

BSNC  **Corporation Berhad**

197501002076 / 23877-T
(Incorporated in Malaysia)

ANNUAL REPORT

20
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CORPORATE INFORMATION

Board of Directors

En. Mujibburrahman bin Abd. Rashid (Chairman)
YB Dato' Haji Mohammed Ridha bin Haji Abd. Kadir
YB Dato' Haji Asman Shah bin Abd Rahman
Mr. Lawrence Pereira
En. Ahmad Latfan bin Mohd Amran
Mr. Wong Luen Onn
Ybhg. Dato' Amir Hamzah bin Mohd Shariff
En. Saifullizan bin Mohd Said
Pn. Farrah Diana binti Mohammad (alternate director
to YB Dato' Haji Mohammad Ridha bin Haji Abd. Kadir)
En. Muhammad Helmi bin Ya'kub (alternate
director to YB Dato' Haji Asman Shah bin Abd Rahman)

Registered Office

Lot L8-22 (Eighth Floor),
Brem Mall, Jalan Kepong,
52000 Kuala Lumpur
Tel: 03 - 4045 1080
Fax: 03 - 4045 1050

Administrative and Correspondence Address

B-20-7, Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03 - 2161 1313
Fax: 03 - 2161 1352
Email: admin@bsnccorp.com.my

Company Secretaries

Dennis De Witt
Salamiah binti Senusi

Auditors

Azman, Wong, Salleh & Co PLT
202606000001(LLP0045208-LCA) & AF 0012
Chartered Accountants
Tel: 03 - 2273 2688
Fax: 03 - 2274 2688

Share Registrar

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7784 3922
Fax : 03-7784 1988
Email : chew@binamg168.com

Presentation Currency

Ringgit Malaysia (RM)

MESSAGE FROM THE CHAIRMAN

FINANCIAL PERFORMANCE EXECUTIVE SUMMARY

OVERVIEW

Throughout 2025, Malaysia's economic trajectory has been defined by resilience and diversification. With a focus on sustainable growth, robust exports, and a thriving digital economy, the nation has demonstrated an exceptional ability to navigate global volatility.

In tandem with this national progress, BSNC Corporation Berhad has demonstrated remarkable strategic agility. Our 2025 performance is a direct result of our proactive approach to a shifting market landscape. As the government continues to fortify the economic bedrock of the country, BSNC is strategically positioned to grow alongside the nation, ensuring that our corporate success contributes to Malaysia's broader prosperity.

FINANCIAL PERFORMANCE

The Board of Directors of BSNC is delighted to report that the Group achieved a net profit of RM 6.2 million for the financial year ending December 31, 2025, representing an increase compared to the RM 5.9 million recorded in the previous fiscal year.

BSNC Leasing, a wholly owned subsidiary primarily involved in motorcycle hire purchase financing and providing factoring facilities, reported a net profit of RM 5.6 million, compared to RM 4.2 million in 2024. This growth was attributed to higher hire purchase income and recovery of impairment during the year.

The loan portfolio of BSNC Leasing grew to RM 281 million as of December 31, 2025, compared to RM 240 million as of December 31, 2024, reflecting a robust 17% increase driven by the Hire Purchase business.

The Group's earnings per share (EPS) for 2025 stood at 14.85 sen, compared to 14.07 sen in 2024. Furthermore, the Group's shareholders' fund remained positive at RM 118.2 million as of December 31, 2025, showing an improvement of RM 4.2 million from RM 114.0 million in 2024.

The Group's net tangible asset (NTA) per share increased to RM 2.81 in 2025 from RM 2.71 in 2024, aligning with BSNC's Retained Earnings growth to RM 38.6 million.

MESSAGE FROM THE CHAIRMAN (Cont'd)

ECONOMIC AND MARKET OUTLOOK FOR 2026

Malaysia's economy is projected to maintain its upward trajectory with an estimated expansion of 4.0% to 4.5%. This growth is anchored by robust domestic demand and a steady external sector. A significant driver will be private consumption, further bolstered by the Phase 2 salary adjustments under the Public Service Remuneration System (SSPA).

In this evolving landscape, the Government's commitment to fiscal sustainability and structural reform provides a stable foundation for corporate growth. Of particular importance to our operations is the cessation of "Rules 78". We view this regulatory shift as a major competitive advantage; by offering more transparent and equitable interest calculations, we expect to enhance customer trust and attract a broader market share.

-- MOF, October 2025

-- The Malaysian Reserve, October 2025

2026 FORECAST

With Malaysia's GDP projected to grow by 4.0% to 4.5% in 2026, the Company anticipates a year of strengthened profitability and continued asset appreciation. While the economic landscape presents a blend of opportunities and challenges, the government's proactive strategic initiatives are expected to foster a stable environment for sustainable growth.

Within this optimistic framework, BSNC Leasing is exceptionally well-positioned to leverage its deep industry expertise. By maintaining our competitive edge, we aim to capture a larger market share and ensure that our expansion aligns with the nation's broader economic progress.

FINAL DIVIDEND

Amidst the improved net profit achieved in 2025, the Board of Directors of BSNC is delighted to propose a final dividend payment of 5.0% to the shareholders for the financial year ending on December 31, 2025.

ACKNOWLEDGEMENT

As we look toward the future, I am deeply honoured to lead such a dedicated and talented team. Together, we remain committed to overcoming challenges and seizing the strategic opportunities that will elevate BSNC to new heights of excellence. My sincere gratitude goes to our employees, shareholders, partners, and customers for their unwavering support. It is through our collective contributions that we will continue to achieve remarkable milestones and navigate the path ahead with absolute confidence.

Mujibburrahman bin Abd. Rashid
Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Ninth Annual General Meeting (“49th AGM”) of BSNC Corporation Berhad (“the Company”) will be held at Concorde Ballroom, Lobby Level, Concorde Hotel Kuala Lumpur, 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, on Wednesday, 6th May 2026 at 12.00 p.m. for the purpose of considering the following businesses: -

As Ordinary Business: -

1. To receive the Audited Financial Statements of the Company for the financial year ended 31st December 2025, together with the Reports of the Directors and Auditors thereon; *Refer to Explanatory Note 1*
2. To approve the payment of a Single-Tier Final Dividend of 5% amounting to RM2,102,451.00 for the financial year ended 31st December 2025 to the Shareholders, who are registered in the Register of Members of the Company as at 31st December 2025; **(Ordinary Resolution 1)**
3. To approve the payment of Directors’ Fees of RM280,200.00 for the financial year ended 31st December 2025; **(Ordinary Resolution 2)**
4. To re-elect the following Directors who retire by rotation pursuant to Clause 18 of the Company’s Constitution and being eligible, offer themselves for re-election;
4.1 Mr. Wong Luen Onn **(Ordinary Resolution 3)**
4.2 Mr. Lawrence Pereira **(Ordinary Resolution 4)**
5. To re-appoint Messrs. Azman, Wong, Salleh & Co PLT [202606000001 (LLP0045208-LCA & AF 0012)] as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

As Special Business: -

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

6. **Authority to Allot and Issue Shares in General pursuant to Sections 75 and 76 of the Companies Act 2016 (“CA 2016”)** **(Ordinary Resolution 6)**
Refer to Explanatory Note 2
“THAT pursuant to Sections 75 and 76 of the CA 2016 and subject to the approvals of the relevant/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, **AND THAT** such authority, unless otherwise revoked or varied by the Company at general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”
7. To transact any other business of the Company for which due notice shall have been given in accordance with CA 2016 and the Company’s Constitution.

By Order of the Board,

SALAMIAH BINTI SENUSI (LS0010914)
DENNIS DE WITT (LS0001586)
Company Secretaries

Kuala Lumpur
Date: 15th April 2026

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT payment of a Single-Tier Final Dividend of 5% amounting to RM2,102,451.00 for the financial year ended 31st December 2025 to the Shareholders, if approved by the Shareholders, will be payable on 29th May 2026 to the Shareholders who are registered in the Register of Members of the Company as at 31st December 2025.

Shareholders are advised to update their correspondence address with the Company's Share Registrar to enable prompt delivery of the dividend warrants to the Shareholders in the future.

Unclaimed Dividend:

➤ Shareholders are reminded to claim for their unclaimed dividend (if any) by requesting the Company to re-issue the dividend cheque.

Notes:

- (1) A member entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or the hand of his attorney.
- (3) The instrument appointing a proxy and/or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of authority, shall be deposited at the Registered Office of the Company at Lot L8-22 (Eighth Floor), Brem Mall, Jalan Kepong, 52000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, not less than 48 hours before the time fixed for the meeting or any adjournment thereof.

Explanatory Notes:

- (1) **Audited Financial Statements of the Company for the financial year ended 31st December 2025**
The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the CA 2016 for discussion only. The Audited Financial Statements do not require shareholders' approval and as such, will not be put forward for voting to be formally approved by the shareholders.
- (2) **Ordinary Resolution 7 - Authority to Allot and Issue Shares in General pursuant to Sections 75 and 76 of the CA 2016**
This proposed Resolution is to renew the authority granted by the Shareholders of the Company at the 48th AGM held on 14th May 2025 and if passed, will empower the Directors of the Company, to allot and issue shares of the Company.

DIRECTORS' REPORT

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

1. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activity of the subsidiary and other details of the subsidiary are as disclosed in Note 6 to the financial statements.

There has been no significant change in these activities during the financial year.

2. FINANCIAL RESULTS

	Group RM	Company RM
Profit for the year	<u>6,244,087</u>	<u>3,659,092</u>

3. DIVIDENDS

In the previous financial year, the directors recommended a single tier final dividend in respect of the financial year ended 31 December 2024 of 5% per ordinary share amounting to RM2,102,451. The dividend was approved by the shareholders at the Annual General Meeting on 14 May 2025 and payment was made on 13 June 2025.

The directors recommend a single tier final dividend in respect of the current financial year ended 31 December 2025 of 5% amounting to RM2,102,451. The financial statements for the current financial year do not reflect this proposed dividend. If approved by the shareholders at the forthcoming Annual General Meeting, the dividend will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2026.

4. RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year ended 31 December 2025 other than those stated in the financial statements or in the notes thereto.

