

ANNUAL REPORT 2024

KUCINGKO



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Corporate Information

BOARD OF DIRECTORS

Lim Chor Ghee
Independent Non-Executive Chairman

See Chin Joo
Executive Director

Ooi Kok Hong
Executive Director

Quah Bee Fong
Independent Non-Executive Director

Elaine Law Soh Ying
Independent Non-Executive Director

Puar Chin Jong
Independent Non-Executive Director

Ku Chia Loon
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

LONG TERM INCENTIVE PLAN COMMITTEE

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

COMPANY SECRETARIES

Lim Li Heong (MAICSA7054716)
SSM PC No. 202008001981

Wong Mee Kiat (MAICSA7058813)
SSM PC No. 202008001958

AUDITORS

TGS TW PLT
202106000004
(LLP0026851-LCA) & AF002345
Unit E-16-2B, Level 16
ICON Tower (East)
No. 1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Tel : (603) 9771 4326
Fax : (603) 9771 4327

REGISTERED OFFICE

Level 5, Tower 8
Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur, Malaysia
Tel : (603) 2280 6388
Fax : (603) 2280 6399
Email : listcomalaysia@acclime.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia
Tel : (603) 7890 4700
Fax : (603) 7890 4680
Email :
BSR.Helpdesk@boardroomlimited.com
Website :
www.boardroomlimited.com

CORPORATE OFFICE

H-G-03A, Glomac Square
Jalan SS6/16A, Kelana Jaya
47301 Petaling Jaya, Selangor,
Malaysia
Tel : (603) 7880 9943
Website : www.kucingko.com

PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad
CIMB Bank Berhad
Standard Chartered Bank Malaysia Berhad
OCBC Al-Amin Bank Berhad

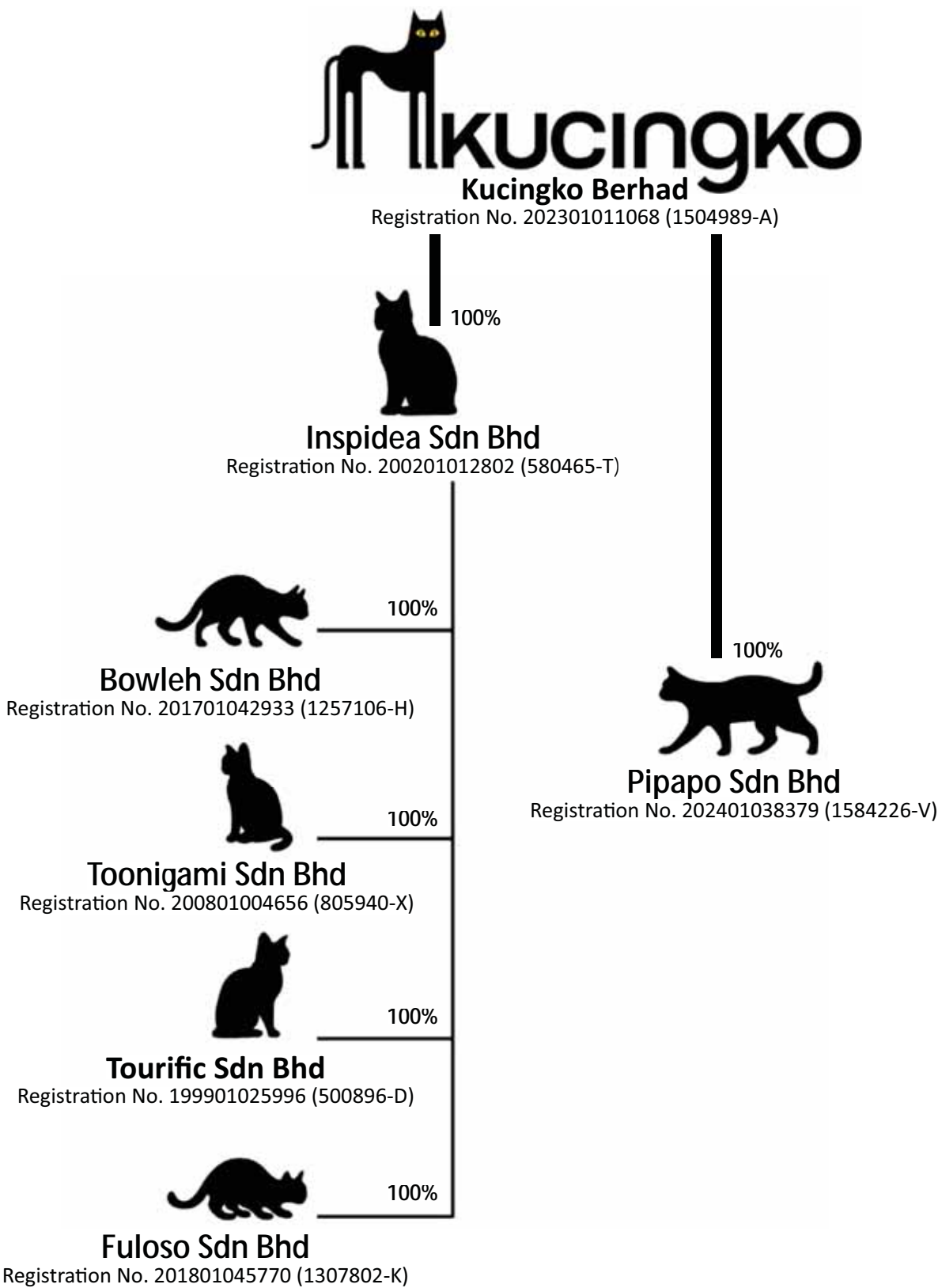
STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Sector: Telecommunications and Media
Stock Name: KUCINGKO
Stock Code: 0315
Listing Date: 26 July 2024

PRINCIPAL ADVISER AND SPONSOR

Kenanga Investment Bank Berhad
Registration No. 197301002193 (15678-H)
Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Tel : (603) 7890 4700
Fax : (603) 7890 4680
Email : kenanga@kenanga.com.my
Website : <https://www.kenanga.com.my>

Corporate Structure



About Kucingko Berhad

From Pixel To Profit

Kucingko Berhad (“Kucingko” or “Company”), together with its subsidiaries (“Group”), is a leading Malaysian provider of high-quality 2D animation outsourcing services. With a distinguished track record spanning over 23 years, the Group has established itself as a trusted creative partner to global broadcasters and premier streaming platforms, producing more than 5,000 minutes of animated television content to date.

Headquartered in Petaling Jaya, Kucingko comprises six subsidiaries, namely, Inspidea Sdn Bhd (“Inspidea”), Pipapo Sdn Bhd, Bowleh Sdn Bhd, Toonigami Sdn Bhd, Tourific Sdn Bhd and Fulooso Sdn Bhd.

Among these, Inspidea Sdn Bhd stands out as the anchor of the Group. Founded by See Chin Joo (a trained financial analyst) and Ooi Kok Hong (a trained town planner), Inspidea has grown from a humble four-person outfit into one of Malaysia’s largest 2D animation studios, employing over 200 creative professionals. The studio has earned both regional and international acclaim for producing a slate of award-winning series such as Lamput for Cartoon Network and Storytime with Bo for Netflix.

Kucingko’s business model is predominantly export-oriented, with nearly 100% of its production services revenue derived from international clients. The Group has consistently maintained profitable operations for over a decade, underscoring its resilience and operational excellence. Following its successful Initial Public Offering (“IPO”), Kucingko now boasts one of the strongest balance sheets among its peers in the animation sector.

While the Group’s core strength has historically been in 2D animation, Kucingko is now strategically broadening its creative and technical portfolio. The Group is actively pursuing growth opportunities in adjacent segments including 3D animation production, Games animation and Games art production.

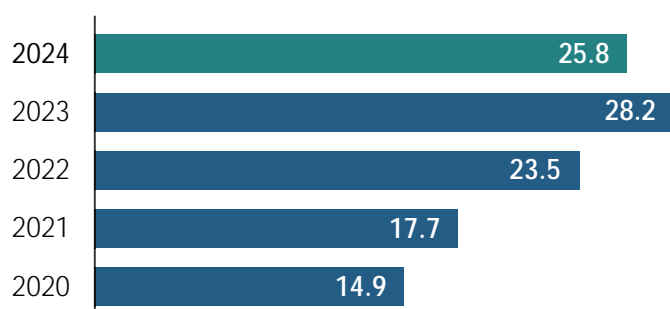
This strategic expansion forms the foundation of Kucingko’s “Pixel to Profit” journey — a post-IPO mission to transform existing and emerging creative capabilities into high-value, revenue-generating ventures.

With this unique combination of creative capability, international market focus, and financial strength, Kucingko Berhad is poised to shape the next chapter of Southeast Asia’s animation industry.

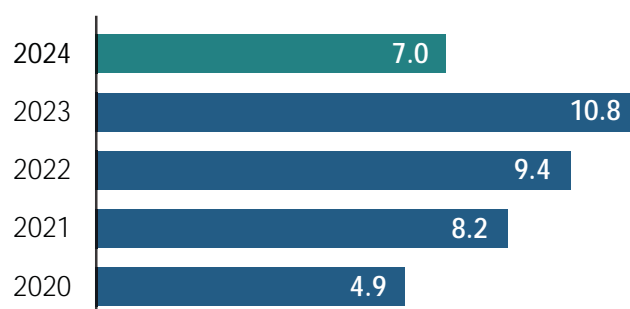
5-Year Financial Highlights

	2024	2023	2022	2021	2020
	RM'million	RM'million	RM'million	RM'million	RM'million
FINANCIAL RESULTS					
Revenue	25.8	28.2	23.5	17.7	14.9
Profit Before Tax	7.0	10.8	9.4	8.2	4.9
Profit After Tax	5.0	8.4	8.0	6.5	3.7
FINANCIAL POSITION					
Total Assets	49.4	25.4	23.2	19.1	20.9
Total Liabilities	6.6	7.4	7.5	4.6	5.8
Shareholders' Equity	42.8	17.9	15.8	14.5	15.1
Cash and Cash Equivalents	9.7	12.1	13.4	9.4	13.3

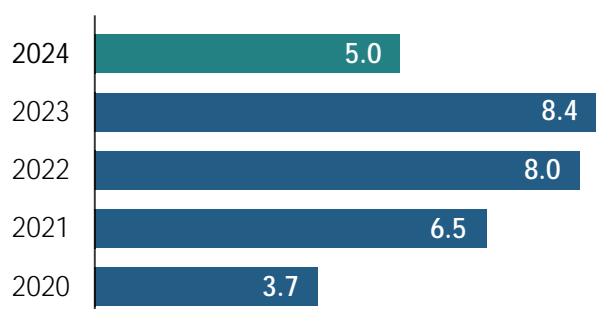
REVENUE (RM'million)



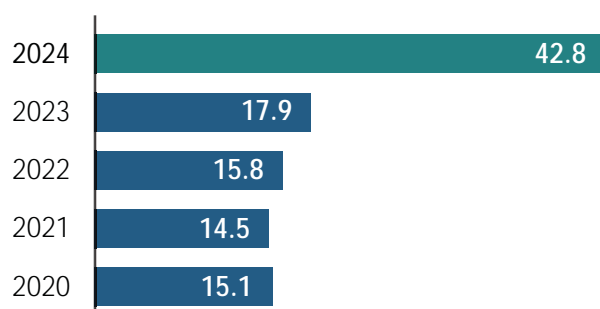
PROFIT BEFORE TAX (RM'million)



PROFIT AFTER TAX (RM'million)



SHAREHOLDER'S EQUITY (RM'million)



2024 Highlights



28 June 2024 PROSPECTUS LAUNCH

Our prospectus was officially launched in GSC Arium in TRX Exchange, Kuala Lumpur.

2024 Highlights

3 Prestigious Awards and Counting

In 2024, Kucingko was a proud recipient of 3 local and international awards, covering leadership of our organisation and the international recognition of the animated television series we have created and produced.



CEO CHAMPION

Public Listed Companies: 2nd Runner Up

Our Executive Director, See Chin Joo, was named the 2nd Runner Up in the CEO Champion for the Public Listed Companies category, acknowledging leadership with unwavering commitment to advancing the Diversity, Equity and Inclusion agenda.



WINNER

Best Web/App Series Branded (6-12 years)

Storybots: Super Silly Stories With Bo, an animated television series produced by Kucingko for Netflix Inc, was awarded for its innovative approach in children's entertainment, by blending animation with live action elements.



