenue

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period:

	Group	
	2025	2024
	RM	RM
Project revenue	386,383	37,120

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially satisfied) as at the end of the reporting date:

	Group	
	2025	2024
	RM	RM
2025 onwards	-	37,120
2026 onwards	386,383	-

13. AMOUNT DUE FROM/(TO) SUBSIDIARIES

Amount due from/(to) subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

14. SHORT-TERM INVESTMENTS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
<u>FVTPL</u>				
Money market fund	25,577,496	10,057,671	24,354,342	6,905,267

The fair value of the financial asset at FVTPL is classified as at Level 1 fair value item for purpose of fair value hierarchy disclosures which has been determined by reference to the net assets value of the funds at the end of the reporting period as quoted by the licensed fund management company.

Notes to the Financial Statements

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15. FIXED DEPOSITS WITH LICENSED BANKS

The interest rates of fixed deposits with licensed banks of the Group and of the Company ranged from 2.10% to 4.00% and 3.95% to 4.00% (2024: 2.40% to 4.00% and 2.40% to 2.80%) per annum respectively.

The maturity of fixed deposits with licensed banks of the Group and of the Company between 30 to 365 days and 30 to 90 days (2024: 30 to 365 days and 365 days) respectively.

Included in the fixed deposits with licensed banks of the Group amounting to RM750,000 (2024: RM750,000) are pledged to licensed banks as securities for credit facilities granted to the subsidiary as disclosed in Note 20 to the financial statements.

Fixed deposits of the Group and of the Company with maturities more than 3 months amounting to RM1,000,000 and RMNil (2024: RM21,099,290 and RM20,099,290) are placements made for a period of more than 3 months.

16. CASH AND BANK BALANCES

The foreign currency profile of cash and bank balances are as follows:

	Group	
	2025	2024
	RM	RM
USD	203,635	5,086,557
EURO ("EUR")	206,298	468
CAD	312	312
Hong Kong Dollar ("HKD")	53	53

17. SHARE CAPITAL/INVESTED EQUITY

(a) Share capital

	Number of ordinary shares	
	2025	2024
	Units	Units
Group and Company		
Issued and fully paid:		
At beginning of the financial year	500,000,000	3
Effect of restructuring exercise	-	399,999,997
Issuance of ordinary shares	-	100,000,000
At end of the financial year	500,000,000	500,000,000

Notes to the Financial Statements

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17. SHARE CAPITAL/INVESTED EQUITY (CONT'D)

(a) Share capital (Cont'd)

	Amount	
	2025	2024
	RM	RM
Group and Company		
At beginning of the financial year	38,637,732	3
Effect of restructuring exercise	-	9,560,000
Issuance of ordinary shares	-	30,000,000
Share issuance expenses	-	(922,271)
At end of the financial year	38,637,732	38,637,732

In previous financial year, the Company increased its issued and paid-up capital amount to RM9,560,000 by way of issuance of 399,999,997 new ordinary shares at RM0.0239 each for a total consideration of RM9,560,000 as full payment for the acquisition of its subsidiary, Inspidea Sdn. Bhd. and its subsidiaries.

In previous financial year, the Company raised RM30,000,000 by issuing 100,000,000 new ordinary shares at RM0.30 per share with the proceeds from the IPO.

The new ordinary shares issued during the financial year/period rank pari passu in all respect with the existing shares of the Company.

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

(b) Invested equity

	Number of shares		Amount	
	2025	2024	2025	2024
	Units	Units	RM	RM
Group				
Issued and fully paid:				
Ordinary shares				
At beginning of the financial year	-	2,331,861	-	2,331,861
Effect of restructuring exercise	-	(2,331,861)	-	(2,331,861)
At end of the financial year	-	-	-	-
Convertible Preference Share ("CPS")				
At beginning of the financial year	-	88,509	-	4,279,566
Effect of restructuring exercise	-	(88,509)	-	(4,279,566)
At end of the financial year	-	-	-	-

Invested equity solely comprised the aggregate number of issued and paid-up ordinary shares of Inspidea Sdn. Bhd. and its subsidiaries. The amount has been reversed against the merger deficit due to effect of restructuring exercise.

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17. SHARE CAPITAL/INVESTED EQUITY (CONT'D)

(b) Invested equity (Cont'd)

The terms of the CPS are as follows:

(a) Conversion right

The holder of the CPS will have the option at any time to convert all or any portion of the of CPS at the applicable conversion ratio into new ordinary shares.

(b) Conversion ratio

The CPS shall be convertible into fully paid-up ordinary shares equivalent to a specified percentage of the enlarged capital of Inspidea Sdn. Bhd. pursuant to the terms of the Shareholder Agreement dated on 28 November 2005, Supplemental Shareholders Agreement dated on 18 November 2018 and Supplemental Shareholders Agreement dated on 21 April 2001 (collectively referred to as "Agreements").

(c) Dividends

The holders of CPS are entitled to participate in dividends of Inspidea Sdn. Bhd. with the ordinary shareholders on an "as if converted" basis for any dividend declared, pursuant to the terms of Agreements.

(d) Voting right

The holders of CPS shall have the right to the relevant number of votes equivalent to the number of ordinary shares into which the CPS are convertible on any resolutions at any general meeting of Inspidea Sdn. Bhd. upon:

- (i) any resolution which attempts to vary the rights attached to the CPS, howsoever;
- (ii) any resolution for the winding up of Inspidea Sdn. Bhd.;
- (iii) which in the opinion of any holder of the CPS will affect the interest of such holder in any manner whatsoever, and/or
- (iv) in any event, pursuant to the applicable provisions of the Companies Act 2016.

(e) Preference

In the event of a liquidation, dissolution, winding up or distribution in specie of the assets of the Inspidea Sdn. Bhd., the holders of CPS shall be ranked in priority to the ordinary shareholders of the Inspidea Sdn. Bhd. for payment of up to the total issue price of the CPS held.

18. MERGER DEFICIT

The merger deficit arises from the difference between the carrying value of the investment in a subsidiary and the nominal value of share capital of the subsidiary upon consolidation under the merger accounting principle.

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19. EMPLOYEE SHARE-BASED RESERVE

Employee share-based reserve represents cumulative value of employee services received for the issue of share options.