5. DIRECTORS OF THE COMPANY

The names of the directors in office during the financial year and during the period from the end of the financial year to the date of this report are :-

	Number of Board Meeting Attended for the Financial Year Ended 31.12.2025
En. Mujibburrahman bin Abd. Rashid (Chairman)	5/5
YB Dato' Haji Mohammed Ridha bin Haji Abd. Kadir	
YB Dato' Haji Asman Shah bin Abd Rahman (Appointed on 19.09.2025)	
Mr. Lawrence Pereira	5/5
En. Ahmad Latfan bin Mohd Amran	4/5
Mr. Wong Luen Onn	5/5
Ybhg. Dato' Amir Hamzah bin Mohd Shariff	4/5
En. Saifullizan bin Mohd Said	5/5
Pn. Farrah Diana binti Mohammad (alternate director to YB Dato' Haji Mohammed Ridha bin Haji Abd. Kadir)	5/5
En. Muhammad Helmi bin Ya'kub (alternate director to YB Dato' Haji Asman Shah bin Abd Rahman) (Appointed on 19.09.2025)	2/2
YB Tan Sri Dato' Dr. Haji Azmi bin Rohani (Resigned on 30.06.2025)	
En. Muhammad Helmi bin Ya'kub (alternate director to YB Tan Sri Dato' Dr. Haji Azmi bin Rohani) (Resigned on 30.06.2025)	2/2

The following represents the interest of the directors in office at the end of the financial year in the ordinary shares of the Company during the year :-

	Number of ordinary shares			Balance as at 31.12.2025
	Balance as at 1.1.2025	Acquired	Disposed	
<i>Direct:-</i>				
Mr. Lawrence Pereira	600	-	-	600
<i>Indirect:-</i>				
Mr. Lawrence Pereira	206,796	-	-	206,796

Except as disclosed above, none of the other directors had any interest in the shares in the Company or of its subsidiary.

Since the end of the last financial year, no directors of the Company have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest. The particulars of remuneration provided to the directors of the Company are as disclosed in Note 22(a) to the financial statements.

5. DIRECTORS OF THE COMPANY (CONTINUED)

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

The remuneration received or receivable by the Directors of the Company during the financial year are as follows:-

	Group RM	Company RM
Directors' remuneration	<u>379,735</u>	<u>339,935</u>

Details of the directors' remuneration for the financial year are set out in Note 22(a) to the financial statements.

No indemnity was given to nor were there any insurance effected for the directors, officers or auditors of the Company during the financial year.

6. OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps: -

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets, which were unlikely to realise, in the ordinary course of business, their values as stated in the accounting records have been written down to an amount which they might be expected so to realise.

(b) As at the date of this report: -

- (i) the directors are not aware of any circumstances that would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
- (ii) the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
- (iii) the directors are not aware of any circumstances which have arisen that would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate;
- (iv) the directors are not aware of any circumstances that would render any amount stated in the financial statements of the Group and of the Company misleading;

6. OTHER STATUTORY INFORMATION (CONTINUED)

(b) As at the date of this report: - (Continued)

(v) there does not exist any charge on the assets of the Group and of the Company that has arisen since 31 December 2025 which secures the liabilities of any other person; and

(vi) there does not exist any contingent liability in respect of the Group and of the Company that has arisen since 31 December 2025.

(c) No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months from 31 December 2025 which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(d) In the opinion of the directors :-

(i) the results of the operations of the Group and of the Company for the year ended 31 December 2025 were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between 31 December 2025 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.

7. AUDITORS

(a) The remuneration paid or payable to the auditors of the Group and Company for the financial year are RM85,000 and RM50,000 respectively. Details of auditors' remuneration for the Company and for the Group are disclosed in Note 22(a) to the financial statements.

(b) The auditors, Messrs. Azman, Wong, Salleh & Co PLT (converted from a conventional partnership, Azman, Wong, Salleh & Co, on 2 January 2026), have expressed their willingness to continue in office.

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



MUJIBBURRAHMAN BIN ABD. RASHID
Director



LAWRENCE PEREIRA
Director

Kuala Lumpur,

**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	2,897,437	2,765,236	359	2,527
Right-of-use assets	5	496,875	437,282	192,031	-
Investment in subsidiary company	6	-	-	50,000,000	50,000,000
Other investments	7	4,213,650	4,664,000	4,213,650	4,664,000
Financing of customers	8	196,749,233	171,996,463	-	-
Total Non-Current Assets		204,357,195	179,862,981	54,406,040	54,666,527
Current Assets					
Financing of customers	8	84,379,740	67,784,294	-	-
Other receivables, deposits and prepayments	9	2,597,903	4,828,456	3,754	17,967
Short term placements with licensed bank	10	1,002,721	3,169,689	1,002,721	2,563,820
Amount due from subsidiary company	11	-	-	37,068,873	34,851,033
Fixed deposits with licensed banks	12	21,528,609	19,807,907	-	680,183
Cash and bank balances		3,959,995	3,279,846	258,239	536,063
Total Current Assets		113,468,968	98,870,192	38,333,587	38,649,066
TOTAL ASSETS		317,826,163	278,733,173	92,739,627	93,315,593

The accompanying notes on pages 13 to 56 form part of these financial statements.

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (CONTINUED)**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
Equity Attributable to Owners of the Company					
Share capital	13	79,655,094	79,655,094	79,655,094	79,655,094
Retained profits		38,570,673	34,429,037	12,274,237	10,717,596
TOTAL EQUITY		<u>118,225,767</u>	<u>114,084,131</u>	<u>91,929,331</u>	<u>90,372,690</u>
Non-Current Liabilities					
Term loan from a shareholder	14	-	-	-	-
Leases	15	339,074	370,215	162,614	-
Borrowings (secured)	16	100,904,056	92,436,205	-	-
Total Non-Current Liabilities		<u>101,243,130</u>	<u>92,806,420</u>	<u>162,614</u>	<u>-</u>
Current Liabilities					
Other payables, accruals and provisions	17	42,178,816	48,840,157	504,996	1,286,601
Term loan from a shareholder	14	-	1,555,550	-	1,555,550
Tax payable		490,226	169,656	107,760	100,752
Leases	15	192,511	131,699	34,926	-
Borrowings (secured)	16	55,495,713	21,145,560	-	-
Total Current Liabilities		<u>98,357,266</u>	<u>71,842,622</u>	<u>647,682</u>	<u>2,942,903</u>
TOTAL LIABILITIES		<u>199,600,396</u>	<u>164,649,042</u>	<u>810,296</u>	<u>2,942,903</u>
TOTAL EQUITY AND LIABILITIES		<u>317,826,163</u>	<u>278,733,173</u>	<u>92,739,627</u>	<u>93,315,593</u>

The accompanying notes on pages 13 to 56 form part of these financial statements.

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

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
REVENUE	18	20,360,236	18,103,632	1,572,375	1,606,921
OTHER OPERATING REVENUE	19	1,733,582	2,791,359	3,925,128	4,933,624
OPERATING EXPENSES		(2,958,442)	(2,654,520)	(650,905)	(539,431)
OTHER OPERATING EXPENSES		(2,154,642)	(1,792,086)	(658,843)	(710,614)
PROFIT BEFORE INTEREST, IMPAIRMENT AND TAXATION		16,980,734	16,448,385	4,187,755	5,290,500
NET IMPAIRMENT ON RECEIVABLES	20	390,249	(591,449)	-	-
PROFIT BEFORE INTEREST AND TAXATION		17,370,983	15,856,936	4,187,755	5,290,500
INTEREST EXPENSES	21	(8,815,085)	(7,932,133)	(38,479)	(123,063)
PROFIT BEFORE TAXATION	22	8,555,898	7,924,803	4,149,276	5,167,437
TAXATION	23	(2,311,811)	(2,007,958)	(490,184)	(459,345)
NET PROFIT FOR THE YEAR REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>6,244,087</u>	<u>5,916,845</u>	<u>3,659,092</u>	<u>4,708,092</u>
BASIC EARNINGS PER SHARE (SEN)	25	<u>14.85</u>	<u>14.07</u>	<u>8.70</u>	<u>11.20</u>

The accompanying notes on pages 13 to 56 form part of these financial statements.

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

	Note	Attributable to Owners of the Company		
		Share Capital RM	Retained Profits RM	Total RM
GROUP				
Balance at 1 January 2024		79,655,094	29,563,414	109,218,508
Profit for the year representing total comprehensive income for the year		-	5,916,845	5,916,845
Dividend paid during the year	26	-	(1,051,222)	(1,051,222)
Balance at 31 December 2024		<u>79,655,094</u>	<u>34,429,037</u>	<u>114,084,131</u>
Balance at 1 January 2025		79,655,094	34,429,037	114,084,131
Profit for the year representing total comprehensive income for the year		-	6,244,087	6,244,087
Dividend paid during the year	26	-	(2,102,451)	(2,102,451)
Balance at 31 December 2025		<u>79,655,094</u>	<u>38,570,673</u>	<u>118,225,767</u>

The accompanying notes on pages 13 to 56 form part of these financial statements.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

	Note	Attributable to Owners of the Company		
		Share Capital RM	Retained Profits RM	Total RM
COMPANY				
Balance at 1 January 2024		79,655,094	7,060,726	86,715,820
Profit for the year representing total comprehensive income for the year		-	4,708,092	4,708,092
Dividend paid during the year	26	-	(1,051,222)	(1,051,222)
Balance at 31 December 2024		79,655,094	10,717,596	90,372,690
Profit for the year representing total comprehensive income for the year		-	3,659,092	3,659,092
Dividend paid during the year	26	-	(2,102,451)	(2,102,451)
Balance at 31 December 2025		79,655,094	12,274,237	91,929,331

The accompanying notes on pages 13 to 56 form part of these financial statements.

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	8,555,898	7,924,803	4,149,276	5,167,437
Adjustments for:-				
Depreciation on property, plant and equipment	170,733	140,422	2,158	7,822
Depreciation on right-of-use assets	186,079	187,459	38,406	39,622
Remeasurement o right-of-use assets	(13,909)	-	-	-
Gain on disposal of property, plant and equipment	-	(2,805)	-	-
Loss on disposal of property, plant and equipment	-	420	-	-
Property, plant and equipment written off	84	-	10	-
Loss on changes in fair value of other investments	756	-	756	-
Impairment losses on:				
- financing of customers (net)	(441,849)	458,553	-	-
- other receivables (net)	51,600	132,896	-	-
Interest income	(464,064)	(412,620)	(1,547,208)	(1,589,980)
Interest expense	8,853,564	8,055,196	38,479	123,063
Operating profit before working capital changes	16,898,892	16,484,324	2,681,877	3,747,964
Changes in working capital:-				
Increase in financing of customers	(40,906,367)	(38,994,860)	-	-
Decrease in other receivables, deposits and prepayments	2,148,908	847,003	14,214	70,912
Increase in amount due from subsidiary company	-	-	(2,217,840)	(309,813)
(Decrease)/increase in other payables	(6,661,341)	4,426,366	(781,605)	53,524
Cash (used in)/generated from operations	(28,519,908)	(17,237,167)	(303,354)	3,562,587
Tax paid	(1,991,242)	(1,951,996)	(483,177)	(406,093)
Net cash (used in)/generated from operating activities	(30,511,150)	(19,189,163)	(786,531)	3,156,494

The accompanying notes on pages 13 to 56 form part of these financial statements.