WINNER

2024 People's Choice Award

At the Asia TV Forum x TTB Animation Labs & Pitch in Singapore, a showcase for animation pitches and projects from Asia and Europe, Mah Jong Pai (魔将牌)—created by Kucingko—captivated audiences and emerged as the crowd favorite. The project proudly clinched the 2024 People's Choice Award, a prestigious recognition that not only celebrates its creative excellence but also underscores the global appeal and potential of Malaysian animation on the international stage.

2024 Highlights



2024 Highlights



26 July 2024 INITIAL PUBLIC OFFERING ("IPO") LISTING DAY

Kucingko Berhad debuted at Bursa Malaysia, with an impressive 168% above its IPO price.

LEADERSHIP AND PEOPLE

14 Directors' Profile

21 Key Senior Management's Profile



Directors' Profile

Academic and Professional Qualification(s)

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

Present Appointment(s)

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

Past Relevant Experience(s)

- Over 25 years of experience in providing business consultancy services
- Adjunct Professor in Finance and Accounting at the Management and Science University, Malaysia
- Co-founder of Tricor Services Vietnam Co., Ltd
- Co-founder of Tricor Axcelasia Vietnam Co., Ltd (fka Tricor Vietnam Co., Ltd)
- Co-founder of IMM Group Pte Ltd
- Executive Director of BDO Consulting Vietnam
- Vice President, Legal and Corporate Affairs of Star Cruises Administrative Services Sdn Bhd
- Senior Consultant of Price Waterhouse Tax Services Sdn Bhd
- Consultant of Coopers & Lybrand Taxation Services Sdn Bhd

Other Present Directorship(s)

- Listed Company: Nil
- Public Company: Nil

Membership of Board Committees

- Member of Long-Term Incentive Plan Committee

Declaration

Mr. Lim Chor Ghee has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including any interest in a competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), nor has he been subject to any public sanction or penalty imposed by any regulatory body during the financial year ended 31 December 2024.



LIM CHOR GHEE

Independent Non-Executive Chairman

Age : 56

Gender : Male

Nationality : Malaysian

Appointment Date : 15 September 2023

Board Meeting Attendance in 2024 : 5/5

Directors' Profile



SEE CHIN JOO

Executive Director

Age : 54

Gender : Male

Nationality : Malaysian

Appointment Date : 23 March 2023

Board Meeting Attendance in 2024 : 5/5

Academic and Professional Qualification(s)

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

Present Appointment(s)

- Executive Director of Kucingko Berhad

Past Relevant Experience(s)

- Over 22 years of experience in the animation production industry
- Co-founder (as Sales and Marketing Director) of Inspidea Sdn Bhd
- Co-founder (as Sales and Marketing Director) of Tourific Sdn Bhd
- Research Analyst of HLG Securities Sdn Bhd
- Investment Analyst of J.M. Sassoon Research (M) Sdn Bhd
- Financial Analyst of SBB Securities Sdn Bhd
- Compliance and Surveillance Officer of KLOFFE Capital Sdn Bhd
- Audit Assistant of Coopers & Lybrand

Other Present Directorship(s)

- Listed Company: Nil
- Public Company: Nil

Membership of Board Committees

- Chairman of Long-Term Incentive Plan Committee

Declaration

Mr. See Chin Joo has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including any interest in a competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), nor has he been subject to any public sanction or penalty imposed by any regulatory body during the financial year ended 31 December 2024.

Directors' Profile

Academic and Professional Qualification(s)

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

Present Appointment(s)

- Executive Director of Kucingko Berhad

Past Relevant Experience(s)

- Over 22 years of experience in the animation production industry
- Co-founder (as Managing Director) of Inspidea Sdn Bhd
- Co-founder (as Technology Director) of Tourific Sdn Bhd
- Geo-Engineering Specialist of Bentley Systems (Malaysia) Sdn Bhd
- Urban Planner of Perunding Alam Bina Sdn Bhd

Other Present Directorship(s)

- Listed Company: Nil
- Public Company: Nil

Membership of Board Committees

- Nil

Declaration

Mr. Ooi Kok Hong has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including any interest in a competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), nor has he been subject to any public sanction or penalty imposed by any regulatory body during the financial year ended 31 December 2024.



OOI KOK HONG

Executive Director

Age : 54

Gender : Male

Nationality : Malaysian

Appointment Date : 23 March 2023

Board Meeting Attendance in 2024 : 5/5

Directors' Profile



QUAH BEE FONG

Independent Non-Executive Director

Age : 55

Gender : Female

Nationality : Malaysian

Appointment Date : 15 September 2023

Board Meeting Attendance in 2024 : 5/5

Academic and Professional Qualification(s)

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

Present Appointment(s)

- Director of Academy for Silent Member

Past Relevant Experience(s)

- Over 20 years of experience in investment management
- Non-Independent and Non-Executive Director of Astro Malaysia Holdings Berhad
- Director in Investments Division of Khazanah Nasional Berhad
- Equity Analyst of RHB Research Institute Sdn Bhd
- Research Analyst of OCBC Research (M) Sdn Bhd
- Head of Research of UT Securities (M) Sdn Bhd
- Research Analyst of Yamaichi Advisory Services (M) Sdn Bhd
- Research Analyst of Capital Dynamics Investment Advisory Services Sdn Bhd

Other Present Directorship(s)

- Listed Company: Nil
- Public Company: Nil

Membership of Board Committees

- Chairman of Remuneration Committee
- Member of Audit and Risk Management Committee
- Member of Nomination Committee
- Member of Long-Term Incentive Plan Committee

Declaration

Ms. Quah Bee Fong has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest or potential conflict of interest, including any interest in a competing business with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), nor has she been subject to any public sanction or penalty imposed by any regulatory body during the financial year ended 31 December 2024.

Directors' Profile

Academic and Professional Qualification(s)

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

Present Appointment(s)

- Partner in Messrs Law Kuan Yew & Co

Past Relevant Experience(s)

- Over 20 years of experience in corporate and commercial law practice
- Formerly a Partner in Azman Davidson & Co, Advocates & Solicitors
- Formerly a Legal Associate in Messrs Foong & Partners and Zain & Co.

Other Present Directorship(s)

- Listed Company : Independent Non-Executive Director of KJTS Group Berhad
- Public Company : Independent Non-Executive Director of V Aesthetics Holdings Limited

Membership of Board Committees

- Chairman of Nomination Committee
- Member of Audit and Risk Management Committee
- Member of Remuneration Committee

Declaration

Ms. Elaine Law Soh Ying has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest or potential conflict of interest, including any interest in a competing business with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), nor has she been subject to any public sanction or penalty imposed by any regulatory body during the financial year ended 31 December 2024.



ELAINE LAW SOH YING

Independent Non-Executive Director

Age : 47

Gender : Female

Nationality : Malaysian

Appointment Date : 15 September 2023

Board Meeting Attendance in 2024 : 5/5

Directors' Profile



Academic and Professional Qualification(s)

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

Present Appointment(s)

- Partner of ECore Synergy PLT

Past Relevant Experience(s)

- Over 30 years of experience in corporate finance, and mergers and acquisitions
- Divisional General Manager, Group Corporate Finance of S P Setia Berhad
- Head of Corporate Affairs, Group Corporate Finance of S P Setia Berhad
- Senior Vice President, Corporate Finance of RHB Investment Bank Berhad
- Senior Vice President, Head of Capital Markets in Equity Execution of Alliance Investment Bank Berhad
- Vice President, Corporate Finance of Alliance Investment Bank Berhad
- Senior Manager, Corporate Finance of Alliance Investment Bank Berhad
- Senior Manager, Corporate Finance of Petaling Tin Berhad
- Manager, Corporate Finance, Mergers & Acquisitions of FACB Capital Sdn Bhd
- Executive, Corporate Finance, Mergers & Acquisitions of FACB Capital Sdn Bhd
- Executive, Corporate Strategy & Research of FACB Capital Sdn Bhd

Other Present Directorship(s)

Listed Company :

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

Public Company : Nil

Membership of Board Committees

- Chairman of Audit and Risk Management Committee
- Member of Remuneration Committee
- Member of Nomination Committee

Declaration

Mr. Puar Chin Jong has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including any interest in a competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), nor has he been subject to any public sanction or penalty imposed by any regulatory body during the financial year ended 31 December 2024.

PUAR CHIN JONG

Independent Non-Executive Director

Age : 55

Gender : Male

Nationality : Malaysian

Appointment Date : 15 September 2023

Board Meeting Attendance in 2024 : 5/5

Directors' Profile



KU CHIA LOON

Non-Independent Non-Executive Director

Age : 49

Gender : Male

Nationality : Malaysian

Appointment Date : 15 September 2023

Board Meeting Attendance in 2024 : 5/5

Academic and Professional Qualification(s)

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

Present Appointment(s)

- Director of Impreszions Solutions Sdn Bhd

Past Relevant Experience(s)

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

Other Present Directorship(s)

Listed Company : Nil

Public Company : Nil

Membership of Board Committees

Nil

Declaration

Mr. Ku Chia Loon is the son of Mr. Koo Hong @ Ku Hong Hai, a major shareholder of the Company. He has no personal interest in any business arrangement involving the Company. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), nor has he been subject to any public sanction or penalty imposed by any regulatory body during the financial year ended 31 December 2024.

Key Senior Management Profile

SEE CHIN JOO

Executive Director
Finance, Sales, and Marketing and Human Resource

- His profile is disclosed in the Directors' Profile on page 15 of this Annual Report.

LEONG MEI CIAN

Head of Planning

Age : 36
Gender : Female
Nationality : Malaysian
Appointment Date : 1 January 2020

Academic and Professional Qualification(s)

- Bachelor of Communication (Hons.) Broadcasting, Universiti Tunku Abdul Rahman, Malaysia

Past Relevant Experience(s)

- Over 11 years in 2D animation production
- Planning Supervisor of Inspidea Sdn Bhd
- Assistant Manager of Inspidea Sdn Bhd
- Production Co-ordinator of Inspidea Sdn Bhd

Directorships in Listed Company and Public Company

- Nil

Declaration

- Ms. Leong Mei Cian has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest or potential conflict of interest, including any interest in a competing business with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), nor has she been subject to any public sanction or penalty imposed by any regulatory body during the financial year ended 31 December 2024.

OOI KOK HONG

Executive Director
Animation Production and Technology

- His profile is disclosed in the Directors' Profile on page 16 of this Annual Report.

MOHD FAIZAL BIN MOHD WAZIR

Head of Animation

Age : 41
Gender : Male
Nationality : Malaysian
Appointment Date : 3 January 2022

Academic and Professional Qualification(s)

- Bachelor of Multimedia Communication, Open University Malaysia

Past Relevant Experience(s)

- Over 11 years in 2D animation production
- Animation Checker and Supervisor of Inspidea Sdn Bhd
- Team Lead Animator of Inspidea Sdn Bhd
- Assistant Clean Up Checker of Inspidea Sdn Bhd
- Junior Animator of Inspidea Sdn Bhd

Directorships in Listed Company and Public Company

- Nil

Declaration

- En. Mohd Faizal Bin Mohd Wazir has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including any interest in a competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years (other than traffic offences, if any), nor has he been subject to any public sanction or penalty imposed by any regulatory body during the financial year ended 31 December 2024.



PERFORMANCE REVIEW

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CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, I am delighted to present to you the Annual Report and Audited Financial Statements of Kucingko Berhad ("Kucingko" or "Company") and its subsidiaries ("Group") for the financial year ended 31 December 2024 ("FYE 2024").

A New Chapter

FYE 2024 marked a pivotal year in Kucingko's corporate journey with the successful listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 26 July 2024. This achievement highlights a significant milestone in raising gross proceeds of RM30.0 million ("IPO proceeds") to support strategic business expansion in animation production and enhance operational efficiencies.

This listing also reinforced our position in the global animation production services segment and further support our continued growth ambitions into the North American markets.

2D and Beyond

Currently, Kucingko operates in the 2D animation production segment, a key component of the broader content production industry, which also includes 3D animation, Games animation and Games art. We are honoured and proud to have received coveted international awards, including the People's Choice Award at the Asia TV Forum X TTB Animation Lab & Pitch 2024 and the Best Mixed-Media Series on Netflix at the Kidscreen 2024 Awards.

With the global animation market projected to grow at a compound annual growth rate ("CAGR") of 5.28% from 2025 to 2033, Kucingko is well positioned to ride this wave. Having established a profitable and award-winning 2D animation business, we are now focused on expanding into adjacent segments.