When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Equity settled share-based transaction

At an Extraordinary General Meeting held on 8 May 2024, the Company's shareholders approved the establishment of ESOS of not more than 10% of the issued and paid-up ordinary share capital of the Company to eligible Directors and employees of the Group.

The terms and conditions relating to the grants of new share option programme are as follows; all options are to be settled by physical delivery of shares:

	Grant date	Number of options	Vesting conditions	Contractual life of options
ESOS I	26 July 2024	14,300,000	- The options divided into 4 tranches which separately vest on 26 July 2025, 26 July 2026, 26 July 2027 and 26 July 2028. - The exercisable options are capped at 10%, 20%, 30% and 40% of the total options offered, corresponding to each vesting date.	5 years
ESOS II	19 December 2025	15,000,000	- The options divided into 3 tranches which separately vest on 19 December 2026, 19 December 2027 and 19 December 2028. - The exercisable options are capped at 20%, 30%, and 50% of the total options offered, corresponding to each vesting date.	4 years

The movements of share options during the financial year are as follows:

	Date of offer	Exercise price RM	Number of options			Balance as at 31.12.2025 Unit
			Balance as at 1.1.2025 Unit	Granted Unit	Lapsed Unit	
ESOS I	26 July 2024	0.30	14,300,000	-	(1,100,000)*	13,200,000
ESOS II	19 December 2025	0.11	-	15,000,000	-	15,000,000

* Lapsed due to resignation

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19. EMPLOYEE SHARE-BASED RESERVE (CONT'D)

Fair value of share options and assumptions

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured based on a binomial lattice model with the following inputs:

	ESOS I granted on 26 July 2024	ESOS II granted on 19 December 2025
Fair value at grant date (RM)	0.0272	0.0492
Share price at grant date (RM)	0.3000	0.1100
Expected volatility (weighted average volatility)	14.52%	75.75%
Option life (expected weighted average life)	5 years	4 years
Expected dividends	5.24%	Nil
Risk-free interest rate (based on Malaysian Government Securities)	3.57%	3.15%

20. BANK BORROWINGS

	Group	
	2025	2024
	RM	RM
Secured		
Term loan	74,751	290,141
Non-current		
Term loan	-	74,726
Current		
Term loan	74,751	215,415
	74,751	290,141

The bank borrowings are secured by the following:

- (i) Guarantee from Government of Malaysia under Special Relief Facility Scheme administered by Syarikat Jaminan Pembiayaan Perniagaan;
- (ii) Joint and several guarantee by certain Directors of the Group; and
- (iii) Fixed deposits with licensed bank of the Group as disclosed in Note 15 to the financial statements.

The term loan is repayable by 66 (2024: 66) monthly instalments.

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20. BANK BORROWINGS (CONT'D)

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

	Group	
	2025	2024
	%	%
Term loan	3.02 - 4.76	3.35 - 3.94

21. LEASE LIABILITIES

	Group	
	2025	2024
	RM	RM
Non-current	2,074,175	2,400,299
Current	326,127	605,914
	<u>2,400,302</u>	<u>3,006,213</u>

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

	Group	
	2025	2024
	RM	RM
Within 1 year	420,600	720,600
Between 1 to 5 years	1,632,000	1,644,600
More than 5 years	714,000	1,122,000
	<u>2,766,600</u>	<u>3,487,200</u>
Less: Future finance charges	(366,298)	(480,987)
Present value of lease liabilities	<u>2,400,302</u>	<u>3,006,213</u>

The Group leases hostels and offices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

22. TRADE PAYABLES

The normal trade credit terms granted to the Group is 30 days (2024: 30 days) depending on the term of the contracts.

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23. OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-trade payables	2,275,680	2,122,787	7,353	4,313
Accruals	414,225	581,050	66,740	38,000
	2,689,905	2,703,837	74,093	42,313

Included in non-trade payables of the Group and of the Company is amount of RM195,236 and RM4,853 (2024: RM143,412 and RM546) due to Directors. The amount is unsecured, non-interest bearing and repayable on demand.

Included in non-trade payables of the Group is amount of RM194,388 (2024: RM72,834) due to a company in which certain Directors have interests. The amount is unsecured, non-interest bearing and repayable on demand.

The foreign currency profile of other payables is as follows:

	Group	
	2025	2024
	RM	RM
HKD	194,388	72,834

24. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue from contracts with customers:				
Sales of goods	105,833	77,781	-	-
Animation production services	3,485,664	25,672,562	-	-
Rendering of services	20,491	-	-	-
	3,611,988	25,750,343	-	-
Other revenue :				
Dividend income	-	-	-	5,505,254
	3,611,988	25,750,343	-	5,505,254
Timing of revenue recognition :				
At point in time	3,591,497	25,750,343	-	-
Overtime	20,491	-	-	-
	3,611,988	25,750,343	-	-

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24. REVENUE (CONT'D)

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Geographical market:				
Malaysia	106,998	77,781	-	-
Australia	-	-	-	-
Canada	133,401	9,017,484	-	-
China	114,580	-	-	-
France	914,777	5,687,035	-	-
Hong Kong	610,784	-	-	-
Korea	1,334,965	66,957	-	-
Japan	198,048	-	-	-
Singapore	51,669	64,199	-	-
United Arab Emirates	136,172	-	-	-
United Kingdom	-	1,699,485	-	-
United States of America	10,594	9,137,402	-	-
	3,611,988	25,750,343	-	-

Breakdown of the Group's revenue from contracts with customers by segments are disclosed in Note 33 to the financial statements.