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of other investments	(3,247,696)	(6,561,241)	(3,247,696)	(6,561,241)
Disposal of other investments	3,697,290	5,945,824	3,697,290	5,945,824
Placement of short term deposits	(4,830,000)	(9,735,870)	(4,830,000)	(9,130,001)
Withdrawal of short term deposits	7,025,688	8,181,504	6,418,773	8,181,504
Placement of deposits pledged with licensed bank	(1,096,872)	(2,759,012)	-	-
Proceeds from disposal of property, plant and equipment	-	39,999	-	-
Purchase of property, plant and equipment	(303,018)	(161,512)	-	-
Interest received	464,064	319,836	1,519,534	1,497,196
Net cash generated from/ (used in) investing activities	1,709,456	(4,730,472)	3,557,901	(66,718)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loan	(1,555,550)	(2,224,320)	(1,555,550)	(2,224,320)
Drawdown from bank borrowings	64,281,114	52,502,228	-	-
Repayment of lease liabilities	(200,766)	(179,952)	(32,897)	(59,129)
Repayment of bank borrowings	(21,463,110)	(14,948,600)	-	-
Interest paid	(8,853,564)	(8,055,196)	(38,479)	(123,063)
Dividends paid	(2,102,451)	(1,051,222)	(2,102,451)	(1,051,222)
Net cash generated from/ (used in) financing activities	30,105,673	26,042,938	(3,729,377)	(3,457,734)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,303,979	2,123,303	(958,007)	(367,958)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,960,029	1,836,726	1,216,246	1,584,204
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,264,008	3,960,029	258,239	1,216,246

The accompanying notes on pages 13 to 56 form part of these financial statements.

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH AND CASH EQUIVALENTS COMPRISE :-				
Cash and bank balances	3,959,995	3,279,846	258,239	536,063
Fixed deposits (Note 12)	21,528,609	19,807,907	-	680,183
	<u>25,488,604</u>	<u>23,087,753</u>	<u>258,239</u>	<u>1,216,246</u>
Less: Deposits pledged with licensed bank as security (Note 12)	(20,224,596)	(19,127,724)	-	-
	<u>5,264,008</u>	<u>3,960,029</u>	<u>258,239</u>	<u>1,216,246</u>

The accompanying notes on pages 13 to 56 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025

1. GENERAL INFORMATION

BSNC Corporation Berhad is a public limited company, incorporated and domiciled in Malaysia.

Its registered office is located at Lot L8-22 (Eighth Floor), Brem Mall, Jalan Kepong, 52000 Kuala Lumpur and the principal place of business is located at B-20-7, Megan Avenue II, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The principal activity of the Group is that of investment holding. The principal activities of the subsidiary are disclosed in Note 6 to the financial statements.

These financial statements comprise the consolidated financial statements and the financial statements of the Group and they are presented in Ringgit Malaysia (RM).

The financial statements were approved and authorised for issue by the Board of Directors on 12 February 2026.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

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

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of material accounting policies.

The accounting policies applied by the Group are consistent with those applied in the previous financial year other than the application of new MFRSs, amendments to MFRSs and IC Interpretation adopted as disclosed in Note 2.2 below, where applicable.

2.2 Application of New MFRSs, Amendments to MFRSs and IC Interpretation

During the financial year, the Group has applied the following Amendments to MFRS issued by the Malaysian Accounting Standards Board ("MASB") which are effective for accounting period beginning on or after 1 January 2025 and applicable to the Group's operations:

Amendments to MFRS 121 - Lack of Exchangeability

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

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 New MFRSs and IC Interpretation and Amendments to MFRSs That Are In Issue But Not Yet Effective

The Group has not early adopted the following new MFRS and amendments to MFRSs that have been issued by the MASB but are not yet effective:

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 7 and MFRS 9 - Amendments to the Classification and Measurement of Financial Statements

Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107 contained in the document entitled "Annual Improvements - Volume 11"

Amendments to MFRS 7 and MFRS 9 - Contracts Referencing Nature-Dependant Electricity

Effective for annual periods beginning on or after 1 January 2027

MFRS 18, Presentation and Disclosures in Financial Statements

MFRS 19, Subsidiaries without Public Accountability : Disclosures

Effective for annual periods beginning on or after a date to be determined by the MASB

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will apply the above new MFRS and amendments to MFRSs that are applicable once they become effective and the adoption is not expected to have any material impact on the Group's financial statements in the period of initial application, other than disclosed below.

MFRS 18 Presentation and Disclosure in Financial Statements

The new MFRS 18 will replace MFRS 101 *Presentation of Financial Statements* while retaining many of the requirements in MFRS 101 with limited changes. MFRS 18 introduces new specified categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures that are reported outside an entity's financial statements in the notes to the financial statements, and enhanced principles on aggregation and disaggregation of information in the financial statements.

The new standard will redefine financial performance reporting by an entity through a new structure of the statement of profit or loss and additional disclosures for performance measures but it will not impact the recognition and measurement of items in the financial statements of the entity.

2.4 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary. The financial statements of the subsidiary are prepared for the same reporting date as the Company. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group :

- has power over the entity;
- is exposed, 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.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of Consolidation (Continued)

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Consolidation of a subsidiary begins from the date the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

In preparing consolidated financial statements, intra-group balances and transactions and the resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment. The consolidated financial statements reflect external transactions and balances only. When necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. The total comprehensive income of a subsidiary is attributed to the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.5 Investment in Subsidiary

In the Company's separate financial statements, investment in subsidiary is accounted for at cost less any accumulated impairment losses. The investments are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets as disclosed in Note 2.7. On disposal of such investments, the difference between the net disposal proceeds and the net carrying value of the investments is recognised as a gain or loss on disposal in the Company's profit or loss.

2.6 Property, Plant and Equipment and Depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Freehold land and capital work-in-progress are not depreciated. Depreciation is calculated to write off all other cost of property, plant and equipment on a straight line basis to their residual values over their expected useful lives. The principal annual rates used for this purpose are as follows:-

Factory buildings	2%
Penthouse office	2%
Plant and machinery	20%
Office equipment	20% - 33 1/3%
Computer equipment	20% - 33 1/3%
Furniture and fittings	20% - 33 1/3%
Office renovation	33 1/3% - 50%
Motor vehicles	20%

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Property, Plant and Equipment and Depreciation (Continued)

The residual values and useful lives of assets are reviewed at each financial year end and adjusted prospectively, if appropriate, where expectations differ from previous estimates. Property, plant and equipment are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets as disclosed in Note 2.9.

An item of 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 is recognised in profit or loss.

2.7 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (other than deferred tax assets) are reviewed for impairment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. For goodwill recognised in a business combination and that has an indefinite useful life, the recoverable amount is estimated annually or more frequently when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or a cash generating unit ("CGU") exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment losses recognised in respect of CGUs (or groups of CGUs) are allocated first to reduce the carrying amount of any goodwill arising from a business combination allocated to the units (or groups of units) and then to reduce the carrying amount of the other assets in the units (or groups of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Assets

The Group recognises all financial assets in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting. A regular way purchase or sale is a purchase or sale of a financial asset that requires delivery of asset within the time frame established generally by regulation or convention in the marketplace concerned. Trade date accounting refers to :-

- the recognition of an asset to be received and the liability to pay for it on the trade date, i.e., the date the Group commits itself to purchase or sell an asset; and
- derecognition of an asset that is sold, the recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Classification

The Group classifies its financial assets into the following measurement categories depending on the business models used for managing the financial assets and the contractual cash flow characteristics of the financial assets:

- (a) at amortised cost;
- (b) fair value through other comprehensive income; and
- (c) fair value through profit or loss.

Financial assets are reclassified when and only when the Group changes its business model for managing the financial assets and the reclassification of all affected financial assets is applied prospectively from the reclassification date i.e. on the first day of the first reporting period following the change in business model.

Measurement

At initial recognition, trade receivables without a significant financing component are measured at their transaction price when they are originated.

Other financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business models for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group's debt instruments are categorised into the following measurement categories :

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Assets (Continued)

(a) Debt instruments (Continued)

(i) Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and it is not designated as at fair value through profit or loss at initial recognition :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

These financial assets are measured at amortised cost using the effective interest method less any impairment losses. Interest income, gains or losses on derecognition, foreign exchange gains or losses and impairment are recognised in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

(ii) Fair value through other comprehensive income ("FVOCI")

A financial asset is measured at FVOCI if both of the following conditions are met and it is not designated as FVTPL at initial recognition :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Changes in fair value of these financial assets are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income calculated using the effective interest method, foreign exchange gains or losses and impairment are recognised in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Assets (Continued)

Measurement (Continued)

(a) Debt instruments (Continued)

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

A financial asset is measured at FVTPL if it does not meet the criteria for amortised cost or FVOCI. This includes all derivative financial assets.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL that otherwise meets the criteria for amortised cost or FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair value of financial assets at FVTPL and interest or dividend income are recognised in profit or loss.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value.

For equity investments at FVTPL, changes in fair value are recognised in profit or loss. Where the Group has elected to present the changes in fair value in other comprehensive income, the amounts presented are not subsequently transferred to profit or loss when the equity investments are derecognised. The cumulative gains or losses is transferred to retained earnings instead. The election is made on an instrument-by-instrument basis and it is irrevocable. The amount presented in other comprehensive income includes the related foreign exchange gains or losses.

Dividend income from equity investments at FVTPL and FVOCI is recognised in profit or loss as other income when the Group's right to receive payment has been established.

Changes in the fair value of equity investments at FVTPL are recognised in other income or expenses, as applicable, in the profit or loss. Impairment losses or reversal of impairment losses on equity instruments measured at FVOCI are recognised in other comprehensive income and are not reported separately from other changes in fair value.