Supportive Government Policies

On the local front, the Malaysian government — through the Film In Malaysia Incentive ("FIMI") has laid out an ambitious vision to position the country as a global hub for content creation, spanning both live-action and animation. Since its launch in 2013, FIMI has successfully attracted over RM2.4 billion in production value, reinforcing Malaysia's reputation as a competitive destination for animation production. Kucingko has strategically leveraged these incentives to enhance its production edge by scaling its operations, expanding employment opportunities, increasing cost efficiencies and nurturing creative talent.

Kucingko's Performance

FYE 2024 marked the first year for Kucingko as a public-listed entity, reporting a revenue of RM25.8 million, a 8.5% Year-on-Year reduction from RM28.2 million in the previous financial year ("FYE 2023").

The softening animation production demand in the fourth quarter of FYE 2024 has impacted the full year financial year performance, which would otherwise remain on a growth trajectory.

Kucingko posted a commendable Profit After Tax of RM5.0 million, after taking into account all the listing expenses and higher income taxes due to the non-deductibility of listing expenses for tax purpose in FYE 2024. With this achievement, Kucingko has also proposed and paid a dividend of 0.85 sen per share on 22 November 2024 and 23 December 2024 respectively, a payout which is very much in line with our dividend policy.

The recent listing has strengthened Kucingko's financial position, allowing the Company to strategically drive its next phase of growth. This capital raised not only reinforces our ability to weather the short-term market headwinds, but also unlocks new opportunities to scale our core competencies in animation production. Our strategic priority for the financial year ending 31 December 2025 is to expand our content verticals to include 3D animation production, Games animation and Games art production.

While we remain cautiously optimistic about the short-term prospects due to the weakness in the broader global content production industry, our long-term outlook remains positive. Kucingko is determined to capitalise on Malaysia's large talent pool and cost efficiencies to expand our production outsourcing footprint.

Appreciation and Acknowledgements

On behalf of the Board, I extend my heartfelt appreciation to our shareholders, clients, partners, and employees for their continued support and trust. I would also like to thank my fellow Directors and the management team for their unwavering dedication, especially during this milestone year.

Together, we embark on this exciting new chapter with confidence, purpose, and a deep commitment to delivering value through creativity and innovation.

Thank you for entrusting your faith and belief in Kucingko.

“

FYE 2024 marked a significant milestone for Kucingko — with our listing on the ACE Market of Bursa Securities, global traction, and our strong financial performance reflecting growth and resilience. As we expand beyond 2D animation, we remain committed to delivering value through creativity, innovation, and purpose.

”



LIM CHOR GHEE

Independent Non-Executive Chairman

Management Discussion and Analysis

The financial year ended 31 December 2024 ("FYE 2024") marked a pivotal year for Kucingko Berhad ("Kucingko" or "Company") and its subsidiaries ("Group"), which was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), raising gross proceeds of RM30.0 million ("IPO proceeds") in support of our growth and capacity expansion plan.

FINANCIAL PERFORMANCE

	2024 RM'million	2023 RM'million	Changes	
			RM'million	%
Revenue	25.8	28.2	(2.4)	(8.5)
Operating expenses	19.5	18.0	1.5	8.3
Profit before tax ("PBT")	7.0	10.8	(3.8)	(35.2)
Profit after tax ("PAT")	5.0	8.4	(3.4)	(40.5)

REVENUE

Kucingko, through its wholly-owned subsidiary Inspidea Sdn Bhd, primarily offers animation production services designed for global distribution via traditional television broadcasting and online streaming platforms.

For FYE 2024, the Group recorded revenue of RM25.8 million, a decrease from RM28.2 million reported in the previous financial year ("FYE 2023"). This decline in revenue of RM2.4 million or 8.5%, was primarily due to the softer demand for animation production services in the fourth quarter of FYE 2024.

OPERATING EXPENSES

The Group's total operating expenses rose from RM18.0 million in FYE 2023 to RM19.5 million in FYE 2024, representing an increase of RM1.5 million or approximately 8.3%. This increase was primarily driven by two key factors: higher staff costs which grew from RM11.0 million in the FYE 2023 to RM11.3 million in the 2024, and a foreign exchange loss of RM0.5 million recorded in the FYE 2024, compared to a foreign exchange gain of RM0.2 million in FYE 2023. Included in the operating expenses is a one-off listing expense amounting to RM1.3 million incurred for the Initial Public Offering ("IPO") listing in FYE 2024.

PROFIT BEFORE TAX

The PBT decreased from RM10.8 million in FYE 2023 to RM7.0 million in FYE 2024, representing a decline of RM3.8 million or 35.2%. This reduction was primarily due to lower revenue and increased operating expenses.

PROFIT AFTER TAX

The PAT declined from RM8.4 million in FYE 2023 to RM5.0 million in FYE 2024, reflecting a reduction of RM3.4 million or 40.5%. Despite reporting lower PBT, the Group recorded an income tax expense of RM1.9 million, resulting in an effective tax rate of 27%, which is 3% higher than the statutory tax rate. This higher effective tax rate was mainly due to the non-deductibility of the IPO listing expenses amounting to RM1.3 million in FYE 2024.

We achieved
RM5.0 million
in PAT

Management Discussion and Analysis

BALANCE SHEET AND LIQUIDITY

As of 31 December 2024, the Group's total assets substantially grew to RM49.4 million, up from RM25.4 million at the close of FYE 2023. This increase of RM24.0 million, representing a 94.5% rise, was primarily due to the IPO proceeds raised from the successful listing on Bursa Securities. Consequently, the Group's cash holdings improved significantly to RM31.5 million, of which RM25.3 million has been placed into fixed deposits with licensed banks.

Total assets
RM49.4 million

Cash holdings
RM31.5 million

CASH FLOWS

	2024 RM'million	2023 RM'million	Changes RM'million	%
Net cash from operating activities	7.6	9.0	1.4	(15.6)
Net cash used in investing activities	(9.8)	(2.5)	(7.3)	292.0
Net cash used in financing activities	(0.2)	(7.1)	6.9	(97.2)

Net cash from operating activities amounted to RM7.6 million in FYE 2024, representing a decline of RM1.4 million or approximately 15.6% compared to FYE 2023. This decrease reflects lower profitability in FYE 2024.

Net cash used in investing activities rose substantially from RM2.5 million in FYE 2023 to RM9.8 million in FYE 2024. This notable increase of RM7.3 million or approximately 292.0% was mainly due to the placement of RM10.1 million into short-term investments.

Net cash used in financing activities significantly decreased from RM7.1 million in FYE 2023 to RM0.2 million in FYE 2024. This decrease of RM6.9 million or approximately 97.2% resulted primarily from the inflows from the IPO proceeds. These inflows were partially offset by an outflow of RM19.1 million for placements into fixed deposits (FYE 2023: RM Nil) and increased dividend payments totalling RM9.3 million in FYE 2024 (FYE 2023: RM6.2 million).

Management Discussion and Analysis

ANTICIPATED AND KNOWN RISKS

1. External Risks

The Group faces several external risks, including shifting demand for animation content influenced by market trends, changes in competition landscape and regulatory changes. The primary risk is the changing demand for animation, largely due to post-pandemic adjustments as the world normalises, and the scaling back of production volume following major restructuring within the film and television industry during year 2023-2024.

While the Group has limited control over customers' business strategies, the Executive Directors are working towards mitigating this risk by diversifying the Group's service offerings such as diversification into 3D animation production, Games art and animation production, while at the same time expanding geographically into other market regions such as China, South Korea and Japan.

2. People Risks

The Group remains committed to attracting, developing and retaining talent as part of its succession planning.

Key human resource related risks include skill gaps due to the need for specialised animation expertise, increased workload pressure impacting staff well-being and team collaboration issues due to gaps in communication among team members, all of which can impact employee productivity and content quality. The lack or loss of key talents or creative professionals during production phases could also pose a risk to the Group.

To address these risks, the Head of Planning and Head of Human Resource collectively play a part in designing ongoing learning and development programs aimed at bridging skill gaps and promoting professional career development. Additionally, both departmental heads are responsible in developing a sustainable human resource plan for sourcing new talent and maintaining a flexible pool of freelance professionals to minimise the impact of any unexpected personnel turnover.

The Head of Human Resource is also responsible for monitoring employee workloads and fostering open communication to resolve conflicts, while the Head of Planning oversees these initiatives to maintain a conducive working environment that prioritises employee well-being.

3. Creative Risks

Animation production very often is exposed to creative risk, which includes scope creep (shifting of client's initial requirements beyond what was originally agreed upon) and misalignment of client expectations and/or directions, all of which could impact project quality and delivery. These risks could potentially be the grounds for clients to reject deliverables, leading to repeated revisions, delays and budget overruns.

To manage and mitigate this type of risk, the Head of Animation and/or Head of Art works collaboratively with clients to align the creative direction throughout the project cycles. The Head of Planning also contributes by setting clear and permissible creative boundaries during the production stage, to minimise any scope changes. If scope changes are unavoidable, the changes are carefully evaluated, and the impact of the changes are communicated to clients prior to execution. The Head of Planning will also ensure that clients' consent is obtained for changes outside of the original scope before they are executed.

Management Discussion and Analysis

4. Schedule Risks

Closely linked to creative and people risks, the Group is also exposed to schedule-related risks that could potentially impact the timely delivery of production milestones. One significant risk arises from missed deadlines due to underestimation of time requirements or unforeseen technical challenges. Another notable risk is the establishment of unrealistic timelines, often resulting from inadequate planning or overly optimistic assumptions regarding production schedules.

To mitigate these risks, the Head of Planning is responsible for ensuring sufficient resource allocation during the planning phases of each project and hiring talent with the appropriate skill sets aligned to the project. Additionally, the Head of Planning and team members meet regularly to review progress and identify potential delays early. If delays are identified, prompt and corrective actions such as remobilising resources will be taken to minimise their impact. The Head of Planning also works collaboratively with clients to continuously recalibrate project timelines and deliverables to build sufficient buffer to accommodate any unforeseen delays.

5. Technical Risks

Our Group faces technical risks which include the risk of software and/or hardware failures, cybersecurity threats and data loss. Cyberattacks threats can compromise internal system security, resulting in unauthorised data leaks and loss of production files including sensitive customer and/or corporate data. This risk could impact the production operations by potentially disrupting ongoing projects and delaying delivery timelines.

To mitigate these risks, the Head of IT has implemented security policies that include ringfencing the internal network and infrastructure, and safeguarding email communication with an enterprise grade high-level security firewall. In addition, the Head of IT and the department team are responsible for regularly checking software updates and scanning security exception logs, to ensure network security is not compromised. To reduce the impact of system failures, a robust data backup system is implemented to regularly back up critical production data, minimising downtime on data loss events and ensuring business continuity.

Notwithstanding the above, all employees of the Group are expected to adhere to the Code of Conduct, to maintain integrity and safeguard the Company's assets, which includes internal network and infrastructure.

OUTLOOK 2025

Despite softening demand in the global content production industry in the short-term, the Group will continue to build on its core strengths in animation production to drive future growth. Our strategic priority for the financial year ending 31 December 2025 is to extend our production portfolio with 3D animation, Games art and Games animation, paving the way for broader creative opportunities. In view of challenges in the wider global content production landscape, the Group maintains a cautiously optimistic outlook for the short-term.

Sustainability Statement

This Sustainability Statement 2024 (“Statement”) underscores Kucingko Berhad (“Kucingko” or “Company”) and its subsidiaries’ (“Group”) unwavering commitment to addressing stakeholders’ needs, complying with regulatory requirements and promoting transparency.

REPORTING SCOPE AND BOUNDARIES

Unless otherwise specified, the scope of this Statement covers Kucingko and its key operating subsidiaries, namely, Inspidea Sdn Bhd, Pipapo Sdn Bhd, Bowleh Sdn Bhd (“Bowleh”), Fuloso Sdn Bhd, Toonigami Sdn Bhd and Tourific Sdn Bhd. The contents of this Statement encompass the financial year ended 31 December 2024 (“FYE 2024”), which cover Kucingko’s operations in Malaysia.

REPORTING GUIDELINES

This Statement complies with Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements (“AMLR”) and has been prepared in reference to the United Nations Sustainable Development Goals (“UNSDGs”) and Global Reporting Initiative (“GRI”) Standards.

SUSTAINABILITY GOVERNANCE

The Board of Directors of Kucingko (“Board”) is responsible for overseeing and approving the company’s strategy, as well as ensuring the effectiveness of our corporate governance policies. The Board holds ultimate accountability for identifying and overseeing material Environmental, Social and Governance (“ESG”) risks and opportunities.