25. STAFF COSTS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Salaries, wages and other emoluments	9,488,760	10,160,915	951,176	245,583
Defined contribution plans	985,546	1,115,208	66,444	-
Social security contribution	145,055	60,545	5,116	-
Other benefits	-	780	-	-
	10,619,361	11,337,448	1,022,736	245,583

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25. STAFF COSTS (CONT'D)

Included in staff costs is aggregate amount of remuneration received and receivable by the Non-Executive Directors and the Executive Directors and key management personnel of the Group and of the Company during the financial year as below:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-Executive Directors				
Fees	249,167	222,083	249,167	222,083
Other emoluments	36,000	23,500	36,000	23,500
	285,167	245,583	285,167	245,583
Executive Directors				
Salaries	663,224	700,617	374,936	-
Defined contribution plans	79,588	84,783	44,996	-
Social security contribution	2,786	2,435	1,625	-
	745,598	787,835	421,557	-
	1,030,765	1,033,418	706,724	245,583

26. FINANCE COSTS

	Group	
	2025	2024
	RM	RM
Interest expenses:		
- bank overdraft	-	150
- lease liabilities	114,689	123,843
- term loan	6,743	14,135
	121,432	138,128

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27. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Auditors' remuneration:				
- statutory audit	88,000	93,000	30,000	30,000
- non-audit fee	5,000	5,000	5,000	5,000
Depreciation of:				
- property, plant and equipment	815,061	856,064	-	-
- right-of-use assets	615,348	578,644	-	-
Dividend income	-	(7,671)	-	(5,505,254)
Equity-settled share based payment transaction	38,946	-	-	-
Gain on disposal on short-term investment	(73,970)	-	(43,886)	-
Gain on disposal on property, plant and equipment	(2,391)	(600)	-	-
Government grant income (a)	-	(75,000)	-	-
Impairment losses on goodwill on consolidation	5,687	-	-	-
Impairment loss on investment in subsidiaries	-	-	3,691,206	-
Interest income:				
- cash and bank balances	(10,120)	(219,695)	-	(36,727)
- fixed deposits with licensed banks	(150,716)	(525,893)	(67,213)	(398,945)
- short-term investment	(745,855)	-	(705,189)	-
Property, plant and equipment written off	593	486	-	-
Realised loss on foreign exchange	459,739	512,519	-	-
Rental income	(29,678)	(27,600)	-	-
Short-term leases (b)	97,500	84,564	-	-
Unrealised gain on foreign exchange	(240,171)	-	-	-

(a) Government grant income is in respect of a Malaysia Digital Acceleration Grant received by the Group.

(b) The Group leases a number of properties with contract terms of not more than one year. These leases are short-term. The Group has elected to the recognition exemption for short-term lease under MFRS 16 *Leases*.

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28. TAXATION

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Current tax				
Current financial year provision	26,829	1,861,346	-	99,767
Under/(Over) provision in previous financial years	4,128	9,249	(1,021)	-
	30,957	1,870,595	(1,021)	99,767
Deferred tax				
Origination and reversal of temporary differences	-	60,000	-	-
(Over)/Under provision in previous financial years	(52,000)	4,500	-	-
	(52,000)	64,500	-	-
	(21,043)	1,935,095	(1,021)	99,767

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
(Loss)/Profit before tax	(12,030,429)	6,978,991	(4,334,666)	2,451,726
At Malaysian statutory tax rate of 24% (2024: 24%)	(2,887,303)	1,674,958	(1,040,320)	588,414
Change in tax rate for the first and second tranche of chargeable income	-	(60,256)	-	-
Expenses not deductible for tax purposes	594,998	2,161,754	1,040,320	831,350
Income not subject to tax	(145,443)	(1,911,990)	-	(1,319,997)
Movement of deferred tax assets not recognised	2,464,577	56,880	-	-
Under/(Over) provision of current tax in previous financial year	4,128	9,249	(1,021)	-
(Over)/Under provision of deferred tax in previous financial year	(52,000)	4,500	-	-
	(21,043)	1,935,095	(1,021)	99,767

Notes to the Financial Statements

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28. TAXATION (CONT'D)

Unrecognised deferred tax assets

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

	Group	
	2025	2024
	RM	RM
Property, plant and equipment	(109,333)	(308,833)
Provision	1,433,000	1,188,000
Unutilised capital allowances	414,000	99,000
Unabsorbed business losses	10,344,572	830,000
	12,082,239	1,808,167

The expiry of the unabsorbed business losses are as follows:

	Group	
	2025	2024
	RM	RM
Year of assessment 2029	112,000	112,000
Year of assessment 2030	77,000	77,000
Year of assessment 2031	56,000	56,000
Year of assessment 2032	153,000	153,000
Year of assessment 2033	199,000	199,000
Year of assessment 2034	233,000	233,000
Year of assessment 2035	9,514,572	-
	10,344,572	830,000

In accordance with provision of Finance Act 2018, the unabsorbed business losses could be carried forward for a maximum of seven consecutive years of assessment. Any balance of the unabsorbed business losses at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unabsorbed business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under tax legislation.

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

However, the above amount is subject to approval by the tax authority.

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29. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

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

	Group	
	2025	2024
(Loss)/Profit attributable to owners of Company (RM)	(12,009,386)	5,043,896
Weighted average number of ordinary shares (unit)	500,000,000	303,287,672
Basic (loss)/earnings per ordinary shares (sen)	(2.40)	1.66

Diluted (loss)/earnings per share

	Group	
	2025	2024
(Loss)/Profit attributable to owners of Company (RM)	(12,009,386)	5,043,896
Weighted average number of ordinary shares (unit)	500,000,000	303,287,672
Effect of ESOS I (unit)	*	524,888
Effect of ESOS II (unit)	*	-
Weighted average number of ordinary shares in issue (unit)	500,000,000	303,812,560
Diluted (loss)/earnings per ordinary shares (sen)	(2.40)	1.66

* The potential conversion of ESOS options are anti-dilutive as their exercise prices were higher than the average market price ("out of the money") of the Company's ordinary share during the financial year 2025. Accordingly, the exercise of ESOS had been ignored in the calculation of dilutive (loss)/earnings per share and the diluted (loss)/earnings per ordinary share is the same as the basic (loss)/earnings per ordinary share.

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30. DIVIDEND

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Dividend recognised as distribution to owners of the Company:				
Kucingko Berhad				
An interim single-tier dividend of RM0.0085 per ordinary share in respect of the financial year ended 31 December 2024 declared on 22 November 2024 and paid on 23 December 2024	-	4,250,000	-	4,250,000
Inspidea Sdn. Bhd.				
An interim single-tier dividend of RM29.785 per convertible preference shares in respect of the financial year ended 31 December 2024 declared on 29 March 2024 and paid on 29 March 2024	-	2,636,241	-	-
An interim single-tier dividend of RM1.022 per ordinary share in respect of the financial year ended 31 December 2024 declared on 29 March 2024 and paid on 29 March 2024	-	2,383,162	-	-
	-	9,269,403	-	4,250,000

The Board of Directors do not recommend any final dividend in respect of the current financial year.