Derecognition of financial assets

The Group derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset without retaining control or transfers substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, deposits and short term investments which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, reduced by bank overdrafts. The statements of cash flows are prepared using the indirect method.

2.10 Impairment of Financial Assets

Upon the adoption of MFRS 9, the Group recognises loss allowance for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost;
- debt instruments measured at fair value through other comprehensive income

The Group assesses on a forward looking basis the ECL associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has financing of customers, trade and other receivables as its debt instruments that are subject to ECL model.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(a) General 3-stage approach for financing of customers

At each reporting date, the Group measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(b) Simplified approach for trade and other receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade and other receivables.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Share Capital

Ordinary shares are classified as equity. Distributions to holders of ordinary shares are debited directly to equity and dividends declared at or before the end of the reporting period are recognised as liabilities. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

2.12 Financial Liabilities

The Group recognises all financial liabilities in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

Classification and measurement

Financial liabilities are initially measured at fair value minus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

Amortised cost

All financial liabilities, other than those categorised as fair value through profit or loss (FVTPL) are subsequently measured at amortised cost using the effective interest method.

A gain or loss on financial liabilities at amortised cost is recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Derecognition of a financial liability

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability are substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Leases

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

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

Office	5 - 6 years
Storage space	4 years

Where an indication of impairment exists, the carrying amount of the right-of-use assets is assessed and written down immediately to its recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.12.

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

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

2.14 Offsetting Financial Instruments

Financial assets and financial liabilities are offset when the Group has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Employee Benefits

Short-Term Employee Benefits

Wages, salaries and social security contributions, paid annual and sick leave, bonuses and non-monetary benefits are recognised as an expense in profit or loss or included in the costs of assets, where applicable, in the period in which the associated services are rendered by employees of the Group.

Defined Contribution Plans

The Group provides post-employment benefits by way of contribution to defined contribution plans operated by the relevant authorities at the prescribed rates.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are recognised as an expense in profit or loss in the period to which the contributions relate or included in the costs of assets, where applicable.

Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for those benefits. The Group recognises termination benefits at the earlier of (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the Group recognises costs for a restructuring.

Termination benefits falling over more than twelve (12) months after the end of the reporting period are discounted to present value.

2.16 Income Taxes

Tax expense is the aggregate amount of current and deferred taxes. Current and deferred taxes are recognised as income or expense in profit or loss except to the extent that the taxes relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity or a business combination.

Current tax is the expected tax payable on the taxable profit for the year and is calculated using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised, using the liability method, on temporary differences at end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and the amounts attributed to those assets and liabilities for taxation purposes.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Income Taxes (Continued)

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except where the Group is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the end of the reporting period are used to determine deferred tax.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.17 Provisions

Provisions for liabilities are recognised when the Group has a present legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the amount of a provision due to passage of time is recognised as finance cost.

2.18 Revenue Recognition

Revenue earned by the Group is recognised on the following basis :-

(a) Interest Income

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue Recognition (Continued)

Revenue from other sources is recognised as follows :-

(a) Dividend income

Dividend income is recognised when the right to receive payment has been established.

(b) Rental income

Rental income is recognised on an accrual basis over the period of tenancy.

Group revenue is stated net of all intra-Group transactions.

2.19 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, production or preparation of qualifying assets until they are ready for their intended use or sale are capitalised as part of the cost of those assets. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the financial year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the financial year, net of treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, net of treasury shares held, for the effects of all dilutive potential ordinary shares.

2.21 Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and leasing transactions, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring fair value, the Group maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Fair value measurements are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows :

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

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

Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the MFRSs and IFRSs requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Judgements made in the process of applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the management is of the opinion that any instances of application of judgement are not expected to have significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with in Note 3.2 below.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Measurement of the expected credit loss allowance ("ECL")

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

4. PROPERTY, PLANT AND EQUIPMENT

	Penthouse Office RM	Computer Equipment RM	Office Equipment, Furniture and Fixtures RM	Office Renovation RM	Motor Vehicles RM	Total RM
Group - 2025						
<i>Cost:</i>						
Balance at 1 January	3,430,000	406,327	371,989	158,367	249,742	4,616,425
Additions	-	280,118	1,400	21,500	-	303,018
Disposals/written off	-	(114,227)	(29,602)	-	-	(143,829)
Balance at 31 December	3,430,000	572,218	343,787	179,867	249,742	4,775,614
<i>Accumulated depreciation:</i>						
Balance at 1 January	840,350	362,668	334,100	157,737	156,334	1,851,189
Charge for the year	68,600	59,127	20,480	971	21,555	170,733
Eliminated on disposal/write-off	-	(114,166)	(29,579)	-	-	(143,745)
Balance at 31 December	908,950	307,629	325,001	158,708	177,889	1,878,177
Net book value at 31 December	2,521,050	264,589	18,786	21,159	71,853	2,897,437
Group - 2024						
<i>Cost:</i>						
Balance at 1 January	3,430,000	377,820	346,758	158,367	196,999	4,509,944
Additions	-	28,507	25,231	-	107,774	161,512
Disposals/written off	-	-	-	-	(55,031)	(55,031)
Balance at 31 December	3,430,000	406,327	371,989	158,367	249,742	4,616,425
<i>Accumulated depreciation:</i>						
Balance at 1 January	771,750	335,506	313,789	156,443	150,696	1,728,184
Charge for the year	68,600	27,162	20,311	1,294	23,055	140,422
Eliminated on disposal/write-off	-	-	-	-	(17,417)	(17,417)
Balance at 31 December	840,350	362,668	334,100	157,737	156,334	1,851,189
Net book value at 31 December	2,589,650	43,659	37,889	630	93,408	2,765,236

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computer Equipment RM	Office Equipment, Furniture and Fittings RM	Motor Vehicles RM	Total RM
Company - 2025				
<i>Cost:</i>				
Balance at 1 January	35,138	20,618	80,814	136,570
Disposals/written off	(12,724)	-	-	(12,724)
Balance at 31 December	22,414	20,618	80,814	123,846
<i>Accumulated depreciation:</i>				
Balance at 1 January	32,783	20,449	80,811	134,043
Charge for the year	2,077	81	-	2,158
Eliminated on disposal/write-off	(12,714)	-	-	(12,714)
Balance at 31 December	22,146	20,530	80,811	123,487
Net book value at 31 December	268	88	3	359
Company - 2024				
<i>Cost:</i>				
Balance at 1 January	35,138	20,618	80,814	136,570
Additions	-	-	-	-
Balance at 31 December	35,138	20,618	80,814	136,570
<i>Accumulated depreciation:</i>				
Balance at 1 January	29,107	20,402	76,712	126,221
Charge for the year	3,676	47	4,099	7,822
Balance at 31 December	32,783	20,449	80,811	134,043
Net book value at 31 December	2,355	169	3	2,527

5. RIGHT-OF-USE ASSETS

The Group leases office and storage leases. The Group's average lease terms are 5 to 6 years and 4 years respectively.

The net book values of right-of-use assets are recognised and the movements during the year are shown as follows:

	Office RM	Storage RM	Total RM
Group - 2025			
Cost:			
Balance at 1 January	321,489	341,378	662,867
Adjustments on right-of-use assets	-	(48,458)	(48,458)
Additions during the year	280,221	-	280,221
Balance at 31 December	<u>601,710</u>	<u>292,920</u>	<u>894,630</u>
Accumulated depreciation:			
Balance at 1 January	68,746	156,839	225,585
Charge for the year	109,319	76,760	186,079
Adjustments on right-of-use assets	-	(13,909)	(13,909)
Balance at 31 December	<u>178,065</u>	<u>219,690</u>	<u>397,755</u>
Net book value	<u>423,645</u>	<u>73,230</u>	<u>496,875</u>
Group - 2024			
Cost:			
Balance at 1 January	559,173	341,378	900,551
Derecognition for the year	(237,684)	-	(237,684)
Balance at 31 December	<u>321,489</u>	<u>341,378</u>	<u>662,867</u>
Accumulated depreciation:			
Balance at 1 January	202,512	73,298	275,810
Derecognition for the year	(237,684)	-	(237,684)
Charge for the year	103,918	83,541	187,459
Balance at 31 December	<u>68,746</u>	<u>156,839</u>	<u>225,585</u>
Net book value	<u>252,743</u>	<u>184,539</u>	<u>437,282</u>

5. RIGHT-OF-USE ASSETS (CONTINUED)

Company

Office	2025 RM	2024 RM
Cost:		
Balance at 1 January	-	237,684
Derecognition for the year	-	(237,684)
Additions during the year	230,437	-
Balance at 31 December	<u>230,437</u>	<u>-</u>
Accumulated depreciation:		
Balance at 1 January	-	198,062
Charge for the year	38,406	39,622
Derecognition for the year	-	(237,684)
Balance at 31 December	<u>38,406</u>	<u>-</u>
Net book value	<u>192,031</u>	<u>-</u>

6. INVESTMENT IN SUBSIDIARY COMPANY

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	<u>50,000,000</u>	<u>50,000,000</u>

Details of the subsidiary company are as follows:-

<u>Name of Company</u>	<u>Principal Activity</u>	<u>Financial Year End</u>	<u>Percentage of Equity Held</u>	
			<u>2025</u>	<u>2024</u>
Direct interest:				
BSNC Leasing (M) Sdn. Bhd.	Leasing and hire purchase	31 December	100%	100%

7. OTHER INVESTMENTS

	Group and Company	
	2025 RM	2024 RM
Equity instruments classified as financial assets at fair value through profit or loss	<u>4,213,650</u>	<u>4,664,000</u>

8. FINANCING OF CUSTOMERS

	Group	
	2025	2024
	RM	RM
At amortised cost		
Hire purchase receivables	278,422,428	234,908,373
Loan receivables	1,681,318	1,963,403
Factoring receivables	1,025,227	2,611,273
Small business loan receivables	-	297,708
	<u>281,128,973</u>	<u>239,780,757</u>

Concentration of credit risk with respect to financing of customers is limited due to the Group's diverse customer base. The Group controls its credit risk by ensuring its customers have solid financial standing and credit history.

The allowance of impairment on financing of customers is disclose in Note 17.