To support this oversight role, the Board is assisted by the Executive Directors and the Head of Communication, who work together to ensure the effective management and reporting of Kucingko’s ESG matters.

OUR SUSTAINABILITY VISION







Kucingko is committed to embedding sustainability into its business practices and strategies. At Kucingko, sustainability is at the heart of everything we do. We are committed to integrating ESG factors into our core strategy to deliver sustainable goals.



Sustainability Statement

STAKEHOLDER ENGAGEMENT

We believe that stakeholder engagement is an essential part of the Group's business sustainability for long-term corporate success. Through regular engagement with our stakeholders, we gain valuable insights into their expectations and interests, enabling us to align our sustainability initiatives accordingly.

Stakeholders	Expectation and Interests	How we engage
Investors 	<ul style="list-style-type: none"> Financial performance Sustainable dividend policy Corporate governance 	<ul style="list-style-type: none"> Annual/Extraordinary general meetings Annual reports Bursa Securities announcements Corporate websites Investors Relations channel
Customers 	<ul style="list-style-type: none"> Timely delivery of production Alignment of production quality and timeline Effective communication of production progress Good relationship rapport 	<ul style="list-style-type: none"> Regular meetings and feedback Physical engagement aimed at building relationships
Employees 	<ul style="list-style-type: none"> Training and development Occupational health and safety Competitive remuneration and rewards 	<ul style="list-style-type: none"> Training and development programs Team building activities Quarterly performance appraisals Whistle-blowing policy
Suppliers 	<ul style="list-style-type: none"> Transparent procurement Regular payment schedule 	<ul style="list-style-type: none"> Timely payments Data privacy and protection Whistle-blowing policy
Communities 	<ul style="list-style-type: none"> Interaction with local communities Building good relationships 	<ul style="list-style-type: none"> Collaboration with schools and colleges Social responsibility programs
Government and Regulators 	<ul style="list-style-type: none"> Compliance with corporate governance Compliance with all local laws and regulations 	<ul style="list-style-type: none"> Annual reports Participate in seminars conducted by government and authorities Licensing and permits

Sustainability Statement

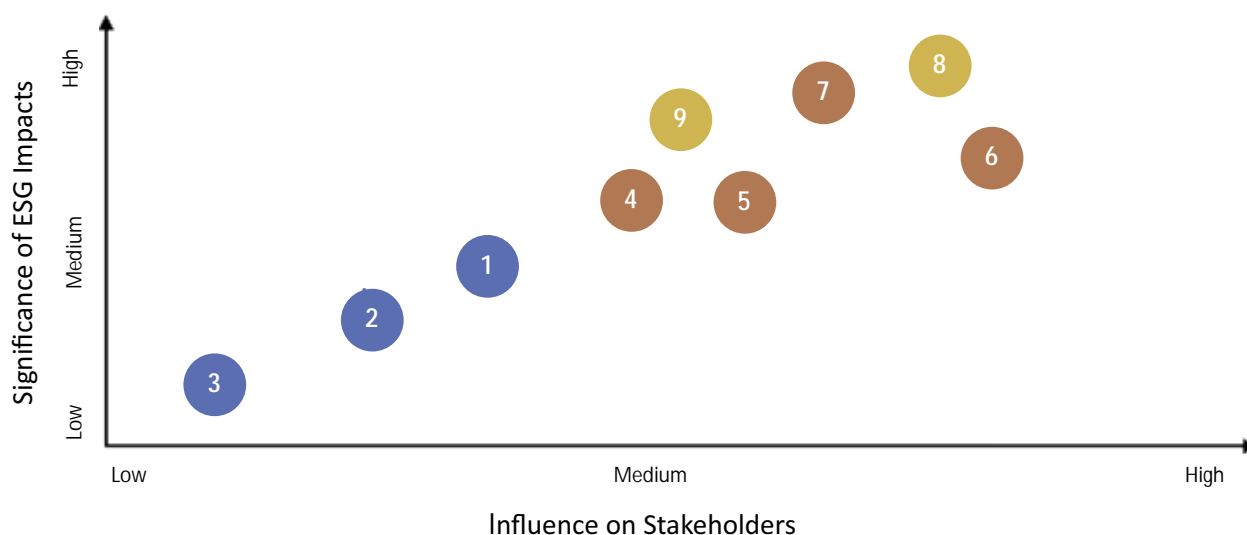
MATERIALITY ASSESSMENT OF SUSTAINABILITY MATTERS

Our materiality assessment is guided by the reflection of significant ESG impacts of the Group, influence of matters on stakeholder decisions and alignment with commonly recognised material sustainability matters. The materiality assessment is driven by a three (3)-step process to identify and prioritise ESG topics that are relevant to the Group and its stakeholders.



Based on the assessment, we have prioritised nine (9) sustainability topics under the pillars of ESG. The following materiality matrix shows the outcome of the materiality assessment, illustrating the significance of each ESG matter from the perspective of Kucingko and its stakeholders.

Materiality Matrix



- | | |
|------------------------------------|----------------------------------|
| 1 Sustainable Animation Production | 6 Ethical Labour Practices |
| 2 Waste Management | 7 Community Engagement |
| 3 Animal Welfare | 8 Transparent Business Practices |
| 4 Diversity and Inclusion | 9 Compliance and Legal Standards |
| 5 Talent Management | |

Sustainability Statement

OUR ESG FRAMEWORK

Kucingko's ESG Framework serves as a focal point for how we articulate our sustainability aspirations for the long-term, anchored upon three (3) key pillars – Environmental Responsibility, Social Responsibility and Governance and Ethical Conduct. The Framework guides us in our efforts to address ESG issues that are material to our business and its corresponding contribution to the twelve (12) UNSDGs as follows:



OUR 3 KEY PILLARS



1. ENVIRONMENTAL RESPONSIBILITY

We strive to minimize our environmental footprint by adopting eco-friendly practices and exploring innovative solutions that promote resource efficiency. Our initial focus includes energy efficiency, waste reduction, and responsible sourcing within our operations.

1 Sustainable Animation Production

	Electricity Consumption		Water Consumption	
	kWh	kWh/sqft	M ³	M ³ /sqft
2023	386,879	12.3	4,112	0.1
2024	496,039	15.8	3,537	0.1

1. Energy Consumption

The Group prioritises energy-efficient animation production studios with the use of LED light fittings and distinct electrical wire circuits, ensuring minimal use of artificial lighting. Our offices are also equipped with energy efficient equipment including computers, air conditioners and refrigerators in the pantry to reduce carbon footprint. Electricity consumption rose from 12.3 kWh/sqft in the previous financial year ("FYE 2023") to 15.8 kWh/sqft in FYE 2024, as renovations during FYE 2023 had temporarily reduced usage. With renovations completed in the fourth quarter of FYE 2023, energy usage returned to normal levels reflecting standard operations.

2. Water Consumption

Kucingko also recognises the impact of excessive water consumption on the degradation of water quality, resulting in wastewater pollution. In the food and beverages segment, through its subsidiary, Bowleh, we promote water conservation practices in the dishwashing process. Leftover water from cooking processes, such as steaming and boiling are used for cleaning or repurposed in the kitchen to minimise water wastages. While the primary operations of our animation production business do not involve substantial water usage, we still encourage our employees to be mindful of their water consumption in the office.

Sustainability Statement

2 Waste Management

The Group's operations do not involve significant resources that produce waste. The waste generated is limited to office waste, such as the use of paper and stationery as well as takeaway food packaging waste. As part of our commitment to sustainability, we have streamlined our workflow for scripts, storyboards, and all creative materials. Digital tools are used throughout both pre-production and post-production processes. The Group also adopts a paperless workflow by utilising Adobe Digital E-signature for all offer letters, contracts, data protection agreements and performance appraisals.

To combat food packaging waste, we have prepared kitchen and eating utensils in our pantry to encourage the use of reusables where possible in our efforts to limit our usage of single-use plastics. We also provide new employees with a reusable cup for beverages during working hours. This initiative encourages an eco friendlier workplace by minimising the use of disposable cups.

Saved over
10,000 sheets of
paper in 5 years

3 Animal Welfare

At Kucingko, we are committed to promoting animal welfare and recognise pets as valued companions in the workplace. We encourage a pet-friendly environment to help foster compassion and positivity within the workplace. As part of our efforts to contribute to the community and support biodiversity, we currently care for eight resident cats within our office premises.

This initiative not only helps reduce the stray animal population but also creates a welcoming and unique atmosphere for our employees through positive human-animal interactions.



adopted and
care for
**8 Resident
Cats**

Sustainability Statement



2. SOCIAL RESPONSIBILITY

We are dedicated to fostering positive impacts on society. This includes creating a safe and inclusive workplace, empowering our employees with training and development opportunities, and supporting community initiatives that align with our values.

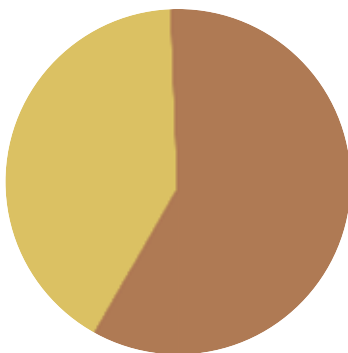
4 Diversity and Inclusion

The Group is committed to fostering a diverse and inclusive workplace, grounded in the belief that every employee has an equal opportunity to pursue their career aspirations. We maintain balanced gender representation across our workforce and actively recruit talent from a wide range of backgrounds — across different ages and nationalities, including both local and foreign talents.

Our commitment to inclusion also extends to individuals with disabilities, otherwise known as Orang Kurang Upaya (“OKU”).

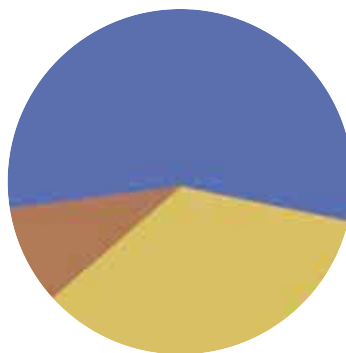
A meaningful example is our Finance Executive, who is hearing impaired, and has been with us since year 2012. We believe that his condition does not define his capabilities nor limit the scope of his professional skills. In fact, we fully embrace and value his sheer commitment in overcoming the challenges in fulfilling his responsibilities. We believe that maintaining a diverse workforce brings richer perspectives, greater creativity and more innovative thinking.

Gender



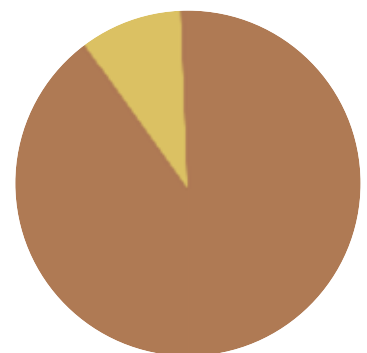
Male 58%
Female 42%

Age



<30 years old 53%
31-40 years old 37%
>40 years old 10%

Nationality



Malaysian 94%
Foreigner 6%

Female
representation
at **42%**

90% youth
under **40**

94% of
Malaysian
employment

Sustainability Statement

5 Talent Management

Our people are the heart of our business. At Kucingko, we are committed to investing in our employees' continuous learning, as we believe it not only benefits employees' personal growth, but also motivates employees to drive organisational goals.

In FYE 2024, the Group prioritised learning and development in key areas of technical knowledge and skills in animation. We have invested in both internal and external training programs for new and existing employees, providing them with fundamental animation knowledge and skills, as well as elevated animation techniques. These opportunities aim to bridge skills gaps and inspire growth, empowering our employees to advance in their careers.

We also recognise the importance of retaining skilled talent by promoting well-being initiatives to our employees. We strongly focus on the mental and physical health of our employees by offering flexible working hours and organizing team-building activities to foster a more balanced working environment, aimed at reducing tensions at work.

As part of our commitment to fostering a positive workplace culture, the Group regularly organises team-building activities to create opportunities for bonding, collaboration, and relaxation among employees. Events such as Chinese New Year celebrations, Celebrate Malaysia Day, Lepak Lukis, otherwise known as sketching sessions and Pyjamas Party are thoughtfully planned to strengthen team spirit and promote a sense of belonging. These initiatives reflect our belief that a happy and connected workforce contributes to overall well-being and long-term organisational success.

This commitment to people-centric values is also reflected in our leadership. We are proud to share that our Executive Director, See Chin Joo, was recently nominated as one of the Best CEOs under the TalentCorp awards. The nomination recognises outstanding leadership qualities, strategic impact, and meaningful contributions to talent development and organisational excellence.