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31. RECONCILIATIONS OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	At 1.1.2025 RM	Drawdown RM	Repayment RM	At 31.12.2025 RM
Group				
Term loan	290,141	-	(215,390)	74,751
Lease liabilities	3,006,213	-	(605,911)	2,400,302
	3,296,354	-	(821,301)	2,475,053

	At 1.1.2024 RM	Drawdown RM	Repayment RM	At 31.12.2024 RM
Group				
Term loan	498,137	-	(207,996)	290,141
Lease liabilities	2,677,328	880,642	(551,757)	3,006,213
	3,175,465	880,642	(759,753)	3,296,354

32. RELATED PARTY DISCLOSURE

(a) Identifying related parties

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

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

Notes to the Financial Statements

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32. RELATED PARTY DISCLOSURE (CONT'D)

(b) Significant related party transactions

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Transaction with Executive Director				
- Sales to	(1,093)	-	-	-
Transactions with companies in which a Director has interest				
- Subscription of software license expense	554,598	885,797	-	-

(c) Compensation of key management personnel

Remuneration of key management personnel which same as Directors' remuneration are disclosed in Note 25 to the financial statements.

33. SEGMENT INFORMATION

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

Animation services	- Animation entertainment production and distribution.
Information Technology ("IT") services	- Software and hardware distribution, IT and network infrastructure support and technology training.
Foods and beverages	- Restaurant operator.
Others	- Investment holding and other businesses that do not fall into above segments.

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

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent throughout all periods.

Notes to the Financial Statements

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33. SEGMENT INFORMATION (CONT'D)

	Note	Animation services RM	IT services RM	Foods and beverages RM	Others RM	Adjustments and eliminations RM	Total RM
Group							
2025							
Revenue							
External customers		3,504,991	-	105,834	1,163	-	3,611,988
Inter-segment	A	588,975	963,038	26,273	-	(1,578,286)	-
Total revenue		4,093,966	963,038	132,107	1,163	(1,578,286)	3,611,988
Results							
Interest income		127,493	6,605	60	772,533	-	906,691
Dividend income		370,000	-	-	-	(370,000)	-
Interest expenses		(121,432)	-	-	-	-	(121,432)
Depreciation of property, plant and equipment		(778,937)	-	(23,571)	(32,110)	19,557	(815,061)
Depreciation of right-of-use assets		(615,348)	-	-	-	-	(615,348)
Other non-cash items	B	272,053	-	-	4,940	(5,687)	271,306
Segment (loss)/profit	C	(9,406,047)	40,425	(291,647)	(6,733,799)	3,575,380	(12,815,688)
Segment assets							
Additions to property, plant and equipment		88,625	-	216	171,661	(10,066)	250,436
Segment assets	D	11,160,084	214,614	84,581	33,060,654	(8,675,769)	35,844,164
Segment liabilities	E	5,518,530	14,025	1,326,561	2,324,877	(3,627,946)	5,556,047

Notes to the Financial Statements

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33. SEGMENT INFORMATION (CONT'D)

	Note	Animation services RM	IT services RM	Foods and beverages RM	Others RM	Adjustments and eliminations RM	Total RM
Group							
2024							
Revenue							
External customers		25,672,562	-	77,781	-	-	25,750,343
Inter-segment	A	1,383,986	850,424	47,836	-	(2,282,246)	-
Total revenue		27,056,548	850,424	125,617	-	(2,282,246)	25,750,343
Results							
Interest income		302,128	6,163	43	437,254	-	745,588
Dividend income		2,404	-	-	5,267	-	7,671
Interest expenses		(138,128)	-	-	-	-	(138,128)
Depreciation of property, plant and equipment		(853,638)	-	(23,171)	-	20,745	(856,064)
Depreciation of right-of-use assets		(578,644)	-	-	-	-	(578,644)
Other non-cash items	B	114	-	-	-	-	114
Segment profit/(loss)	C	9,757,733	121,559	(257,262)	1,891,547	(5,142,046)	6,371,531
Segment assets							
Additions to property, plant and equipment		287,939	-	5,849	-	(2,563)	291,225
Additions to right-of-use assets		880,642	-	-	-	-	880,642
Segment assets	D	22,254,966	386,268	100,387	36,948,918	(10,317,748)	49,372,791
Segment liabilities	E	6,024,838	12,836	1,050,780	278,955	(1,327,445)	6,039,964

Notes to the Financial Statements

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33. SEGMENT INFORMATION (CONT'D)

Adjustments and eliminations

- A. Inter-segment revenue are eliminated on combined.
- B. Other material non-cash items consist of the following as presented in the respective notes to the consolidated financial statements:

	Group	
	2025	2024
	RM	RM
Equity-settled share based payment transaction	(38,946)	-
Gain on disposal of short-term investment	73,970	-
Gain on disposal of property, plant and equipment	2,391	600
Impairment losses on goodwill on consolidation	(5,687)	-
Property, plant and equipment written off	(593)	(486)
Unrealised gain on foreign exchange	240,171	-
	<u>271,306</u>	<u>114</u>

- C. The following items are added to/(deducted from) segment (loss)/profit to arrive at (loss)/profit before tax reported in the consolidated statements of profit or loss and other comprehensive income:

	Group	
	2025	2024
	RM	RM
Segment (loss)/profit	(12,815,688)	6,371,531
Interest income	906,691	745,588
Interest expenses	(121,432)	(138,128)
(Loss)/Profit before tax	<u>(12,030,429)</u>	<u>6,978,991</u>

- D. The following items are added to segment assets to arrive at total assets reported in the consolidated statements of financial position:

	Group	
	2025	2024
	RM	RM
Segment assets	35,844,164	49,372,791
Tax recoverable	538,431	-
Total assets	<u>36,382,595</u>	<u>49,372,791</u>

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33. SEGMENT INFORMATION (CONT'D)

Adjustments and eliminations (Cont'd)

- E. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position:

	Group	
	2025	2024
	RM	RM
Segment liabilities	5,556,047	6,039,964
Deferred tax liability	-	52,000
Tax payable	4,566	488,405
Total liabilities	5,560,613	6,580,369

Geographic information

Revenue based on the geographical location is disclosed in Note 24 to the consolidated financial statements. Non-current assets information based on the geographical location of assets are not presented as the Group are conducted principally in Malaysia.

Major customers

The following is the major customers contributing revenue which equals to ten percent (10%) or more of the total revenue of the Group.