Ageing analysis

The financing of customers analysed by residual contractual maturity and customer type are set out below:

	Group	
	2025	2024
	RM	RM
<u>Maturity structure</u>		
Maturity within one year	84,379,740	67,784,294
More than one year to two years	108,239,104	92,945,234
More than two years to five years	71,768,071	63,452,463
More than five years	16,742,058	15,598,766
	<u>196,749,233</u>	<u>171,996,463</u>
	<u>281,128,973</u>	<u>239,780,757</u>

Customer type

Individuals and enterprises	274,567,791	232,022,987
Other entities involved in		
- General trading	2,056,879	3,159,444
- Services	3,102,375	3,410,543
- Construction	1,226,933	1,123,015
- Automobile	84,727	64,768
- Manufacturing	90,268	-
	<u>6,561,182</u>	<u>7,757,770</u>
	<u>281,128,973</u>	<u>239,780,757</u>

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other receivables	2,923,407	5,168,578	3,607	17,623
Less: Allowance for impairment	(866,334)	(887,248)	-	-
	2,057,073	4,281,330	3,607	17,623
Deposits and prepayments	540,830	547,126	147	344
	2,597,903	4,828,456	3,754	17,967

A reconciliation of the allowance for impairment on other receivables is as follows:

	Group	
	2025	2024
	RM	RM
At 1 January	887,248	792,547
Allowance made during the year	58,779	177,005
Amount written off	(72,514)	(38,195)
Amount written back in respect of recoveries	(7,179)	(44,109)
	(20,914)	94,701
At 31 December	866,334	887,248

10. SHORT TERM PLACEMENTS WITH LICENSED BANK

The effective interest rates of short term placements range from 2.70% to 3.34% (2024: 3.30% to 3.34%) per annum. The maturity terms of short term placements range from 1 day to 33 days (2024: 1 day to 33 days).

11. AMOUNT DUE FROM SUBSIDIARY COMPANY

	Company	
	2025	2024
	RM	RM
<i>Interest-bearing</i>		
Loans (unsecured)	1,195,576	1,191,577
Revolving credit		
- principal outstanding	30,000,000	30,000,000
- principal outstanding	1,600,000	-
- interest payable	740,652	126,811
	32,340,652	30,126,811
Other financing facilities		
- principal outstanding	3,532,645	3,532,645
	37,068,873	34,851,033

11. AMOUNT DUE FROM SUBSIDIARY COMPANY (CONTINUED)

The unsecured loans are repayable on demand. Interest is charged at 4.35% (2024: 4.35%) per annum.

The revolving credit is unsecured and repayable on demand. Interest is charged at 4.35% (2024: 4.35%) per annum.

The other financing facilities are unsecured and repayable on demand. Interest is charged at 4.35% (2024: 4.35%) per annum.

12. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rates of fixed deposits ranges from 2.10% to 3.70% (2024: 2.40% to 3.70%) per annum. The maturity terms of fixed deposits are 368 days (2024: 368 days).

The fixed deposits with licensed bank of the Group amounting to RM20,224,596 (2024: RM19,127,724) are pledged to bank for credit facilities granted to the Group as referred to in Note 16.

13. SHARE CAPITAL

	Group and Company	
	2025	2024
	RM	RM
Issued and fully paid: Ordinary shares	79,655,094	79,655,094

14. TERM LOAN FROM A SHAREHOLDER

	Group and Company	
	2025	2024
	RM	RM
Term loan (unsecured) from a shareholder, Bank Simpanan Nasional	-	1,555,550
Analysed as follows:-		
Tranche 1 & Tranche 2 Repayable not later than 1 year classified as current liabilities	-	1,555,550
Tranche 1 & Tranche 2 Repayable later than 1 year but not later than 2 years Classified as non-current liabilities	-	-
	-	1,555,550

Tranche 1: Upon restructuring, RM8,000,000 is repayable commencing January 2009. In 2010, RM6,600,000 out of the proceeds from disposal of quoted shares, classified as available-for-sale financial asset, has been utilised for repayment. Interest is charged at 2% per annum on monthly rest during the effective period.

14. TERM LOAN FROM A SHAREHOLDER (CONTINUED)

Tranche 2 : Upon restructuring, RM23,544,822 is repayable by quarterly instalments commencing January 2009 and RM16,825,472 had been waived subject to certain terms. In 2011, the amount waived had been reinstated pursuant to the terms as agreed previously. Interest is charged at 2% per annum on monthly rest during the effective period.

However, in 2013, the Company received a waiver on the amount of RM16,825,472 following the restructuring facility by Bank Simpanan Nasional ("BSN" or "the Bank") subject to certain terms and conditions.

On 7 October 2013, the Company received an offer to restructuring their existing subordinate Term Loan Facility (the "Facility"), the term and conditions as below:

1. Write-off (haircut) on the amount of RM16,825,472 under Tranche 2.
2. The Facility is subject to interest at Base Lending Rate (BLR) - 2.5% per annum, on monthly rest basis. (The Bank's BLR is currently 6.60% per annum and may be varied from time to time).
3. The tenure of the Facility is repayable in 12 years commencing from the month of October 2013 until the month of September 2025.
4. The Facility shall be repayable by an equal quarterly instalment amount of RM586,186.05 for a period of 12 years. The first quarterly instalment payment was due in December 2013.

In the event of change in BLR, the repayment amount stipulated above shall be varied. The Bank shall notify in writing the changes of the instalment amount.

5. The Facility shall be secured by the following in form and substance prescribed by or acceptable to the Bank (whichever applicable):-
 - (a) Restructuring Facility Agreement;
 - (b) Debenture incorporating first fixed and floating charge over the existing and future assets of the Borrower;
 - (c) Debenture incorporating first fixed and floating charge over the existing and future assets of BSNC Leasing Sdn. Bhd.;
 - (d) Other security documents as the Bank shall deem fit and necessary from time to time.

This offer shall prevail over the offer issued by the Bank dated 17 November 2008 and 8 April 2009.

Save as varied or modified by the terms hereof, all other terms and conditions in the previous offer, Loan Agreement dated 30 August 2005 and Loan Agreement dated 22 June 2010 shall remain unchanged and in full force and effect.

Subsequently, the Company signed the original copy of Restructuring Facility Agreement and both the Company and the subsidiary company have signed the Debenture and the Statement of Particulars To Be Lodged With Charge. The term loan from a shareholder has been fully repaid during the year.

15. LEASES

Group as a lessee

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset.

Group

	Interest rate (%)	Maturity	2025 RM	2024 RM
Non-current liabilities	6%	2027	339,074	370,215
Current liabilities	6%	2026	192,511	131,699
			<u>531,585</u>	<u>501,914</u>

Company

	Interest rate (%)	Maturity	2025 RM	2024 RM
Non-current liabilities	6%	2026	162,614	-
Current liabilities	6%	2025	34,926	-
			<u>197,540</u>	<u>-</u>

16. BORROWINGS (SECURED)

	Group	
	2025 RM	2024 RM
Block discounting facilities	118,431,895	93,986,590
Term financing	37,967,874	19,595,175
	<u>156,399,769</u>	<u>113,581,765</u>

Analysis of maturity:

Repayable not later than 1 year	55,495,713	21,145,560
Repayable later than 1 year but not later than 2 years	37,179,438	51,977,475
Repayable later than 2 years but not later than 5 years	63,724,618	40,458,730
	<u>100,904,056</u>	<u>92,436,205</u>
	<u>156,399,769</u>	<u>113,581,765</u>

The block discounting facilities granted to the subsidiary company are secured vide the following:

- (i) Master agreement between the subsidiary company and the financial institution;
- (ii) Assignment of hire purchase agreements;
- (iii) Corporate guarantee by the company; and
- (iv) Sinking Fund of RM19 Million to be built up progressively through 10% from each drawdown.

The discounting facilities consist of 204 blocks (2024: 250 blocks) which are repayable by way of 60 equal monthly instalments. The facilities are discounted at rates ranging from 3.50% to 4.00% (2024: 3.50% to 4.00%) per month.

16. BORROWINGS (SECURED) (CONTINUED)

The term financing named Muamalat Term Financing-i ("MTF") is the credit facilities obtained from licensed bank in 2024 with a limit of RM29,000,000. The effective interest profit rate ("EPR") charged is calculated at cost of funds ("COF") + 1.75% per annum. (The Bank's COF is currently 4.10% and subject to change from time to time).

The term financing facilities granted to the subsidiary company are secured vide the following:

- (i) Facility agreement
- (ii) Assignments of proceeds received in relation to the Islamic Hire Purchase and other Islamic financing financed by the Bank
- (iii) Charge over the Customer's Designated Account
- (iv) Charge over placement of Finance Service Reserve Account ("FSRA") equivalent to 3 months instalment (build up) under each tranche disbursed. The initial amount is to be taken from the amount disbursed. Profit is to be capitalised as security and maintained with the Bank; and
- (v) Corporate guarantee by BSNC Corporation Berhad.

17. OTHER PAYABLES, ACCRUALS AND PROVISIONS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other payables	31,158,974	35,101,771	-	-
Accruals and provisions	1,740,237	1,358,277	451,920	747,712
Dividend payable	53,076	538,889	53,076	538,889
Allowance for impairment on financing of customers	9,226,529	11,841,220	-	-
	<u>42,178,816</u>	<u>48,840,157</u>	<u>504,996</u>	<u>1,286,601</u>

	Group	
	2025	2024
	RM	RM

A reconciliation of impairment on financing of customers is as follows:-

- Collective assessment allowance		
Stage 1: 12-month ECL	1,519,185	1,667,139
Stage 2: Lifetime ECL not credit impaired	12,823	28,748
Stage 3: Lifetime ECL credit impaired	7,694,521	10,145,333
	<u>9,226,529</u>	<u>11,841,220</u>

17. OTHER PAYABLES, ACCRUALS AND PROVISIONS (CONTINUED)

Financing of customers using general 3 stage approach

The loss allowance for financing of customers which reflect the ECL model on impairment as follows:

Group - 2025	12-month ECL Stage 1 RM	Lifetime ECL		Total RM
		Not credit impaired Stage 2 RM	Credit impaired Stage 3 RM	
As at 1 January 2025	1,667,139	28,748	10,145,333	11,841,220
Transfer from:				
Stay in Stage 1 but with lower provision	(552,252)	-	-	(552,252)
Stage 1 to Stage 2	(1,698)	5,901	-	4,203
Stage 1 to Stage 3	(21,642)	-	391,311	369,669
From Stage 1 to no provision	(217,262)	-	-	(217,262)
Stay in Stage 2 but with lower provision	-	(1,056)	-	(1,056)
Stage 2 to Stage 1	555	(7,286)	-	(6,731)
Stage 2 to Stage 3	-	(17,159)	41,693	24,534
From Stage 2 to no provision	-	(2,526)	-	(2,526)
Stay in Stage 3 but with lower provision	-	-	(106,489)	(106,489)
From Stage 3 to Stage 1	762	-	(27,205)	(26,443)
From Stage 3 to no provision	-	-	(682,654)	(682,654)
Movement in the profit or loss	-	-	-	-
New originating financial assets	643,583	6,201	68,595	718,379
Recoveries	-	-	-	-
Loss allowance	-	-	814,336	814,336
Amount written back in respect of recoveries	-	-	(777,557)	(777,557)
Write off for non performing loans	-	-	(2,172,842)	(2,172,842)
Loss allowance as at 31 December 2025	1,519,185	12,823	7,694,521	9,226,529

17. OTHER PAYABLES, ACCRUALS AND PROVISIONS (CONTINUED)

Financing of customers using general 3 stage approach (Continued)

The loss allowance for financing of customers which reflect the ECL model on impairment as follows:
(Continued)

Group - 2024	12-month	Lifetime ECL		Total RM
	ECL	Not credit	Credit	
	Stage 1	Stage 2	Stage 3	
	RM	RM	RM	
As at 1 January 2024	1,457,041	47,882	10,484,390	11,989,313
Transfer from:				
Stay in Stage 1 but with lower provision	(233,469)	-	-	(233,469)
Stage 1 to Stage 2	(4,417)	25,539	-	21,122
Stage 1 to Stage 3	(24,100)	-	552,168	528,068
From Stage 1 to no provision	(201,332)	-	-	(201,332)
Stay in Stage 2 but with lower provision	-	(3)	-	(3)
Stage 2 to Stage 1	2,233	(21,932)	-	(19,699)
Stage 2 to Stage 3	-	-	-	-
From Stage 2 to no provision	-	(25,495)	-	(25,495)
Stay in Stage 3 but with lower provision	-	-	(3,543)	(3,543)
From Stage 3 to no provision	-	-	(274,860)	(274,860)
Movement in the profit or loss	-	-	-	-
New originating financial assets	671,183	2,757	33,851	707,791
Recoveries	-	-	-	-
Loss allowance Amount written back in respect of recoveries	-	-	(646,673)	(646,673)
Write off for non performing loans	-	-	-	-
Loss allowance as at 31 December 2024	1,667,139	28,748	10,145,333	11,841,220

18. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Hire purchase interest	19,669,610	17,381,384	-	-
Factoring income	226,562	216,844	-	-
Fixed deposit interest	435,344	406,399	25,167	21,580
Financing facility interest	-	-	1,519,534	1,497,196
Income from short term placements	28,720	99,005	27,674	88,145
	20,360,236	18,103,632	1,572,375	1,606,921

19. OTHER OPERATING REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Gain on disposal of property, plant and equipment	-	2,805	-	-
Gain on disposal of shares	108,958	1,291,105	108,958	1,291,105
Dividend income				
- quoted shares	261,531	287,230	261,531	287,230
- unquoted shares	-	-	3,000,000	3,000,000
Management fees	-	-	532,864	334,373
Late charges	138,482	128,033	-	-
Other income	1,224,611	1,082,186	21,775	20,916
	<u>1,733,582</u>	<u>2,791,359</u>	<u>3,925,128</u>	<u>4,933,624</u>

20. NET IMPAIRMENT ON RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Impairment losses on:				
- financing of customers	335,708	1,453,664	-	-
- other receivables	58,779	177,005	-	-
	394,487	1,630,669		
Write back of impairment on:				
- financing of customers	777,557	995,111	-	-
- other receivables	7,179	44,109	-	-
	784,736	1,039,220	-	-
	<u>(390,249)</u>	<u>591,449</u>	<u>-</u>	<u>-</u>

21. INTEREST EXPENSES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Interest expense on term loan	1,545,310	1,617,678	25,776	120,482
Interest expense on lease liabilities	40,606	29,957	12,703	2,581
Interest expense on bank borrowings	7,229,169	6,284,498	-	-
	<u>8,815,085</u>	<u>7,932,133</u>	<u>38,479</u>	<u>123,063</u>

22. PROFIT BEFORE TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(a) This is arrived at after charging/(crediting):-				
Directors' remuneration				
* Fees				
- directors of the Company	283,435	290,714	283,435	290,714
- other directors	16,800	168,000	-	-
* Other emoluments				
- executive directors	17,000	24,000	8,000	12,000
- non-executive directors	62,500	80,000	48,500	63,000
Impairment loss on				
- financing of customers (net)	(441,849)	458,553	-	-
- other receivables (net)	51,600	132,896	-	-
Depreciation on property, plant and equipment	170,733	140,422	2,158	7,822
Depreciation on right-of-use assets	186,282	187,459	38,406	39,622
Gain on disposal of property, plant and equipment	-	(2,805)	-	-
Property, plant and equipment written off	84	-	10	-
Loss on changes in fair value of other investments	756	143,802	756	143,802
Auditors' remuneration	85,000	85,000	50,000	50,000
Other services	3,000	3,000	3,000	3,000
	<u>3,014,726</u>	<u>2,888,286</u>	<u>-</u>	<u>38,819</u>
(b) Employee benefits expense (including directors' remuneration):-				
Salaries, bonus and allowance	2,602,182	2,542,400	-	34,914
Employees Provident Fund	295,901	253,674	-	3,900
SOCSSO	35,251	30,218	-	5
EIS	3,730	3,447	-	-
Other benefits	77,662	58,547	-	-
	<u>3,014,726</u>	<u>2,888,286</u>	<u>-</u>	<u>38,819</u>

23. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current Malaysian taxation	2,355,745	1,943,540	489,422	449,082
(Over)/under provision in prior year	(43,934)	64,418	762	10,263
	<u>2,311,811</u>	<u>2,007,958</u>	<u>490,184</u>	<u>459,345</u>

23. TAXATION (CONTINUED)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation	8,555,898	7,924,803	4,149,276	5,167,437
Taxation at the rate of 24% (2024: 24%)	2,053,416	1,901,953	995,826	1,240,185
Tax effects of:				
- income not taxable	(95,780)	(372,362)	(815,780)	(1,092,362)
- expenses not deductible for tax purposes	398,109	437,671	309,376	301,259
(Over)/under provision of tax in respect of prior year	(43,934)	64,418	762	10,263
Deferred taxation not recognised	-	(23,722)	-	-
	<u>2,311,811</u>	<u>2,007,958</u>	<u>490,184</u>	<u>459,345</u>

Subject to agreement with the Inland Revenue Board, the Group and the Company have, as at 31 December 2025, unabsorbed tax losses and unutilised capital allowances that are available for set-off against future income as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unabsorbed tax losses *	520,536,136	520,536,136	520,536,136	520,536,136
Unutilised capital allowances	-	-	-	-

* The unabsorbed tax losses are allowed to be carried forward for a maximum of 10 consecutive years of assessment, ie up to YA2028. Any amount which is not utilised at the end of the period of 10 years of assessment will be disregarded.

24. DEFERRED TAXATION

The deductible/(taxable) temporary differences and unabsorbed tax losses for which no deferred tax is recognised in the statement of financial position are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Tax effects at 24% (2024: 24%)				
Deferred tax assets (before offsetting)				
- unabsorbed tax losses	124,928,673	124,928,673	124,928,673	124,928,673
- unutilised capital allowances	-	-	-	-
Offsetting	-	-	-	-
Deferred tax assets (after offsetting)	<u>124,928,673</u>	<u>124,928,673</u>	<u>124,928,673</u>	<u>124,928,673</u>
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	-	-	-	-
Offsetting	-	-	-	-
Deferred tax liabilities (after offsetting)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax assets	<u>124,928,673</u>	<u>124,928,673</u>	<u>124,928,673</u>	<u>124,928,673</u>

No deferred tax asset has been recognised in respect of the unabsorbed business losses due to the uncertainty of utilising these balances against future taxable profits.

25. BASIC EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit for the year attributable to ordinary shareholders	<u>6,244,087</u>	<u>5,916,845</u>	<u>3,659,092</u>	<u>4,708,092</u>
Weighted average number of ordinary shares at 31 December	<u>42,049,020</u>	<u>42,049,020</u>	<u>42,049,020</u>	<u>42,049,020</u>
	Group		Company	
	2025 Sen	2024 Sen	2025 Sen	2024 Sen
Basic earnings per ordinary share	<u>14.85</u>	<u>14.07</u>	<u>8.70</u>	<u>11.20</u>

25. BASIC EARNINGS PER ORDINARY SHARE (CONTINUED)

There were no outstanding potential ordinary shares as at 31 December 2025 and 31 December 2024 respectively, accordingly, the diluted earnings per share is not presented.

26. DIVIDENDS

	Group and Company	
	2025	2024
	RM	RM
In respect of the financial year ended 31 December 2024, a single-tier final dividend at 5.0% per ordinary share	2,102,451	-
In respect of the financial year ended 31 December 2023, a single-tier final dividend at 2.5% per ordinary share	-	1,051,222
	<u>2,102,451</u>	<u>1,051,222</u>

27. SIGNIFICANT RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party or when both parties are under the common control of another party.

Other than those already disclosed elsewhere in these financial statements, significant transactions carried out with related parties during the financial year and balances at end of the financial year and their relationships with the Company are stated below.

Related parties

Bank Simpanan Nasional ("BSN")
BSNC Leasing (M) Sdn. Bhd. ("BSNCL")

Relationships

Substantial shareholder of the Company
Subsidiary company of the Company.