Lepak Lukis. A casual, creative art jam where artists gather to draw, paint, and express themselves in a chill, no-pressure environment. It's all about taking a break from work, having fun with art, and connecting with others through creativity.

Sustainability Statement

6 Ethical Labour Practices

We strongly uphold fair labour practices, ensuring that all employees and business partners are treated with respect and compensated fairly for their work. We strictly adhere to prevailing labour laws and regulations. At Kucingko, we maintain a safe and supportive environment in our offices and production facilities, with measures in place to safeguard the physical and mental well-being of our employees.

7 Community Engagement

The Group is deeply committed to community engagement and actively participates in educational programs for youths and entrepreneurial and social impact projects. Drawing from our own roots, a business that began through entrepreneurial programs, we focus on providing mentorship and guidance to aspiring entrepreneurs, helping them to navigate their own journeys. In FYE 2024, we collaborated with schools and community colleges to provide workshops and mentorship to allow young adults to explore careers in animation and storytelling.



3. GOVERNANCE AND ETHICAL CONDUCT

Integrity and transparency are the cornerstones of our governance framework.

8 Transparent Business Practices

As a newly listed entity, we are committed to adhering to the highest standards of corporate governance and compliance, ensuring accountability in every aspect of our operations. Our corporate governance is supported by an independent board and transparent management structures. We effectively identify and manage the risks inherent in our business through accountability and transparency in our decision-making processes.

To build and maintain stakeholder trust, Kucingko has implemented zero-tolerance-driven policies such as the Fit and Proper Policy, Code of Conduct, Code of Ethics, Whistleblowing Policy and Anti-Bribery and Corruption Policy. These policies provide guidance and raise awareness among all stakeholders, helping them identify, avoid, and reject any unethical or illegal activities. Additionally, they encourage stakeholders to report credible information about illegal practices or violations.

9 Compliance and Legal Standards

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



CORPORATE GOVERNANCE

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Corporate Governance Overview Statement

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

The Board is pleased to present this Corporate Governance Overview Statement (“CG Statement”) for the financial year ended 31 December 2024 (“FYE 2024”), prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This CG Statement provides an overview of the Company’s corporate governance practices for FYE 2024, with reference to the following three (3) key principles as guided by the Malaysian Code on Corporate Governance (“MCCG”):

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

This CG Statement shall be read together with the Corporate Governance Report 2024 (“CG Report”), which disclosed the application of each practice set out in the MCCG during FYE 2024. The prescribed CG Report is accessible on the Company’s website at www.kucingko.com and the Company’s announcement on the website of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART I : BOARD RESPONSIBILITIES

1. Board Leadership

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

The key responsibilities of the Board include:

- a. Reviewing and approving the Group’s corporate strategies, business plans, significant investments, and major business restructuring initiatives;
- b. Overseeing the Group’s overall business operations, financial performance, and the implementation of strategic initiatives to ensure long-term value creation for stakeholders;
- c. Promoting and embedding a robust corporate governance culture within the Group through ethical leadership, transparency, and accountability;
- d. Assessing and managing principal risks, determining the Group’s risk appetite, and ensuring the effectiveness of the enterprise risk management framework;
- e. Ensuring the adequacy and integrity of the Group’s internal controls, risk management, and information management systems to support effective decision-making; and
- f. Ensuring the reliability of both financial and non-financial reporting, including compliance with applicable financial reporting standards and regulatory disclosure requirements.

Corporate Governance Overview Statement

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

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

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

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

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

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

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

The distinct roles and responsibilities of the Chairman and Executive Directors are clearly defined in the Board Charter, ensuring a structured governance framework that enhances accountability and decision-making. The Board upholds the principles of good corporate governance in line with Practice 1.4 of the MCCG, ensuring that the Chairman, is not a member of the Audit and Risk Management Committee, Nomination Committee, or Remuneration Committee. This allows him to maintain independence, provide an objective perspective, and offer guidance to the Board Committees based on his extensive experience.

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

Corporate Governance Overview Statement

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

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

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

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

In FYE 2024, a total of five (5) Board meetings were held. The attendance of each Director is as follows:

Directors	Directorship	Meeting attendance
Lim Chor Ghee	Independent Non-Executive Chairman	5/5
See Chin Joo	Executive Director	5/5
Ooi Kok Hong	Executive Director	5/5
Quah Bee Hong	Independent Non-Executive Director	5/5
Elaine Law Soh Ying	Independent Non-Executive Director	5/5
Puar Chin Jong	Independent Non-Executive Director	5/5
Ku Chia Loon	Non-Independent Non-Executive Director	5/5

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

2. Board Charter

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

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

Corporate Governance Overview Statement

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

3. Business Ethics and Integrity

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

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

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

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

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

4. Sustainability Governance

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

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

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION

5. Board Diversity

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

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

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

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

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

At the workplace level, the Group is also mindful of promoting inclusiveness and providing equal opportunities regardless of gender, ethnicity, nationality, religion, age, or family background. The Group does not tolerate any form of discrimination or harassment.

To support these principles, the Board adopted a Gender and Diversity Policy on 22 November 2023. The Policy is accessible on the Company's website at www.kucingko.com.

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

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

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

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION (CONT'D)

6. Nomination Committee

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

The NC is composed exclusively of Independent Non-Executive Directors as follows:

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

As the Company was newly listed on the ACE Market on 26 July 2024, no NC meeting was held during the FYE 2024. However, at its first meeting on 24 February 2025, the NC undertook the following activities:

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

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

The Directors seeking re-election are subject to an assessment by the NC. The NC has conducted an evaluation of Mr. Puar Chin Jong and Ms. Quah Bee Fong (collectively, the “Retiring Directors”), who are standing for re-election at the Company’s forthcoming AGM. The NC concluded that both Retiring Directors meet the criteria of character, experience, integrity, competency, and time, as required to effectively discharge their respective roles as Directors, in line with the AMLR of Bursa Securities.

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

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

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

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION (CONT'D)

6. Nomination Committee (Cont'd)

All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. The briefings, seminars, conferences, workshops and training programmes attended by the Directors during the FYE 2024 are summarised as below:

Name of Directors	Seminars/ Conferences/ Training Programmes Attended	Date
Lim Chor Ghee	NUS CIL International Law Year in Review Conference 2024 (Singapore)	15 January 2024
	MIA - Virtual Sustainability Reporting Forum The Next Wave in Corporate Disclosure	23 January 2024
	Mandatory Accreditation Programme (MAP)	29 – 30 April 2024
	Vietnam Singapore Board Forum - Leading for Tomorrow: Pioneering Green Business Solutions (Hanoi, Vietnam)	24 May 2024
	Eco Business, Decarbonising Growth - Accelerating Sustainability	24 July 2024
	NUS CIL ASEAN Law and Policy Academy (Singapore)	29 July – 2 August 2024
	Eco Business – Transforming Asia: Mobilising Finance at Speed and Scale (Singapore)	12 September 2024
See Chin Joo	Kidscreen Summit	4 – 7 February 2024
	Mandatory Accreditation Programme (MAP)	25 – 26 March 2024
	Annecy International Animation Film Festival and Market	9 – 14 June 2024
	International Market of Communications Programmes (MIPCOM)	21 – 24 October 2024
	The World Animation Summit	4 – 6 November 2024
	Asia Animation Summit	18 – 21 November 2024
Ooi Kok Hong	Kidscreen Summit	4 – 7 February 2024
	Mandatory Accreditation Programme (MAP)	25 – 26 March 2024
	Annecy International Animation Film Festival and Market	9 – 14 June 2024
	International Market of Communications Programmes (MIPCOM)	21 – 24 October 2024
	The World Animation Summit	4 – 6 November 2024
	Asia Animation Summit	18 – 21 November 2024

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION (CONT'D)

6. Nomination Committee (Cont'd)

All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. The briefings, seminars, conferences, workshops and training programmes attended by the Directors during the FYE 2024 are summarised as below: (Cont'd)

Name of Directors	Seminars/ Conferences/ Training Programmes Attended	Date
Quah Bee Fong	Mandatory Accreditation Programme (MAP) The London School of Economics and Political Science: MBA Essentials Online Certificate Course	25 – 26 March 2024 24 April – 3 July 2024
Elaine Law Soh Ying	Mandatory Accreditation Programme Part II: Leading for Impact Corporate Disclosure Policy with Case Studies (Post-Listing Obligations) Common Breaches of the Listing Requirements with Case Studies Trademark Agent Renewal Training Course 4/2024	9 – 10 September 2024 4 November 2024 4 November 2024 20 November 2024
Puar Chin Jong	Mandatory Accreditation Programme Part II: Leading for Impact	24 – 25 June 2024
Ku Chia Loon	Mandatory Accreditation Programme (MAP)	25 – 26 March 2024

7. Board Assessment and Evaluation

On 24 February 2025, the Board, through the NC, conducted a formal and objective annual evaluation. The results of these evaluations were assessed by the NC and presented to the Board. The evaluation covered the following areas:

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

Based on the results of the assessment for the FYE 2024 the NC concluded that:

- The current structure, size, and composition of the Board, comprising Directors with a diverse range of expertise, experience, and skills, enable them to discharge their duties effectively.
- All Directors met expectations in terms of character, integrity, competency, experience, and time commitment in fulfilling their roles.
- The Board and its Committees had effectively carried out their responsibilities, in line with the Company's requirements.
- Independent Non-Executive Directors remained independent from management and free from any business relationships that could compromise their independent judgment.
- There was mutual respect among Directors, fostering a conducive environment for constructive deliberations and decision-making.

Corporate Governance Overview Statement

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

PART II : BOARD COMPOSITION (CONT'D)

7. Board Assessment and Evaluation (Cont'd)

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

The results of the evaluation, along with Directors' comments, were tabled and discussed at the NC meeting before being reported to the Board by the NC Chairman. All evaluations conducted by the NC were duly documented.

PART III : REMUNERATION

8. Remuneration Policy

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

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

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

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

9. Remuneration Committee

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

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

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

Corporate Governance Overview Statement

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

PART III : REMUNERATION (CONT'D)

9. Remuneration Committee (Cont'd)

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

During FYE 2024, The RC reviewed and recommended the remuneration package of the Executive Directors and Independent Non-Executive Directors to the Board for approval.

10. Remuneration of Directors

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

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

The remuneration of Directors of the Company, including remuneration for services rendered to the Group and the Company for the FYE 2024, is as follows:

Group Level (RM'000)

	Fees	Meeting Allowance	Salaries	Bonus	Other Emoluments ⁽¹⁾	Total
Executive Directors						
See Chin Joo	-	-	315.0	-	43.4	358.4
Ooi Kok Hong	-	-	315.0	-	43.8	358.8
Non-Executive Directors						
Lim Chor Ghee	51.3	5.2	-	-	-	56.5
Quah Bee Fong	42.7	5.5	-	-	-	48.2
Elaine Law Soh Ying	42.7	4.5	-	-	-	47.2
Puar Chin Jong	42.7	5.8	-	-	-	48.5
Ku Chia Loon	42.7	2.5	-	-	-	45.2

Corporate Governance Overview Statement

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

10. Remuneration of Directors (Cont'd)

Company Level (RM'000)

	Fees	Meeting Allowance	Salaries	Bonus	Other Emoluments ⁽¹⁾	Total
Executive Directors						
See Chin Joo	-	-	-	-	-	-
Ooi Kok Hong	-	-	-	-	-	-
Non-Executive Directors						
Lim Chor Ghee	51.3	5.2	-	-	-	56.5
Quah Bee Fong	42.7	5.5	-	-	-	48.2
Elaine Law Soh Ying	42.7	4.5	-	-	-	47.2
Puar Chin Jong	42.7	5.8	-	-	-	48.5
Ku Chia Loon	42.7	2.5	-	-	-	45.2

(1) Other Emoluments include Employees Provident Fund, Social Security Contribution and Employment Insurance System

11. Remuneration of Senior Management

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

The Group currently has four (4) KSM personnel, of which two (2) are Executive Directors whose remuneration details have already been disclosed under the Directors' Remuneration section. The remuneration packages of the remaining KSM members are structured to remain competitive and are benchmarked against prevailing industry practices.

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

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I : AUDIT AND RISK MANAGEMENT COMMITTEE

12. Effective and Independent Audit and Risk Management Committee

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

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

Corporate Governance Overview Statement

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

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

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

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

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

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

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

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

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

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

The details of the key activities carried out by the ARMC during the FYE 2024 are set out in the Audit and Risk Management Committee Report in this Annual Report.