	Group	
	2025	2024
	RM	RM
Customer A	-	8,084,054
Customer B	-	7,627,331
Customer C	-	5,687,035
Customer D	914,777	-
Customer E	843,274	*
Customer F	610,784	-
Customer G	491,692	-
	2,860,527	21,398,420

- * The revenue for these customers did not equate to or more than 10% of the Group's total revenue for the respective financial year.

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34. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial assets				
<u>At FVTPL</u>				
Short-term investments	25,577,496	10,057,671	24,354,342	6,905,267
<u>At amortised cost</u>				
Trade receivables	564,016	604,799	-	-
Other receivables	600,025	912,047	1,000	235,340
Amount due from subsidiaries	-	-	1,923,000	2,900
Fixed deposits with licensed banks	1,750,000	25,274,290	-	20,099,290
Cash and bank balances	2,460,991	6,275,370	111,064	69,686
	5,375,032	33,066,506	2,035,064	20,407,216
	30,952,528	43,124,177	26,389,406	27,312,483

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial liabilities				
<u>At amortised cost</u>				
Trade payables	4,706	2,653	-	-
Other payables	2,689,905	2,703,837	74,093	42,313
Borrowings	74,751	290,141	-	-
Amount due to subsidiaries	-	-	137	-
	2,769,362	2,996,631	74,230	42,313

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34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

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

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

(i) Credit risk

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

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

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

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

The carrying amounts of the financial assets recorded on the statements of financial position as at the reporting date represent the Group's and the Company's maximum exposure to credit risk.

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

As at the end of the financial year, the Group has 2 (2024: 2) customers that owed the Group more than 10% each and accounted for approximately 94% (2024: 86%) of the Group's trade receivables outstanding.

(ii) Liquidity risk

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

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

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34. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (Cont'd)

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

	On demand Within 1 year RM	1 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2025					
<u>Non-derivative financial liabilities</u>					
Trade payables	4,706	-	-	4,706	4,706
Other payables	2,689,905	-	-	2,689,905	2,689,905
Bank borrowings	75,307	-	-	75,307	74,751
Lease liabilities	420,600	1,632,000	714,000	2,766,600	2,400,302
	3,190,518	1,632,000	714,000	5,536,518	5,169,664
2024					
<u>Non-derivative financial liabilities</u>					
Trade payables	2,653	-	-	2,653	2,653
Other payables	2,703,837	-	-	2,703,837	2,703,837
Bank borrowings	222,132	75,279	-	297,411	290,141
Lease liabilities	720,600	1,644,600	1,122,000	3,487,200	3,006,213
	3,649,222	1,719,879	1,122,000	6,491,101	6,002,844
Company					
2025					
<u>Non-derivative financial liability</u>					
Other payables	74,093	-	-	74,093	74,093
Amount due to subsidiaries	137	-	-	137	137
	74,230	-	-	74,230	74,230
2024					
<u>Non-derivative financial liability</u>					
Other payables	42,313	-	-	42,313	42,313

Notes to the Financial Statements

31 December 2025

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk

(a) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and short-term investments are exposed to a risk of change in their fair value due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions and short-term investments by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage their interest rate risk exposure from interest bearing financial instruments by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Fixed rate instruments				
<u>Financial assets</u>				
Short-term investments	25,577,496	10,057,671	24,354,342	6,905,267
Fixed deposits with licensed banks	1,750,000	25,274,290	-	20,099,290
	27,327,496	35,331,961	24,354,342	27,004,557
<u>Financial liability</u>				
Lease liabilities	(2,400,302)	(3,006,213)	-	-
Net financial assets	24,927,194	32,325,748	24,354,342	27,004,557
Floating rate instrument				
<u>Financial liabilities</u>				
Term loan	(74,751)	(290,141)	-	-

Notes to the Financial Statements

31 December 2025

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flows sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/ (decreased) the Group's (loss)/profit before tax by RM747 (2024: RM2,901), arising mainly as a result of lower/higher interest expense on floating rate borrowings. This analysis assumed that all other variables remain constant. The assumed movement in basis points for the interest rate sensitivity analysis based on the currently observable market environment

(b) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Company. The currencies giving rise to this risk are primarily USD, EUR, CAD, JPY, SGD and HKD.

The Group had not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group would apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

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

	Group	
	2025	2024
	RM	RM
USD		
<u>Financial assets</u>		
Trade receivables	541,342	528,127
Cash and bank balances	203,635	5,086,557
	<u>744,977</u>	<u>5,614,684</u>

Notes to the Financial Statements

31 December 2025

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk (Cont'd)

(b) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liability at the end of the reporting period are as follows: (Cont'd)

	Group	
	2025	2024
	RM	RM
EUR		
<u>Financial asset</u>		
Cash and bank balances	206,298	468
	<u>206,298</u>	<u>468</u>
CAD		
<u>Financial assets</u>		
Trade receivables	-	53,293
Cash and bank balances	312	312
	<u>312</u>	<u>53,605</u>
JPY		
<u>Financial asset</u>		
Trade receivables	18,674	-
	<u>18,674</u>	<u>-</u>
SGD		
<u>Financial asset</u>		
Trade receivables	-	23,379
	<u>-</u>	<u>23,379</u>
HKD		
<u>Financial asset</u>		
Cash and bank balances	53	53
<u>Financial liability</u>		
Other payables	(194,388)	(72,834)
Net Exposure	<u>(194,335)</u>	<u>(72,781)</u>

Foreign currency sensitivity analysis

Foreign currency risk arises from the Group which have a RM functional currency.

Notes to the Financial Statements

31 December 2025

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk (Cont'd)

(b) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

The following table demonstrates the sensitivity of the Group's (loss)/profit before tax to a reasonably possible change in the USD, EUR, CAD, JPY, SGD and HKD exchange rates against RM, with all other variables held constant.

	Effect on (loss)/profit before tax	
	Group	
	2025	2024
	RM	RM
USD/RM - Strengthened 1% (2024: 1%)	7,450	56,147
USD/RM - Weakened 1% (2024: 1%)	(7,450)	(56,147)
EUR/RM - Strengthened 1% (2024: 1%)	2,063	5
EUR/RM - Weakened 1% (2024: 1%)	(2,063)	(5)
CAD/RM - Strengthened 1% (2024: 1%)	3	536
CAD/RM - Weakened 1% (2024: 1%)	(3)	(536)
JPY/RM - Strengthened 1% (2024: 1%)	187	-
JPY/RM - Weakened 1% (2024: 1%)	(187)	-
SGD/RM - Strengthened 1% (2024: 1%)	-	234
SGD/RM - Weakened 1% (2024: 1%)	-	(234)
HKD/RM - Strengthened 1% (2024: 1%)	(1,943)	(728)
HKD/RM - Weakened 1% (2024: 1%)	1,943	728

(c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in equity prices (other than interest or exchange rates).