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
(a) Significant transactions with related parties				
Principal repayment of loan from BSN	1,555,550	2,224,320	1,555,550	2,224,320
Interest expense paid to BSN	1,545,310	1,617,678	25,776	120,482
Office rental paid to BSNCL	-	-	-	-
Interest income on revolving credit received from BSNCL	-	-	(1,519,534)	(1,497,196)
Dividend income received from BSNCL	-	-	(3,000,000)	(3,000,000)
Management fees on other financing facilities received from BSNCL	-	-	(532,864)	(334,373)
	<u>-</u>	<u>-</u>	<u>(532,864)</u>	<u>(334,373)</u>

27. SIGNIFICANT RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(b) Significant balances with related parties				
Short term placements with BSN (Note 10)	1,002,721	3,169,689	-	-
Fixed deposits placed with BSN (Note 12)	-	-	-	-
Amount due from BSNCL (Note 11)	-	-	37,068,873	34,851,033
Term loan from BSN (Note 14)	-	1,555,550	-	1,555,550

(c) Remuneration paid to key management personnel during the year are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salary and allowances	523,728	490,476	458,728	454,476
Bonus	-	-	-	-
Defined contribution plan	88,262	77,739	84,362	77,739
	<u>611,990</u>	<u>568,215</u>	<u>543,090</u>	<u>532,215</u>

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including credit risk, as well as liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to Group's financial risk management policies. The management regularly reviews these risks and approves the policies covering the management of these risks.

(a) Credit Risk

Credit risk is the potential loss of revenue as a result of failure by the customers or counterparties to meet their contractual financial obligations. As the Group is engaged in trading activities as well as the provision of term loan, hire purchase and factoring credit facilities, its exposure to credit risk is primarily from its "financing of customers" and trade receivables. Investing the surplus funds of the Group, also exposes the Group to credit risk and counterparty credit risk.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. In respect to "financing of customers" and trade receivables, the Group manages the credit risk by evaluating probable customers/borrowers prior to extension of credit facilities. In addition, the amounts owing are stringently monitored on an on-going basis. As for short term investments, the Group minimises credit risk by ensuring that the placements are made with reputable banks and financial institutions.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk (Continued)

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

The Group determines concentrations of credit risk of its borrowers by monitoring the type of customer and industry sector profile of its customers on an on-going basis. The credit risk concentration profile of the Group's borrowers at the reporting date is disclosed in Note 8.

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss ("ECL") model is financing of customers. While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the impairment loss is expected to be immaterial.

Financing of customers using general 3-stage approach

The Group uses three categories for financing of customers which reflect their credit risk and how the loss allowance is determined for each of those categories. Financing of customers are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when one or more of the following criteria have been met:

- The borrower is more than 120 days past due on its contractual payments
- The borrower is insolvent
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default ("PD"), Exposure at Default ("EAD") and Loss given Default ("LGD") throughout the Group's expected loss calculations.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk (Continued)

Impairment of financial assets (Continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss ("ECL") is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD) and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months ("12M PD"), or over the remaining lifetime ("Lifetime PD") of the obligation.
- The EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months ("12M EAD") or over the remaining lifetime ("Lifetime EAD").
- The LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit Risk (Continued)

Impairment of financial assets (Continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Continued)

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Financial assets that are neither past due nor impaired

Information regarding "financing of customers", trade and other receivables that are neither past due nor impaired is disclosed in Notes 8, 9 and 11 respectively.

Financial assets that are either past due or impaired

Information regarding "financing of customers", trade and other receivables that are either past due or impaired is disclosed in Notes 8, 9 and 11 respectively.

(b) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group finances its operations through funding from bank borrowings and a substantial shareholder. Funding from bank borrowings and a substantial shareholder are subject to fixed rates of interest.

Financing facilities granted to customers are subject to fixed rates of interest.

(c) Contingency Risk

A subsidiary Group is engaged as an intermediary in the arranging of motor vehicle refinancing for customers. An indemnity is provided to the end financiers on the validity of the ownership of the motor vehicles being refinanced. The directors are of the opinion that no material loss will arise from these refinancing arrangements as appropriate measures are taken to validate the authenticity of the ownership of the motor vehicles before cases are referred to the end financiers for disbursements.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Market Risk

The Group is exposed to market risk as a result of holding shares in public listed companies. The risk is entirely dependent on the financial performance of the companies concerned and the volatility of the stock market. The Group constantly monitors this risk to safeguard its position.

(e) Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group's liquidity risk management practice is to maintain high quality and well diversified portfolios of liquid assets and source of funds under both normal business and stressed conditions. The Group maintains optimum ratio of long term funding, i.e. debts maturing after 12 months from the reporting date against total debts. This ratio significantly match the ratio of long term financing receivables determined based on customers' contracted terms of repayment and payment pattern for revolving credit limits granted.

The management reviews the asset and liability maturity profile and identifies any maturity mismatch for escalation to the Board which is responsible for the independent monitoring of the Group's liquidity risk profile. The Board meets every 3 months to discuss the liquidity risk and funding profile of the Group, and works closely with the management on the surveillance of market conditions and stress testing analysis on liquidity positions.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity and Cash Flow Risk (Continued)

Maturity analysis

The maturity profile of the financial assets and financial liabilities of the Group and of the Company as at the end of the reporting period based on undiscounted contractual payments are as follows :-

Group	Carrying Amount RM	Contractual interest rate/ coupon %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2025							
Financial assets							
Cash and bank balances	3,959,995	-	3,959,995	3,959,995	-	-	-
Short term deposits	21,528,609	1.85-3.45	21,528,609	21,528,609	-	-	-
Financing of customers	281,128,973	9.32 - 12.0	281,128,973	84,379,740	108,239,104	71,768,071	16,742,058
Other receivables	2,597,903	-	2,597,903	2,597,903	-	-	-
Other investments	4,213,650	-	4,213,650	-	-	-	-
	<u>313,429,130</u>		<u>313,429,130</u>	<u>112,466,247</u>	<u>108,239,104</u>	<u>71,768,071</u>	<u>16,742,058</u>
Financial liabilities							
Other payables	42,178,816	-	42,178,816	42,178,816	-	-	-
Term loan from a shareholder	-	4.05 - 4.35	-	-	-	-	-
Borrowings (secured)	156,399,769	6.50 - 7.00	61,197,383	21,247,376	17,327,518	22,622,489	-
	<u>198,578,585</u>		<u>103,376,199</u>	<u>63,426,192</u>	<u>17,327,518</u>	<u>22,622,489</u>	<u>-</u>

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity and Cash Flow Risk (Continued)

Maturity analysis (Continued)

Group	Carrying Amount RM	Contractual interest rate/ coupon %	Contractual cash flows RM	Under 1	1 - 2	2 - 5	More than
				year RM	years RM	years RM	5 years RM
2024							
Financial assets							
Cash and bank balances	3,279,846	-	3,279,846	3,279,846	-	-	-
Short term deposits	19,807,907	1.85-3.45	19,807,907	19,807,907	-	-	-
Financing of customers	239,780,757	9.32 - 12.0	239,780,757	67,784,294	92,945,234	63,452,463	15,598,766
Other receivables	4,828,456	-	4,828,456	4,828,456	-	-	-
Other investments	4,664,000	-	4,664,000	-	-	-	-
	<u>272,360,966</u>		<u>272,360,966</u>	<u>95,700,503</u>	<u>92,945,234</u>	<u>63,452,463</u>	<u>15,598,766</u>
Financial liabilities							
Other payables	48,840,157	-	48,840,157	48,840,157	-	-	-
Term loan from a shareholder	1,555,550	4.05 - 4.35	1,555,550	1,555,550	-	-	-
Borrowings	113,581,765	6.30 - 7.00	61,197,383	21,247,376	17,327,518	22,622,489	-
	<u>163,977,472</u>		<u>111,593,090</u>	<u>71,643,083</u>	<u>17,327,518</u>	<u>22,622,489</u>	<u>-</u>

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity and Cash Flow Risk (Continued)

Maturity analysis (Continued)

Company	Carrying Amount RM	Contractual interest rate/ coupon %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2025							
<u>Financial assets</u>							
Cash and bank balances	258,239	-	258,239	258,239	-	-	-
Short term deposits	-	3.80	-	-	-	-	-
Other receivables	3,754	-	3,754	3,754	-	-	-
Other investments	4,213,650	2.80 - 3.45	4,213,650	-	-	-	-
	4,475,643		4,475,643	261,993			
<u>Financial liabilities</u>							
Other payables	504,996	-	504,996	504,996	-	-	-
Term loan from a shareholder	-	4.05 - 4.35	-	-	-	-	-
	504,996		504,996	504,996			
2024							
<u>Financial assets</u>							
Cash and bank balances	536,063	-	536,063	536,063	-	-	-
Short term deposits	680,183	3.80	680,183	680,183	-	-	-
Other receivables	17,967	-	17,967	17,967	-	-	-
Other Investments	4,664,000	-	4,664,000	-	-	-	-
	5,898,213		5,898,213	1,234,213			
<u>Financial liabilities</u>							
Other payables	1,286,601	-	1,286,601	1,286,601	-	-	-
Other payables	1,555,550	4.05 - 4.35	1,555,550	1,555,550	-	-	-
Term loan from a shareholder	2,842,151	-	2,842,151	2,842,151	-	-	-

29. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Group include deposits with licensed banks, cash and bank balances, trade and other receivables, financing of customers, short term investments and other investments.

Financial liabilities of the Group include trade and other payables, term loan from a shareholder and borrowings.

Categories of financial instruments

The Group's financial instruments are categorised as follows:-

Group	Carrying Amount	Financial assets at amortised cost	Financial assets at FVTPL	Financial liabilities at amortised cost
	RM	RM	RM	RM
2025				
<u>Financial assets</u>				
Cash and bank balances	3,959,995	3,959,995	-	-
Fixed deposits with licensed bank	21,528,609	21,528,609	-	-
Financing of customers	281,128,973	281,128,973	-	-
Other receivables	2,597,903	2,597,903	-	-
Short term placements	1,002,721	1,002,721	-	-
Other investments	4,213,650	-	4,213,650	-
	<u>314,431,851</u>	<u>310,218,201</u>	<u>4,213,650</u>	<u>-</u>
<u>Financial liabilities</u>				
Other payables	42,178,816	-	-	42,178,816
Term loan from a shareholder	-	-	-	-
Borrowings (secured)	156,399,769	-	-	156,399,769
	<u>198,578,585</u>	<u>-</u>	<u>-</u>	<u>198,578,585</u>
2024				
<u>Financial assets</u>				
Cash and bank balances	3,279,846	3,279,846	-	-
Fixed deposits with licensed bank	19,807,907	19,807,907	-	-
Financing of customers	239,780,757	239,780,757	-	-
Other receivables	4,828,456	4,828,456	-	-
Short term placements	3,169,689	3,169,689	-	-
Other investments	4,664,000	-	4,664,000	-
	<u>275,530,655</u>	<u>270,866,655</u>	<u>4,664,000</u>	<u>-</u>
<u>Financial liabilities</u>				

29. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments (Continued)