PART II : RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

13. Risk Management and Internal Control Framework

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

Corporate Governance Overview Statement

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

PART I : ENGAGEMENT WITH STAKEHOLDERS

14. Communication between the Company and Stakeholders

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

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

PART II : CONDUCT OF GENERAL MEETINGS

15. Effective General Meetings

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

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

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

Corporate Governance Overview Statement

COMPLIANCE STATEMENT

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

This CG Statement was approved by the Board on 22 April 2025.

Audit And Risk Management Committee Report

The Board of Directors of Kucingko Berhad (“Kucingko” or “Company”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2024 (“FYE 2024”) in compliance with Rule 15.15 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

COMPOSITION

The ARMC was established by the Board on 25 September 2023 as part of its preparation for listing of the Company on the ACE Market of Bursa Securities. The ARMC assists the Board in fulfilling its statutory and fiduciary responsibilities relating to the financial reporting process, internal controls and risk management of the Company and its subsidiaries (“Group”).

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

The composition of the ARMC are as follows:

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

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

In accordance with Rule 15.10 of the AMLR of Bursa Securities and Practice 9.1 of the Malaysian Code on Corporate Governance (“MCCG”), Mr. Puar, as the Chairman of the ARMC, is not the Chairman of the Board. In addition, the Company also complies with Rule 15.09(2) of the AMLR of Bursa Securities as there is no alternate Director appointed as a member of ARMC. All the ARMC members are financially literate and possess the requisite skills, competencies and experience to discharge their duties and responsibilities as outlined in the ARMC’s Terms of Reference.

MEETINGS AND ATTENDANCE

The ARMC conducted five (5) meetings during FYE 2024. The attendance of the ARMC members at the ARMC meetings held during the FYE 2024 is as follows:

Name	Number of meetings attended/ Number of meetings held	Percentage of Attendance (%)
Puar Chin Jong	5/5	100
Elaine Law Soh Ying	5/5	100
Quah Bee Fong	5/5	100

Audit And Risk Management Committee Report

MEETINGS AND ATTENDANCE (CONT'D)

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

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

TERMS OF OFFICE AND PERFORMANCE

The Nomination Committee has assessed the term of office and performance of the ARMC and each of its members for FYE 2024 and was satisfied that each of them has discharged their duties effectively in accordance with the ARMC's Terms of Reference. The results of the ARMC performance assessment for FYE 2024 was reported to the Board.

TERM OF REFERENCE

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

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE ARMC

The summary of activities undertaken by the ARMC in the discharge of its duties and responsibilities for FYE 2024 includes the following:

Financial Reporting

- (a) Reviewed and deliberated the unaudited quarterly interim financial reports for the quarter ended 31 March 2024, 30 June 2024, 30 September 2024 and 31 December 2024 of the Group before recommending to the Board for their consideration, approval and subsequent announcements to Bursa Securities.
- (b) On 22 April 2025, the ARMC reviewed the Audited Financial Statements of the Group and the Company for the FYE 2024, including the application of major accounting policies and practices, to ensure compliance with approved accounting standards, legal and regulatory requirements, before recommending them to the Board for consideration and approval.
- (c) Reviewed and recommended to the Board for approval the proposed interim single-tier dividend of 0.85 sen per ordinary shares for the FYE 2024, after taking into consideration the profits, cash flow and solvency of the Company.

Audit And Risk Management Committee Report

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

External Audit

(a) Evaluation and Appointment of New External Auditors

Following the resignation of Messrs. Russell Bedford LC PLT as the Company's External Auditors on 21 November 2024, the ARMC conducted a comprehensive evaluation of external audit service providers to identify a suitable replacement.

As part of the selection process, the ARMC assessed audit proposals from potential candidates, focusing on key criteria, including:

- The adequacy of the experience and resources of the accounting firm, ensuring the selected auditor possesses the relevant industry expertise and capabilities to conduct a high-quality audit;
- The qualifications and experience of the audit team assigned to the engagement, particularly their familiarity with public listed companies and regulatory requirements;
- The accounting firm's existing audit engagements, to ensure it has the capacity to effectively serve the Company without any conflict of interest;
- The size and complexity of the Group, and the firm's ability to navigate the intricacies of its business structure and operations; and
- The number and experience of supervisory and professional staff assigned to the audit.

Following a thorough review, the ARMC recommended the appointment of Messrs. TGS TW PLT ("TGS") as the new External Auditors, subject to Board approval. The recommendation was based on TGS's structured audit approach, extensive experience in auditing listed entities, and strong track record of working with owner-driven public listed companies, which aligned well with the Group's operational and financial reporting needs.

Upon receiving the Board's approval and TGS's Consent to Act, TGS was officially appointed as the External Auditors for FYE 2024, with effect from 27 November 2024. TGS will hold office until the conclusion of the next Annual General Meeting.

- (b) Reviewed and approved the Audit Planning Memorandum for FYE 2024, covering the areas of audit approach, audit materiality, key audit areas, key audit matters, target audit timeline, proposed audit fees, MFRS updates and any other regulating requirements applicable to the Group.
- (c) At the meeting held on 24 February 2025, the ARMC reviewed and discussed with the External Auditors the status of the audit for the FYE 2024, audit findings, potential Key Audit Matters and potential adjustments highlighted in the Audit Completion Memorandum.
- (d) Had private sessions with the External Auditors without the presence of the Executive Directors and Management on 24 February 2025 to discuss key issues within their responsibilities and to ensure there were no restrictions on their scope of audit for the FYE 2024. There were no major concerns from the External Auditors, and they had been receiving full co-operation from management team during the course of audit.
- (e) Evaluated the independence and performance of the External Auditors, covering areas such as calibre, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees as well as the audit communications of the External Auditors. The ARMC was satisfied with the independence and performance of TGS, had recommended the re-appointment of TGS as External Auditors to the Board for consideration and tabled to the shareholders for approval at the forthcoming Annual General Meeting of the Company.

Audit And Risk Management Committee Report

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

Internal Audit

- (a) Appointed Axcelasia Sdn Bhd (formerly known as Tricor Axcelasia Sdn Bhd) ("Axcelasia"), an independent service provider to undertake internal audit activities.

Related Party Transactions

- (a) Reviewed related party transactions and recurrent related party transactions ("RRPT") entered by the Group on a quarterly basis and assessed whether such transactions are carried out on an arm's length basis, fair and reasonable, on normal commercial terms and are not detrimental to the interest of the minority shareholders of the Company.
- (b) Reviewed the Circular to Shareholders in relation to the RRPT prior to recommending for the Board's approval on 22 April 2025 to seek shareholders' mandate at the Annual General Meeting of the Company.

Conflict of Interest

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

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

Risk Management and Internal Control

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

Sustainability Reporting

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

Other Matters

- (a) Reviewed the Audit and Risk Management Committee Report, Statement on Risk Management and Internal Control, Additional Compliance Information, Sustainability Report, Corporate Governance Overview Statement, and Statement of Directors' Responsibility in respect of the Audited Financial Statements, prior to recommending for Board's approval and inclusion in the Company's Annual Report.
- (b) Conducted a self-assessment to evaluate their own effectiveness in discharging their duties and responsibilities.
- (c) Reviewed and provided oversight on the Group's budget for the financial year 2025, which was tabled and approved by the Board on 15 November 2024, ensuring financial prudence and alignment with the Group's strategic objectives.

Audit And Risk Management Committee Report

INTERNAL AUDIT FUNCTION

During the listing process, the Company engaged Resolve IR Sdn Bhd as the Internal Control Review Consultant to assess the adequacy and effectiveness of the Group's systems, procedures, and controls.

Following its listing on 26 July 2024, the Company outsourced its internal audit function to Axcelasia, an independent professional firm appointed to conduct a systematic and objective assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

The outsourced internal audit function reports directly to the ARMC to ensure independence and objectivity. The appointment and resignation of internal audit service provider, as well as the proposed audit fees, are subject to review and approval of the ARMC. The appointment of Axcelasia was approved on 15 November 2024, and the engagement is governed by a formal engagement letter, which sets out the scope of work, independence, accountability, authority, confidentiality, and adherence to professional standards.

As Axcelasia was appointed towards the end of 2024, there was no internal audit work performed or reported for FYE 2024. Consequently, no internal audit costs were incurred during FYE 2024.

This Audit and Risk Management Committee Report was approved by the Board on 22 April 2025.

Audit And Risk Management Committee Report



ELAINE LAW SOH YING

Audit and Risk Management
Committee Member

PUAR CHIN JONG

Audit and Risk Management
Committee Chairman

QUAH BEE FONG

Audit and Risk Management
Committee Member

The report is presented by the Audit and Risk Management Committee.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (“Board”) of Kucingko Berhad (“Kucingko” or “Company”) and its subsidiaries (“Group”) is pleased to present its Statement on Risk Management and Internal Control (“Statement”) for the financial year ended 31 December 2024 (“FYE 2024”).

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

BOARD RESPONSIBILITY

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

The Board ensures that the risk management and internal control system is able to identify, assess, mitigate, monitor and manage risks relevant to the Group within acceptable risk appetite. The internal control system is designed to provide reasonable, rather than absolute assurance against material financial misstatements, management information errors, or potential financial losses or fraud.

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

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

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

RISK MANAGEMENT

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

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Enterprise Risk Management (“ERM”) Framework has been established to provide a structured and systematic approach to managing risks across the organisation. The ERM Framework is designed to align with the organisation’s goals, ensuring that risk management is embedded in decision-making and operations at all levels. Built on best practices, industry standards, and regulatory requirements, the framework offers a comprehensive approach to address both existing and emerging risks, as it clearly defines the roles and responsibilities to ensure accountability and ownership across the organisation.

Statement on Risk Management and Internal Control

ENTERPRISE RISK MANAGEMENT FRAMEWORK (CONT'D)

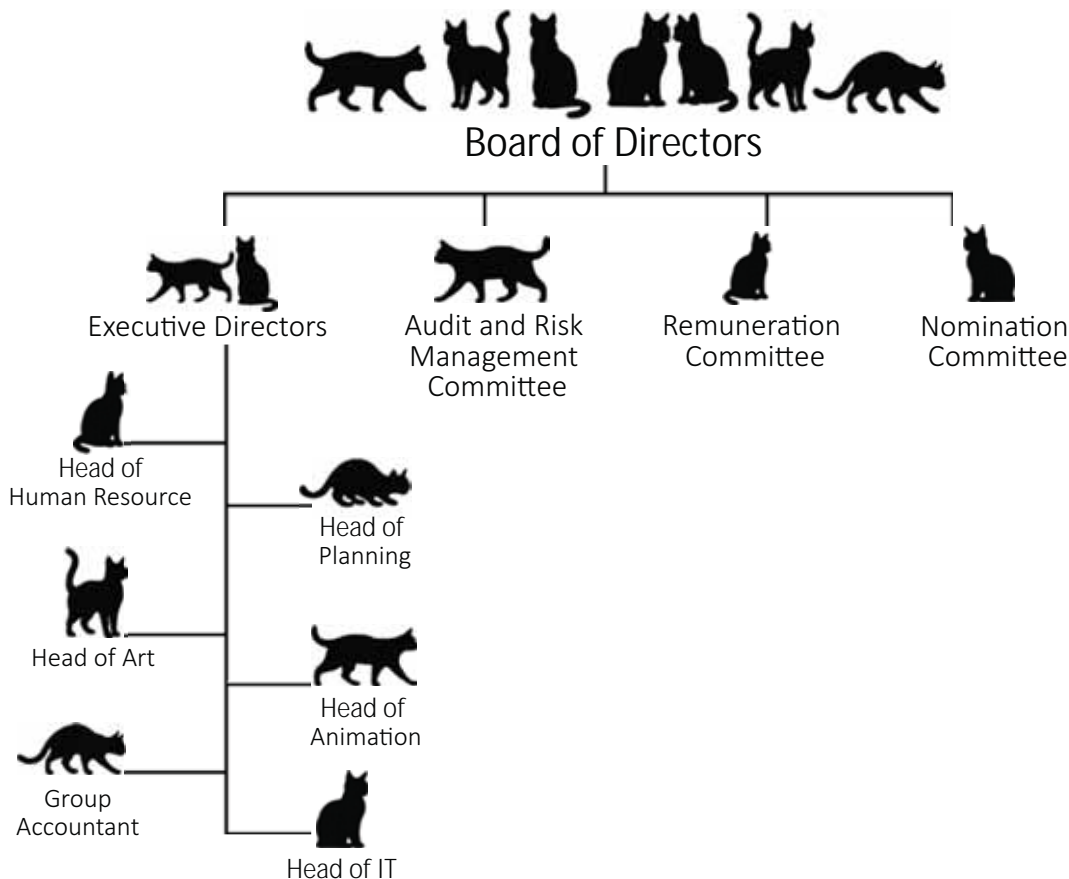
The ERM Framework encompasses risk identification, assessment, response strategies, monitoring and reporting for effective risk management. Risk identification and assessment are conducted through discussions with the Management at the outset of each project to identify potential risks. The SWOT analysis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

To ensure ongoing risk monitoring, the risk assessment process remains ongoing throughout each project phase, allowing for early identification of new risks as they arise. Regular reporting of key risks is facilitated through quarterly updates on risks and mitigation strategies during ARMC meetings. These key risks are subsequently mapped into the Group's risk register, which includes corresponding risk ratings and mitigation measures. To ensure the viability of the risk management and internal control system, the ERM Framework is reviewed every two years and presented to the Board for approval. The ERM Framework was approved by the Board on 23 December 2024. The ERM Framework applies to all stages of animation production, including pre-production, production, post-production and the delivery of the final animation content to customers, distributors and other platforms.