The Group's and the Company's principal exposure to price risk arises mainly from changes in prices of money market fund. These short-term investments are classified as financial asset at FVTPL.

Equity price risk sensitivity analysis

At the reporting date, if the various investments indices had been increased/decreased by 1%, with all variables held constant, the Group's and the Company's (loss)/profit before tax would have been RM255,775 and RM243,543 (2024: RM100,577 and RM69,053) higher/lower, arising as a result of higher/lower fair value gains on investment in equity instrument.

Notes to the Financial Statements

31 December 2025

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments

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

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current financial year and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

The following table summarises the methods used in determining the fair value of financial assets on a recurring basis as at 31 December 2025 and 31 December 2024.

Financial asset	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	2025 RM	2024 RM		
Group				
Short-term investment	25,577,496	10,057,671	Level 1	Reference to statements provided by the respective financial institutions.
Company				
Short-term investment	24,354,342	6,905,267	Level 1	Reference to statements provided by the respective financial institutions.

Notes to the Financial Statements

31 December 2025

35. CAPITAL MANAGEMENT

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

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

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Bank borrowings	74,751	290,141	-	-
Lease liabilities	2,400,302	3,006,213	-	-
Less: Fixed deposits with licensed bank	(1,750,000)	(25,274,290)	-	(20,099,290)
Less: Cash and bank balances	(2,460,991)	(6,275,370)	(111,064)	(69,686)
Net cash	(1,735,938)	(28,253,306)	(111,064)	(20,168,976)
Total equity	30,821,982	42,792,422	32,435,804	36,730,503
Gearing ratio (times)	N/A	N/A	N/A	N/A

N/A - Gearing ratio not applicable as the cash and cash equivalents of the Group and of the Company are sufficient to settle the outstanding debts.

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

36. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 April 2026.



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Proxy Form

OTHER INFORMATION**List of Property**

As at the financial year ended 31 December 2025, Kucingko Berhad does not own any properties or land. All operations are conducted through leased premises, and the Group does not hold any real estate assets for either investment or operational purposes.

Analysis of Shareholdings

As at 1 April 2026

Total number of issued shares : 500,000,000 ordinary shares
 Class of shares : Ordinary Shares
 Voting rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	12	0.55	144	0.00
100 – 1,000	307	14.08	161,657	0.03
1,001 – 10,000	804	36.86	4,768,200	0.96
10,001 – 100,000	814	37.32	31,498,300	6.30
100,001 – 24,999,999 (*)	242	11.10	214,415,903	42.88
25,000,000 and above (**)	2	0.09	249,155,796	49.83
Total	2,181	100.00	500,000,000	100.00

Notes:

- * Less than 5% of issued shares
 ** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

(as per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Lim Chor Ghee	532,100	0.11	-	-
See Chin Joo	1,605,801	0.32	172,889,216 ⁽¹⁾	34.58
Ooi Kok Hong	3,100,001	0.62	172,889,216 ⁽¹⁾	34.58
Quah Bee Fong	300,000	0.06	-	-
Elaine Law Soh Ying	100,000	0.02	-	-
Puar Chin Jong	300,000	0.06	-	-
Ku Chia Loon	11,300,000	2.26	-	-

Note:

- (1) Deemed interested by virtue of his interest in Cat Ching Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

OTHER INFORMATION

Analysis of Shareholdings

As at 1 April 2026

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(as per Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Cat Ching Sdn Bhd	172,889,216	34.58	-	-
Koo Hong @ Ku Hong Hai	76,266,580	15.25	-	-
See Chin Joo	1,605,801	0.32	172,889,216 ⁽¹⁾	34.58
Ooi Kok Hong	3,100,00	0.62	172,889,216 ⁽¹⁾	34.58

Note:

- (1) Deemed interested by virtue of his interest in Cat Ching Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of Shares Held	%
1.	Cat Ching Sdn Bhd	172,889,216	34.58
2.	Koo Hong @ Ku Hong Hai	76,266,580	15.25
3.	Tham Choy Yong	24,913,568	4.98
4.	Yang Chong Yaw Alan	22,224,200	4.44
5.	Ku Chia Loon	11,300,000	2.26
6.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LSMCF)	9,904,900	1.98
7.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	7,234,000	1.45
8.	Lim Koon Hock	6,845,686	1.37
9.	Chang Tat Cyan	5,439,185	1.09
10.	Eng Lian Management Sdn. Bhd.	5,084,437	1.02
11.	Lu Pat Sdn. Bhd	5,084,437	1.02
12.	Phillip Nominees (Tempatan) Sdn. Bhd. Exempt AN for Phillip Capital Management Sdn. Bhd.	4,523,200	0.90
13.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Investment Dividend Fund (5311-401)	3,676,000	0.73
14.	CIMB Group Nominees Malaysia (Tempatan) Sdn. Bhd. Exempt AN for Fortress Capital Asset Management (M) Sdn. Bhd.	3,586,000	0.72
15.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ch'ng Geik Ling	3,500,000	0.70
16.	Gan Kuok Chyuan	3,280,000	0.66
17.	Ooi Kok Hong	3,000,001	0.60

Analysis of Shareholdings

As at 1 April 2026

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

(without aggregating securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of Shares Held	%
18.	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Phillip Capital Management Sdn. Bhd</i>	2,952,900	0.59
19.	Ooi Eng Bee	2,927,800	0.59
20.	Khor Yew Loong	2,905,247	0.58
21.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Flexi Invest Fund</i>	2,746,100	0.55
22.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Investment Growth Fund (4074)</i>	2,505,900	0.50
23.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chan Kok San</i>	2,500,000	0.50
24.	Wong Chung Hua	2,400,800	0.48
25.	Voon Jye Wah	2,240,000	0.45
26.	Seet Peng Keong	2,000,000	0.40
27.	APEX Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for GV Asia Fund Limited (STA 1)</i>	1,800,000	0.36
28.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chin Kok Wai</i>	1,750,000	0.35
29.	CGS International Nominees Malaysia (Asing) Sdn. Bhd. <i>Pioneer United Limited (JS 803)</i>	1,400,100	0.28
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Liew Yeu Horng</i>	1,354,000	0.27
TOTAL		398,234,257	79.65