The Group's financial instruments are categorised as follows:- (Continued)

Group

	Carrying Amount RM	Financial assets at amortised cost RM	Financial assets at FVTPL RM	Financial liabilities at amortised cost RM
2024				
<u>Financial liabilities</u>				
Other payables	48,840,157	-	-	48,840,157
Term loan from a shareholder	1,555,550	-	-	1,555,550
Borrowings (secured)	113,581,765	-	-	113,581,765
	<u>163,977,472</u>	<u>-</u>	<u>-</u>	<u>163,977,472</u>

The Company's financial instruments are categorised as follows:-

Company	Carrying Amount RM	Financial assets at amortised cost RM	Financial assets at FVTPL RM	Financial liabilities at amortised cost RM
2025				
<u>Financial assets</u>				
Cash and bank balances	258,239	258,239	-	-
Fixed deposits with licensed bank	-	-	-	-
Other receivables	3,754	3,754	-	-
Short term placements	1,002,721	1,002,721	-	-
Other investments	4,213,650	-	4,213,650	-
Amount due from subsidiary company	37,068,873	37,068,873	-	-
	<u>42,547,237</u>	<u>38,333,587</u>	<u>4,213,650</u>	<u>-</u>
<u>Financial liabilities</u>				
Other payables	504,996	-	-	504,996
Term loan from a shareholder	-	-	-	-
	<u>504,996</u>	<u>-</u>	<u>-</u>	<u>504,996</u>

29. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments (Continued)

The Company's financial instruments are categorised as follows:- (Continued)

Company	Carrying Amount RM	Financial assets at amortised cost RM	Financial assets at FVTPL RM	Financial liabilities at amortised cost RM
2024				
<u>Financial assets</u>				
Cash and bank balances	536,063	536,063	-	-
Fixed deposits with licensed bank	680,183	680,183	-	-
Other receivables	17,967	17,967	-	-
Short term placements	2,563,820	2,563,820	-	-
Other investments	4,664,000	-	4,664,000	-
Amount due from subsidiary company	34,851,033	34,851,033	-	-
	<u>43,313,066</u>	<u>38,649,066</u>	<u>4,664,000</u>	<u>-</u>
<u>Financial liabilities</u>				
Other payables	1,286,601	-	-	1,286,601
Term loan from a shareholder	1,555,550	-	-	1,555,550
	<u>2,842,151</u>	<u>-</u>	<u>-</u>	<u>2,842,151</u>

Fair value of financial instruments

- (i) The fair value of investments in quoted shares are determined directly by reference to the published market price on Bursa Malaysia at the reporting date. The valuation technique used in determining the fair value is based on inputs under Level 1 of the fair value hierarchy.
- (ii) The carrying amounts of deposits with licensed banks, cash and bank balances, receivables and payables approximate their fair values due to the relatively short term nature of these financial instruments.
- (iii) The carrying amounts of financing of customers are not reasonable approximations of fair values.
- (iv) It is not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market price.

30. CAPITAL MANAGEMENT

The Group defines capital as total shareholders' equity attributable to owners of the Group. The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve an optimal cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows. The Board of Directors of the Group monitor the return on capital, which the Group defines as profit attributable to owners of the Group divided by the total shareholders' equity.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Net profit for the year	6,244,087	5,916,845	3,659,092	4,708,092
Total shareholders' equity	118,225,767	114,084,131	91,929,331	90,372,690
Return on capital	<u>5.28%</u>	<u>5.19%</u>	<u>3.98%</u>	<u>5.21%</u>

The Board regularly reviews the Group's capital structure and makes adjustments to reflect economic conditions, business strategies and future commitments.

There have been no changes to the Group's approach to capital management during the financial year.

The Group is not subject to any other externally imposed capital requirements.

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

We, **Mujibburrahman bin Abd. Rashid** and **Lawrence Pereira**, being two of the directors of **BSNC Corporation Berhad** state that in the opinion of the directors, the accompanying financial statements together with the notes attached thereto are properly 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 year ended on that date.

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

MUJIBBURRAHMAN BIN ABD. RASHID
Director

LAWRENCE PEREIRA
Director

Kuala Lumpur,
Date: **12 FEB 2026**

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

I, **Saifullizan bin Mohd Said**, the officer primarily responsible for the financial management of **BSNC Corporation Berhad**, do solemnly and sincerely declare that the accompanying financial statements together with the notes attached thereto, are to the best of my knowledge and belief, correct.

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 above named **Saifullizan bin Mohd**)
Said at Kuala Lumpur in Wilayah)
Persekutuan on **12 FEB 2026**)



SAIFULLIZAN BIN MOHD SAID

Before me,

No. 59, Jalan Telawi
Bangsar Baru
60100 Kuala Lumpur

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BSNC CORPORATION BERHAD**

(Company No.: 197501002076 (23877-T))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **BSNC Corporation Berhad**, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 5 to 56.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the 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 the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Chairman's statement, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSNC CORPORATION BERHAD

(Company No.: 197501002076 (23877-T))

(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon (Continued)

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and 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 or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 skepticism throughout the audit. We also :-

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BSNC CORPORATION BERHAD**

(Company No.: 197501002076 (23877-T))

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We also:- (continued)

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

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

Other Matters

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



AZIMAN, WONG, SALLEH & CO PLT
202606000001 (LLP0045208-LCA) & AF 0012
Chartered Accountants



NG ENG KIAT
No. : 01064/03/2027 J
Chartered Accountant

Kuala Lumpur
Date : 12 February 2026

ADMINISTRATIVE DETAILS

49th Annual General Meeting of BSNC Corporation Berhad

Date : Wednesday, 6th May 2026

Time : 12:00 noon

Venue : Concorde Ballroom, Lobby Level, Concorde Hotel Kuala Lumpur, 2, Jalan Sultan Ismail, 50250 Kuala Lumpur.

1. Venue :

- Foyer of Ballroom : Registration
- Foyer of Ballroom : Parking Ticket Counter and Door Gift Collection
- Ballroom, Lobby Level : AGM

2. Parking

- (a) Visitor parking is available at the multi-storey car park of Concorde Hotel Kuala Lumpur. Kindly ensure that you bring your Touch 'n Go (TnG), Visa, MasterCard, or MyDebit card for validation at the Basement Level or at any F&B outlet counter prior to exiting the premises. A flat parking rate of RM12 is applicable. This amount may be claimed from BSNC Corporation Berhad no later than 2:00 PM on 6th May 2026.

Any additional cost incurred after 2.00 pm will not be borne by BSNC Corporation Berhad.

- (b) Please be advised that reimbursement by BSNC Corporation Berhad for parking at alternative locations or for valet/jockey services shall be limited to the actual charges incurred, capped at a maximum of RM12.

3. Registration

- a) Registration will start at 10.00 am at Foyer of Ballroom, Lobby Level.
- b) Please present your **original** Identity Card (IC) to the registration staff for verification. No person will be allowed to register on behalf of another person even with the original IC of the other person.
- c) You will be given a Door Gift Voucher.
- d) After registration, proceed to collect your Door Gift Voucher.

4. Door Gift Voucher

The Door Gift Voucher will be distributed to shareholders/proxy(ies) upon registration, as follows:-

- a) ONE (1) Door Gift Voucher per shareholder/proxy present in person.
- b) For a shareholder who appoints more than One (1) proxy, the Door Gift Voucher will only be given to the first proxy stated in the proxy form.
- c) For a proxy representing more than one shareholder, you are entitled to a maximum of TWO (2) Door Gift Vouchers.
- d) If you are a shareholder and also appointed as proxy by another shareholder(s), you are entitled to a maximum of TWO (2) Door Gift Vouchers only.

The Door Gift Voucher is redeemable at the designated counters.

5. Refreshment

Each member or proxy who is present at the AGM will be entitled to One (1) breakfast upon registration and One (1) Lunch after the meeting.

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Proxy Form

*I/We, (Full Name/Company Name) _____

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

of (Full Address) _____

being a *member/members of **BSNC CORPORATION BERHAD**, hereby appoint

(Full Name) _____

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

of (Full Address) _____

or failing *him/her, (Full Name) _____

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

of (Full Address) _____

or failing *him/her, the Chairman of the meeting as *my/our proxy to vote and act on *my/our behalf at the Forty-Ninth Annual General Meeting (49th AGM) of the Company to be held at Concorde Ballroom, Lobby Level, Concorde Hotel Kuala Lumpur, 2, Jalan Sultan Ismail, 50250 Kuala Lumpur, on Wednesday, 6th May 2026 at 12.00 p.m. and at any adjournment thereof.

Please indicate with an “X” where appropriate against each resolution how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of a Single-Tier Final Dividend of 5% amounting to RM2,102,451.00 for the financial year ended 31 st December 2025 to the Shareholders, who are registered in the Register of Members of the Company as at 31 st December 2025.		
2.	To approve the payment of Directors’ Fees of RM280,200.00 for the financial year ended 31st December 2025.		
3.	To re-elect Mr. Wong Luen Onn as Director of the Company pursuant to Clause 18 of the Company’s Constitution.		
4.	To re-elect Mr. Lawrence Pereira as Director of the Company pursuant to Clause 18 of the Company’s Constitution.		
5.	To re-appoint Messrs. Azman, Wong, Salleh & Co PLT [202606000001 (LLP0045208-LCA & AF 0012)] as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
6.	Authority to Allot and Issue Shares in General pursuant to Sections 75 and 76 of the Companies Act, 2016.		

* *Strike out whichever not applicable.*

No. of shares held

Signature of Shareholder(s)
or affix Common Seal for Corporate Shareholder

Date: _____

NOTES:

- A member entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.*
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if such appointer is a corporation, under its common seal or the hand of his attorney.*
- The instrument appointing a proxy and/or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of authority, **shall be deposited at the Registered Office** of the Company at Lot L8-22 (Eighth Floor), Brem Mall, Jalan Kepong, 52000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, not less than 48 hours before the time fixed for the meeting or any adjournment thereof.*

Fold here

affix
stamp
here

The Company Secretary
BSNC CORPORATION BERHAD
LOT L8-22 (EIGHTH FLOOR), BREM MALL,
JALAN KEPONG, 52000 KUALA LUMPUR
WILAYAH PERSEKUTUAN KUALA LUMPUR

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BSNC  **Corporation Berhad**

197501002076 / 23877-T
(Incorporated in Malaysia)

B-20-7, Megan Avenue II, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.
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