CONTROL ENVIRONMENT AND STRUCTURE

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

ORGANISATIONAL STRUCTURE



Statement on Risk Management and Internal Control

INTERNAL CONTROL ENVIRONMENT

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

Board Committees

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

Audit Risk and Management Committee

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

Management

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

Internal Audit Function

During the financial year under review, in preparation for the listing of the Company on the ACE Market of Bursa Securities, the Company has engaged Resolve IR Sdn Bhd as the Internal Control Review consultant. Resolve IR Sdn Bhd had performed the pre-listing internal control review, assessing the Group's internal control system in general and its compliance with the AMLR with respect to the internal control state, risk management, and corporate governance as stipulated under the MCCG, the AMLR of Bursa Securities and other relevant legal and regulatory requirements. Findings and recommendations from the Internal Control Review were reported to the Board, together with the Management's responses and actions taken, if any.

Post listing on the ACE Market of Bursa Securities, the Group continued to outsource its internal audit functions to Axcelasia Sdn Bhd to act as the Internal Auditors which provides the Board, through ARMC, with assurance on the adequacy and effectiveness of the Group's system of risk management and internal control. Axcelasia Sdn Bhd reports directly to the ARMC on the adequacy and effectiveness of the risk management and internal control system of the Group. No internal audit costs were incurred for the FYE 2024 except for the internal control review cost incurred for the listing of the Company on the ACE Market of Bursa Securities.

On a regular basis, findings and recommendations from the internal audit reviews shall be presented to the ARMC. The Internal Auditors also monitor the status of corrective actions to address control weaknesses, ensuring the timely resolution and satisfactory implementation of outstanding issues. Management remains committed to taking the necessary actions to enhance and fortify the internal control environment.

Statement on Risk Management and Internal Control

INTERNAL CONTROL ENVIRONMENT (CONT'D)

Corporate Governance Practices and Policies

To reinforce control within its business environment, the Group has implemented several key policies, including Anti-Bribery & Corruption Policy, Whistleblowing Policy and Code of Conduct. Additionally, the Group has developed various corporate governance policies including the Board Charters, Fit and Proper Policy, Code of Ethics, Gender and Diversity Policy and the Terms of Reference of ARMC, RC and NC respectively. A description of the current corporate governance practices and Group Policies can be found in the Corporate Governance Overview Statement in this Annual Report.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

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

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

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

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

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

Based on the review, the External Auditor reported to the Board that nothing has come to their attention which causes them to believe that this Statement is prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually incorrect. This Statement was approved by the Board on 22 April 2025.

BOARD CONCLUSION

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

Additional Compliance Information

1. UTILISATION OF PROCEEDS

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

The status of the utilisation of the IPO Proceeds as of 31 March 2025 is as follows:

Purpose of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Estimated timeframe for utilisation from Date of the Listing
Capacity expansion ⁽¹⁾	17,767	349	17,418	Within 36 months
United States of America ("USA") sales office	4,377	236	4,141	Within 36 months
Working capital	4,256	2,464	1,792	Within 12 months
Listing expenses	3,600	3,600	-	Immediate
Total	30,000	6,649	23,351	

Note :

- (1) Capacity expansion includes setting up branch offices in Sabah and Sarawak, as well as refurbishment of existing production facilities in Selangor.

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-statutory audit fees paid or payable to the external auditor's firm by the Group and the Company for the FYE 2024 are set out as below:

	Group RM	Company RM
Statutory audit – TGS TW PLT	93,000	30,000
Non-statutory audit – TGS TW PLT ⁽¹⁾	5,000	5,000
Non-statutory audit – Other auditor ⁽²⁾	111,000	111,000
Non-statutory audit – Affiliate firm of TGS TW PLT ⁽³⁾	20,200	3,000
TOTAL	229,200	149,000

Notes :

- (1) The non-audit fee is for the review of the Statement on Risk Management and Internal Control
- (2) The non-statutory audit fees include advisory services performed in connection with the Company's initial public offering
- (3) The non-statutory audit fees include tax compliance services

Additional Compliance Information

3. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest either still subsisting at the end of the FYE 2024 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS

The Company will be seeking its first shareholders' mandate for the Recurrent Related Party Transaction ("RRPT"), following its listing on 26 July 2024, at the forthcoming Annual General Meeting to be held on 26 June 2025. The details of the proposed new shareholders' mandate for RRPT are disclosed in the Circular to Shareholders dated 30 April 2025.

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

The Company had, during its Extraordinary General Meeting held on 8 May 2024, obtained shareholders' approval for the establishment of a Long-Term Incentive Plan ("LTIP") comprising an Employees' Share Option Scheme ("ESOS") and an Employees' Share Grant Scheme ("ESGS"). The shareholders also authorised the Board to grant ESOS options and/or ESGS grants to eligible Directors and employees of the Group, subject to the terms and conditions of the LTIP By-Laws.

The LTIP took effect on 24 July 2024 following the receipt of all necessary approvals. Subsequently, on 26 July 2024, the Company offered ESOS options to eligible Executive Directors and employees in accordance with the provisions of the LTIP By-Laws, in conjunction with its listing on the ACE Market of Bursa Securities.

The key details of the ESOS options offered are as follows:

- **Date of offer of ESOS Options** : 26 July 2024
- **Exercise price** : RM0.30 per share (being the IPO price)
- **Market price of Kucingko shares on the date of offer** : RM0.57 per share
- **Total number of ESOS Options offered**: 14,300,000 options

Of the total options granted, 5,000,000 options were granted to the Executive Directors. The breakdown of options granted to individual Directors is as follows:

Name of Director	Number of ESOS Option Offered
See Chin Joo	2,500,000
Ooi Kok Hong	2,500,000

There were no options offered to the Non-Executive Directors of the Company for the financial year ended 31 December 2024.

Additional Compliance Information

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

The status of the ESOS options for the financial period from 26 July 2024 to 31 December 2024 is summarised as follows:

Description	Number of Options	
	Grand total	Executive Directors
Granted	14,300,000	5,000,000
Exercised	-	-
Forfeited	-	-
Outstanding	14,300,000	5,000,000

The percentages of options applicable to Directors and Senior Management under the ESOS during the financial year and since its commencement and up to 31 December 2024 are set out below:

Directors and Senior Management	Percentage (%)	
	During the financial year	Since commencement up to 31 December 2024
(i) Aggregate maximum allocation	43.36	43.36
(ii) Actual options granted	43.36	43.36

Statement of Directors' Responsibility

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

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia.

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

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

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

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

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

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FINANCIAL STATEMENTS



Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

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

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	5,043,896	2,351,959

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the last financial period, the Company paid:

	RM
An interim single-tier dividend of RM0.0085 per ordinary share in respect of the financial year ended 31 December 2024 declared on 22 November 2024 and paid on 23 December 2024	4,250,000

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

ISSUANCE OF SHARES AND DEBENTURES

On 9 May 2024, the Company increased its issued and paid-up capital amount to RM9,560,000 by way of issuance of 399,999,997 new ordinary shares at RM0.0239 each for a total consideration of RM9,560,000 as full payment for the acquisition of its subsidiary, Inspidea Sdn. Bhd. and its subsidiaries.

On 26 July 2024, the Company raised RM30,000,000 by issuing 100,000,000 new ordinary shares at RM0.30 per share with the proceeds from the Initial Public Offering ("IPO").

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

There were no issuance debentures during the financial year.

Directors' Report

OPTIONS GRANTED OVER UNISSUED SHARES

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

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

The salient features of the ESOS are as follows:

- (a) The ESOS is administered by a committee appointed by the Board of Directors.
- (b) The aggregate number of options exercised and options and to be offered under the ESOS shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS and shall not be more than ten per centum (10%) of the ordinary shares available under the ESOS shall be allocated to any eligible employee who, either singly or collectively through his or her associates, holds twenty per centum (20%) or more of the issued and paid-up ordinary share capital of the Company.
- (c) The eligible employee must be at least eighteen (18) years of age, is not an undischarged bankrupt nor subject to any bankruptcy proceedings, must have been confirmed in service, and has not given any notice of resignation or received a notice of termination or has otherwise ceased or had his/her employment terminated.
- (d) The subscription price for each ordinary share shall be the weighted average market price of the shares of the Company as shown in the Daily Official List issued by Bursa Securities for the five (5) market days immediately preceding the date of the offer with a discount of not more than ten per centum (10%).
- (e) The option is personal to the grantee and is non-assignable.
- (f) The ESOS shall be in force for a period of five (5) years commencing from the Effective Date (24 July 2024), after which the Board shall have the sole and absolute discretion to extend in writing the tenure of the ESOS for another five (5) years, in so long that the tenure does not exceed the maximum duration of a share issuance scheme allowed by the relevant authorities.

As at 31 December 2024, the options offered to take up unissued ordinary shares and the exercise prices are as follows:

Date of offer	Exercise price RM	Number of options			
		Balance as at 1.1.2024 Unit	Granted Unit	Exercised Unit	Balance as at 31.12.2024 Unit
26 July 2024	0.30	-	14,300,000	-	14,300,000

DIRECTORS

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

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

* Director of the Company and of its subsidiaries

Directors' Report

DIRECTORS (CONT'D)

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

Wooi Yaik Seng
Chang Tat Cyan (Resigned on 1 October 2024)

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

DIRECTORS' INTEREST IN SHARES

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

	Number of ordinary shares			
	At 1.1.2024	Acquired	Sold	At 31.12.2024
Interest in the Company				
Direct interests				
Lim Chor Ghee	-	300,000	-	300,000
See Chin Joo	1	483,000	-	483,001
Ooi Kok Hong	1	700,000	-	700,001
Quah Bee Fong	-	300,000	-	300,000
Elaine Law Soh Ying	-	100,000	-	100,000
Puar Chin Jong	-	300,000	-	300,000
Ku Chia Loon	-	300,000	-	300,000
Indirect interests				
See Chin Joo*	-	172,889,216 [#]	-	172,889,216
Ooi Kok Hong*	-	172,889,216 [#]	-	172,889,216

	Number of options over ordinary shares			
	Granted on 26.7.2024	Acquired	Sold	Balance as at 31.12.2024
Interest in the Company				
Direct Interest				
See Chin Joo	2,500,000	-	-	2,500,000
Ooi Kok Hong	2,500,000	-	-	2,500,000

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

The acquisition of shares resulting from restructuring exercise as disclosed in Note 36 to the financial statements.

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

Directors' Report

DIRECTORS' BENEFITS

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

The Directors' remuneration for the Group and the Company as set out in Note 25 to the financial statements are RM962,801 and RM245,583 respectively.

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

INDEMNITY AND INSURANCE COSTS

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

OTHER STATUTORY INFORMATION

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

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D)

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

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

(d) In the opinion of the Directors:

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

SUBSIDIARIES

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

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

The significant events during the reporting period is disclosed in Note 36 to the financial statements.

AUDITORS

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

Auditors' remuneration of the Group and of the Company as set out in Note 27 to the financial statements are RM93,000 and RM30,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 April 2025.

OOI KOK HONG

SEE CHIN JOO

KUALA LUMPUR

Statement by Directors

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 81 to 134 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 April 2025.

OOI KOK HONG

SEE CHIN JOO

KUALA LUMPUR

Statutory Declaration

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

I, See Chin Joo, being the Director primarily responsible for the financial management of Kucingko Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 81 to 134 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at)
Kuala Lumpur in the Federal Territory on)
22 April 2025)
SEE CHIN JOO)

Before me, SHI'ARATUL AKMAR BINTI SAHARI (W788)
Commissioner for Oaths

Independent Auditors' Report

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kucingko Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 81 to 134.