DIRECTORS' INTEREST IN OPTIONS OVER ORDINARY SHARES

Name of Directors	No. of Options Granted under Employees' Share Option Scheme ("ESOS")	No. of Options Exercised since the implementation of ESOS
See Chin Joo	5,000,000	-
Ooi Kok Hong	5,000,000	-

OTHER INFORMATION

Notice of Third Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting ("**3rd AGM**") of Kucingko Berhad ("**Kucingko**" or the "**Company**") will be held at the Corporate Office of Kucingko Berhad, H-G-03 & H-G-03A, Glomac Square, Jalan SS6/16A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on **Monday, 15 June 2026** at **11.00 a.m.** for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
(Please refer to Explanatory Note 1)
2. To approve the payment of Directors' fees to the Non-Executive Directors up to an aggregate amount of RM260,000 for the period from 16 June 2026 until the conclusion of the next Annual General Meeting of the Company.
(Please refer to Explanatory Note 2) **Ordinary Resolution 1**
3. To approve the payment of Directors' benefits to the Non-Executive Directors up to an aggregate amount of RM60,000 for the period from 16 June 2026 until the conclusion of the next Annual General Meeting of the Company.
(Please refer to Explanatory Note 2) **Ordinary Resolution 2**
4. To re-elect the following Directors who retire by rotation in accordance with Clause 96 of the Constitution of the Company, and being eligible, have offered themselves for re-election:-
 - (i) Mr. Ooi Kok Hong **Ordinary Resolution 3**
 - (ii) Ms. Elaine Law Soh Ying **Ordinary Resolution 4**
 (Please refer to Explanatory Note 3)
5. To re-appoint Messrs TGS TW PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**
(Please refer to Explanatory Note 4)

AS SPECIAL BUSINESS

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

6. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")** **Ordinary Resolution 6**

"THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Group**") to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5 of the Circular to Shareholders dated 30 April 2026 provided that such transactions are:

 - (i) necessary for the Group's day-to-day operations;
 - (i) undertaken in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
 - (i) not detrimental to the interest of the minority shareholders of the Company.

Notice of Third Annual General Meeting

THAT the authority conferred by such mandate shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM of the Company; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting before the next AGM of the Company,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders’ Mandate.”

(Please refer to Explanatory Note 5)

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

LIM LI HEONG (MAICSA 7054716)
SSM Practising Certificate No. 202008001981
WONG MEE KIAT (MAICSA 7058813)
SSM Practising Certificate No. 202008001958
Company Secretaries

Kuala Lumpur
Date: 30 April 2026

NOTES:

1. *For the purpose of determining who shall be entitled to attend and vote at the 3rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 8 June 2026. Only a member whose name appears in this Record of Depositors shall be entitled to attend and vote at the 3rd AGM or appoint proxy(ies) to attend and vote on his/her behalf.*
2. *A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*

OTHER INFORMATION

Notice of Third Annual General Meeting

3. *A member of the Company who is entitled to attend and vote at the 3rd AGM of the Company is entitled to appoint not more than 2 proxies to attend, participate, speak and vote instead of the member at the 3rd AGM. There shall be no restriction as to the qualifications of the proxy.*
4. *In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*
5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**Central Depositories Act**”), it may appoint not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportions of shareholdings to be represented by each proxy must be specified in the instrument of appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
8. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney shall be deposited at the registered office of the Company at Level 7, Mercuri 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof.*
9. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 3rd AGM will be put to vote by way of poll.*

EXPLANATORY NOTES

1. Item 1 of the Agenda -Audited Financial Statements for the Financial Year Ended 31 December 2025

Agenda Item No. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

2. Ordinary Resolutions 1 and 2 - Payment of Directors’ Fees and Benefits to Non-Executive Directors

Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Shareholders’ approval is hereby sought for the payment of Non-Executive Directors’ Fees of up to an aggregate amount of RM260,000 and Directors’ benefits of up to an aggregate amount of RM60,000 for the period from 16 June 2026 until the next Annual General Meeting of the Company.

Notice of Third Annual General Meeting

EXPLANATORY NOTES (CONT'D)

2. Ordinary Resolutions 1 and 2 - Payment of Directors' Fees and Benefits to Non-Executive Directors (CONT'D)

Directors' Fees

The proposed aggregate amount of RM260,000 for Directors' fees remains unchanged from the previous financial year. The payment of fees to Non-Executive Directors is based on the following fee structure:

<u>Designation</u>	<u>Fees per annum per Director (RM)</u>
Board Chairman	60,000
Non-Executive Director	50,000

Directors' benefits

The proposed Directors' benefits payable comprises meeting allowances only. In determining the estimated amount, the Board has considered the current Board size, the scheduled number of Board and Board Committee meetings for the forthcoming period, and the possibility of additional or ad-hoc meetings, where necessary.

In the event that the proposed amount is insufficient due to an increase in Board size or a higher frequency of meetings, approval will be sought at the next AGM to address any shortfall.

The interested Directors who are shareholders of the Company will abstain from voting on Ordinary Resolutions 1 and 2 at the 3rd AGM.

3. Ordinary Resolutions 3 and 4 – Re-election of Directors

The following Directors are standing for re-election as Directors of the Company and, being eligible, have offered themselves for re-election at the 3rd AGM:

- (i) Mr. Ooi Kok Hong
- (ii) Ms. Elaine Law Soh Ying

The retiring Directors have no family relationship with any Director and/or major shareholder of the Company. They do not have any conflict of interest or potential conflict of interest, including any interest in any business that competes with the Company or its subsidiaries. Their profiles are set out in the Directors' Profile section of the Annual Report 2025.

The Board of Directors, through the Nomination Committee ("**NC**"), has assessed the retiring Directors and is satisfied that they meet the criteria prescribed under Rule 2.20A of the Listing Requirements, demonstrating the necessary character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors of the Company. Both Directors have also met the requirements of the fit and proper assessment.

The NC and the Board have also assessed the independence of Ms. Elaine Law Soh Ying and confirmed that she meets the independence criteria as prescribed under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Both retiring Directors abstained from deliberations and decisions regarding their own re-election. Based on the NC's recommendation, the Board is satisfied with their performance and contributions and supports their re-election based on the justifications below:

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Notice of Third Annual General Meeting

EXPLANATORY NOTES (CONT'D)**3. Ordinary Resolutions 3 and 4 – Re-election of Directors (Cont'd)****Ordinary Resolution 3 – Re-election of Mr. Ooi Kok Hong as Executive Director**

Mr. Ooi Kok Hong brings over 24 years of experience in the animation production industry and possesses extensive industry knowledge and technical expertise in animation production and technology development.

He has contributed to the Board's deliberations by providing operational and industry insights, particularly in areas relating to animation production, technology and industry developments. His entrepreneurial and technical experience enables him to contribute constructively to the Group's strategic direction and business development.

Mr. Ooi has demonstrated strong commitment to his role as Executive Director, having attended all Board meetings held during the financial year ended 31 December 2025. The Board is satisfied that his experience, expertise and continued contributions will remain valuable to the Company and supports his re-election as Director.

Ordinary Resolution 4 – Re-election of Ms. Elaine Law Soh Ying as Independent Non-Executive Director

Ms. Elaine Law Soh Ying brings over 22 years of experience in corporate and commercial law practice to the Board. As a Partner in a legal firm and a member of the Malaysian Bar, she possesses extensive legal expertise and regulatory knowledge, which are valuable in supporting the Group's corporate governance practices and regulatory compliance.

Since her appointment to the Board on 15 September 2023, Ms. Elaine has demonstrated objectivity and independence in expressing her views and contributing to the Board's deliberations. Her professional background enables her to provide valuable legal perspectives and independent oversight in the decision-making process.

Ms. Elaine has demonstrated strong commitment to her role, having attended all Board meetings held during the financial year ended 31 December 2025. In her capacity as an Independent Non-Executive Director, Chairman of the Nomination Committee, and a member of both the Audit and Risk Management Committee and Remuneration Committee, she has exercised due care, diligence and professionalism in discharging her responsibilities. The Board is satisfied that her legal expertise and independent judgment remain valuable to the Company and supports her re-election as Director.

4. Ordinary Resolution 5 - Re-appointment of Auditors

Based on the assessment conducted by the Audit and Risk Management Committee ("ARMC") on the suitability, effectiveness and independence of the External Auditors, Messrs TGS TW PLT ("TGS"), the ARMC is satisfied with the performance and independence of TGS.

The Board has endorsed the ARMC's recommendation to seek shareholders' approval for the re-appointment of TGS as Auditors of the Company at the 3rd AGM and to authorise the Directors to fix their remuneration.

Notice of Third Annual General Meeting

EXPLANATORY NOTES (CONT'D)

5. Ordinary Resolution 6 – Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

The proposed resolution, if passed, will enable the Group to enter into recurrent related party transactions of a revenue or trading nature with its related parties in the ordinary course of business, which are necessary for the day-to-day operations of the Group.

Such transactions will be conducted on commercial terms that are not more favourable to the related parties than those generally available to the public and will not be detrimental to the interests of the minority shareholders of the Company.

Further details on the Proposed Renewal of Shareholders' Mandate are set out in the Circular to Shareholders dated 30 April 2026, which is available on the Company's website at www.kucingko.com/investor-relations

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individuals who are standing for election (excluding directors standing for re-election) as Directors

No individual is seeking election as a Director at the 3rd AGM of the Company.

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**KUCINGKO BERHAD**Registration No. 202301011068 (1504989-A)
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

FORM OF PROXYI/We _____
(Full name in block letters)

NRIC/Passport/Registration No. _____

of _____
(Full address)being a member/members of **KUCINGKO BERHAD ("Company")** hereby appoint:

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
Email Address	Contact No.	No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
Email Address	Contact No.	No. of Shares	%
Address:			

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf, at the **Third Annual General Meeting ("3rd AGM")** of the Company to be held at the Corporate Office of Kucingko Berhad, H-G-03 & H-G-03A, Glomac Square, Jalan SS6/16A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Monday, 15 June 2026 at 11.00 a.m., or at any adjournment thereof in the manner as indicated below-

No.	Resolutions		For	Against
1.	To approve the payment of Directors' fees to the Non-Executive Directors up to an aggregate amount of RM260,000 for the period from 16 June 2026 until the conclusion of the next Annual General Meeting of the Company	Ordinary Resolution 1		
2.	To approve the payment of Directors' benefits to the Non-Executive Directors up to an aggregate amount of RM60,000 for the period from 16 June 2026 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 2		
3.	Re-election of Mr. Ooi Kok Hong as Director.	Ordinary Resolution 3		
4.	Re-election of Ms. Elaine Law Soh Ying as Director.	Ordinary Resolution 4		
5.	Re-appointment of Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 6		

(Please indicate your vote by marking (X) in the space provided above on how you wish your vote to be cast. Unless voting instructions are indicated in the space above, the proxy will vote or abstain from voting as he/she thinks fit.)

Date : _____

Contact No. : _____

Signature of Member/Common Seal

Fold this flap for sealing

NOTES:

1. For the purpose of determining who shall be entitled to attend and vote at the 3rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at **8 June 2026**. Only a member whose name appears in this Record of Depositors shall be entitled to attend and vote at the 3rd AGM or appoint proxy(ies) to attend and vote on his/her behalf.
2. A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at the 3rd AGM of the Company is entitled to appoint not more than 2 proxies to attend, participate, speak and vote instead of the member at the 3rd AGM. There shall be no restriction as to the qualifications of the proxy.
4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**Central Depositories Act**”), it may appoint not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

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AFFIX
STAMP

KUCINGKO BERHAD

[Registration No. 202301011068 (1504989-A)]

Registered Office

Acclime Corporate Services Sdn Bhd
Level 7, Mercu 3, No. 3, Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur

1st fold here

7. Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportions of shareholdings to be represented by each proxy must be specified in the instrument of appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney shall be deposited at the registered office of the Company at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof.
9. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 3rd AGM will be put to vote by way of poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2026.



KUCINGKO BERHAD

Registration No. 202301011068 (1504989-A)
(Incorporated in Malaysia)

H-G-03A Glomac Square, Jalan SS6/16A
47301 Petaling Jaya, Selangor, Malaysia

www.kucingko.com