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 2024, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

Key audit matters	How we addressed the key audit matters
<p>Revenue recognition</p> <p>Consolidated revenue recorded by the Group during the financial year amounted to RM25,750,343.</p> <p>The revenue recognition from rendering of services depends on the nature of the contractual arrangements with customers which could affect the point at which control is transferred and the service is rendered, thereby impacting the timing and extent of revenue recognition in terms of both occurrence and existence of the underlying transactions.</p> <p>We have identified revenue recognition as a key audit matter as there is higher risk of material misstatement from the perspective of timing of revenue recognition based on different contractual arrangements with customers.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> reviewing and evaluating the accounting policy on revenue recognition, taking into account the performance obligations stipulated in the sales; testing the occurrence and accuracy of revenue transactions to supporting evidence such as customer's contract, invoice and relevant supporting documents; testing the operating effectiveness of the Group's internal controls over timing and amount of revenue recognised; and assessing the completeness and accuracy of disclosures as required by MFRS 15.

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

Independent Auditors' Report

To the Members of KUCINGKO BERHAD

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

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Independent Auditors' Report

To the Members of KUCINGKO BERHAD

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

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

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

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

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

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

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

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

Independent Auditors' Report

To the Members of KUCINGKO BERHAD

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

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

Other matters

1. The financial statements of the Company as at 31 December 2023, were audited by another firm of Chartered Accountants who expressed an unmodified opinion on the financial statements date on 21 March 2024.
2. The report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

KUAN JUN XIAN
03758/06/2025 J
Chartered Accountant

KUALA LUMPUR
22 April 2025

Statements of Financial Position

As at 31 December 2024

		Group		Company	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	2,587,375	3,152,700	-	-
Right-of-use assets	5	2,877,410	2,575,412	-	-
Investment in subsidiaries	6	-	-	9,560,100	-
Goodwill on consolidation	7	62,819	62,819	-	-
Deferred tax asset	8	-	12,500	-	-
		5,527,604	5,803,431	9,560,100	-
Current assets					
Inventories	9	5,589	6,879	-	-
Trade receivables	10	604,799	2,593,919	-	-
Other receivables	11	1,627,468	901,834	235,340	-
Contract assets	12	-	856,365	-	-
Amount due from a subsidiary	13	-	-	2,900	-
Short-term investments	14	10,057,671	-	6,905,267	-
Fixed deposits with licensed banks	15	25,274,290	7,175,000	20,099,290	-
Cash and bank balances	16	6,275,370	8,046,875	69,686	3
		43,845,187	19,580,872	27,312,483	3
Total assets		49,372,791	25,384,303	36,872,583	3
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17(a)	38,637,732	3	38,637,732	3
Invested equity	17(b)	-	6,611,427	-	-
Merger deficit	18	(2,948,573)	-	-	-
Employee share-based reserve	19	-	-	-	-
Retained earnings/(Accumulated losses)		7,103,263	11,328,770	(1,907,229)	(9,188)
Total equity		42,792,422	17,940,200	36,730,503	(9,185)
LIABILITIES					
Non-current liabilities					
Bank borrowings	20	74,726	207,997	-	-
Lease liabilities	21	2,400,299	2,167,446	-	-
Deferred tax liability	8	52,000	-	-	-
		2,527,025	2,375,443	-	-

Statements of Financial Position

As at 31 December 2024

	Note	Group		Company	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
		RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	22	2,653	128,309	-	-
Other payables	23	2,703,837	2,304,995	42,313	9,188
Contract liabilities	12	37,120	754,686	-	-
Bank borrowings	20	215,415	640,501	-	-
Lease liabilities	21	605,914	509,882	-	-
Tax payable		488,405	730,287	99,767	-
		4,053,344	5,068,660	142,080	9,188
Total liabilities		6,580,369	7,444,103	142,080	9,188
Total equity and liabilities		49,372,791	25,384,303	36,872,583	3

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

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2024

	Note	Group		Company	
		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	23.3.2023 to 31.12.2023
		RM	RM	RM	RM
Revenue	24	25,750,343	28,158,723	-	-
Other operating income		890,931	875,159	5,940,926	-
Changes in inventories		(72,726)	(54,297)	-	-
Staff costs	25	(11,337,448)	(10,995,131)	(245,583)	-
Depreciation of property, plant and equipment and right-of-use assets		(1,434,708)	(1,181,685)	-	-
Other operating expenses		(6,679,273)	(5,860,625)	(3,243,617)	(9,188)
Profit/(Loss) from operations		7,117,119	10,942,144	2,451,726	(9,188)
Finance costs	26	(138,128)	(146,029)	-	-
Profit/(Loss) before tax	27	6,978,991	10,796,115	2,451,726	(9,188)
Taxation	28	(1,935,095)	(2,438,069)	(99,767)	-
Profit/(Loss) for the financial year/period, representing total comprehensive income/ (loss) for the financial year/period		5,043,896	8,358,046	2,351,959	(9,188)
Earnings per share:					
Basic (sen)	29	1.66	2.09		
Diluted (sen)	29	1.66	2.09		

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

Statements of Changes in Equity

For the Financial Year Ended 31 December 2024

	Note	Attributable to owners of the Company				Total equity
		Share capital	Invested equity	Merger deficit	Retained earnings	
		RM	RM	RM	RM	RM
Group						
At 1 January 2023		2	6,611,427	-	9,174,851	15,786,280
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	8,358,046	8,358,046
Transactions with owners:						
Issuance of share	17(a)	1	-	-	-	1
Dividend to Common Control Shareholders	30	-	-	-	(6,204,127)	(6,204,127)
Total transactions with owners		1	-	-	(6,204,127)	(6,204,126)
At 31 December 2023		3	6,611,427	-	11,328,770	17,940,200
At 1 January 2024		3	6,611,427	-	11,328,770	17,940,200
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	5,043,896	5,043,896
Transactions with owners:						
Effect of restructuring exercise	17(a), 17(b)	9,560,000	(6,611,427)	(2,948,573)	-	-
Issuance of share	17(a)	30,000,000	-	-	-	30,000,000
Share issuance expenses	17(a)	(922,271)	-	-	-	(922,271)
Dividend to common control shareholders	30	-	-	-	(5,019,403)	(5,019,403)
Dividend to owners of the Company	30	-	-	-	(4,250,000)	(4,250,000)
Total transactions with owners		38,637,729	(6,611,427)	(2,948,573)	(9,269,403)	19,808,326
At 31 December 2024		38,637,732	-	(2,948,573)	7,103,263	42,792,422

Statements of Changes in Equity

For the Financial Year Ended 31 December 2024

	Note	Share capital RM	Accumulated loss/(Retained earning) RM	Total RM
Company				
At date of incorporation, 23 March 2023		2	-	2
Loss for the financial period, representing total comprehensive loss for the financial period		-	(9,188)	(9,188)
Transaction with owners:				
Issuance of share	17(a)	1	-	1
At 31 December 2023		3	(9,188)	(9,185)
At 1 January 2024		3	(9,188)	(9,185)
Profit for the financial year, representing total comprehensive income for the financial year		-	2,351,959	2,351,959
Transactions with owners:				
Effect of restructuring exercise	17(a), 17(b)	9,560,000	-	9,560,000
Issuance of share	17(a)	30,000,000	-	30,000,000
Share issuance expenses	17(a)	(922,271)	-	(922,271)
Dividend to owners of the Company	30	-	(4,250,000)	(4,250,000)
Total transactions with owners		38,637,729	(4,250,000)	34,387,729
At 31 December 2024		38,637,732	(1,907,229)	36,730,503

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

Statements of Cash Flows

For the Financial Year Ended 31 December 2024

	Group		Company	
	1.1.2024	1.1.2023	1.1.2024	23.3.2023
	to	to	to	to
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Note	RM	RM	RM	RM
Cash flows from operating activities				
Profit/(Loss) before tax	6,978,991	10,796,115	2,451,726	(9,188)
Adjustments for:				
Depreciation of property, plant and equipment	856,064	566,975	-	-
Depreciation of right-of-use assets	578,644	614,710	-	-
Dividend income	(7,671)	-	(5,505,254)	-
Gain on disposal of property, plant and equipment	(600)	(5,876)	-	-
Interest expenses	138,128	146,029	-	-
Interest income	(745,588)	(225,322)	(435,672)	-
Property, plant and equipment written off	486	44,240	-	-
Operating profit/(loss) before working capital changes	7,798,454	11,936,871	(3,489,200)	(9,188)
Changes in working capital:				
Inventories	1,290	(3,078)	-	-
Receivables	1,263,486	(545,723)	(235,340)	-
Payables	273,186	(178,016)	33,125	9,188
Contract balances	138,799	(263,076)	-	-
Cash generated from/(used in) operations	9,475,215	10,946,978	(3,691,415)	-
Tax refund	-	21	-	-
Tax paid	(2,112,477)	(1,970,185)	-	-
Interest received	219,695	38,917	36,727	-
Net cash from/(used in) operating activities	7,582,433	9,015,731	(3,654,688)	-
Cash flows from investing activities				
Acquisition of property, plant and equipment	(291,225)	(2,703,139)	-	-
Acquisition of right-of-use assets	A	-	-	-
Dividend received	-	-	5,499,987	-
Interest received	525,893	186,405	398,945	-
Incorporation of a subsidiary	-	-	(100)	-
Proceeds from disposal of property, plant and equipment	600	5,876	-	-
Placement of short-term investments	(10,050,000)	-	(6,900,000)	-
Net cash used in investing activities	(9,814,732)	(2,510,858)	(1,001,168)	-

Statements of Cash Flows

For the Financial Year Ended 31 December 2024

	Note	Group		Company	
		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	23.3.2023 to 31.12.2023
		RM	RM	RM	RM
Cash flows from financing activities					
Dividends paid		(9,269,403)	(6,204,127)	(4,250,000)	-
Increase in fixed deposits with maturity of more than three months		(19,099,290)	-	(20,099,290)	-
Interest paid		(138,128)	(146,029)	-	-
Advance to a subsidiary		-	-	(2,900)	-
Proceeds from issuance of shares, net of share issuance expenses		29,077,729	3	29,077,729	3
Repayments of bank borrowings		(207,996)	(200,868)	-	-
Repayments of lease liabilities	B	(551,757)	(583,496)	-	-
Net cash (used in)/from financing activities		(188,845)	(7,134,517)	4,725,539	3
Net cash (decrease)/increase in cash and cash equivalents		(2,421,144)	(629,644)	69,683	3
Cash and cash equivalents at beginning of the financial year/period		12,121,514	12,751,158	3	-
Cash and cash equivalents at end of the financial year/period		9,700,370	12,121,514	69,686	3
Cash and cash equivalents at end of the financial year/period comprises:					
Cash and bank balances		6,275,370	8,046,875	69,686	3
Fixed deposits with licensed banks		25,274,290	7,175,000	20,099,290	-
Bank overdraft	20	-	(350,361)	-	-
		31,549,660	14,871,514	20,168,976	3
Less: Fixed deposits pledged with licensed banks	15	(750,000)	(750,000)	-	-
Less: Fixed deposits more than 3 months to maturity	15	(21,099,290)	(2,000,000)	(20,099,290)	-
		9,700,370	12,121,514	69,686	3

Statements of Cash Flows

For the Financial Year Ended 31 December 2024

NOTES TO THE STATEMENTS OF CASH FLOWS

		Group	
		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
	Note	RM	RM
A. Acquisition of right-of-use assets			
Total acquisition of right-of-use assets		880,642	305,523
Less: Acquisition through lease arrangement		(880,642)	(305,523)
Total cash payment		-	-
B. Cash outflows for leases as a lessee			
<u>Included in net cash from/(used in) operating activities:</u>			
Payment relating to short-term leases	27	84,564	117,600
<u>Included in net cash (used in)/from financing activities:</u>			
Payment of lease liabilities		551,757	583,496
Payment on interest of lease liabilities		123,843	124,405
		675,600	707,901
		760,164	825,501

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

Notes to the Financial Statements

31 December 2024

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur.

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

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

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

2. BASIS OF PREPARATION

(a) Statement of compliance

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

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

Adoption of amended standards

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

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Notes to the Financial Statements

31 December 2024

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Adoption of amended standards (Cont'd)

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

Standard issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature - dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

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

(b) Functional and presentation currency

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

Notes to the Financial Statements

31 December 2024

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

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

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

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

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

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

Key sources of estimation uncertainty

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

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

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

Notes to the Financial Statements

31 December 2024

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

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

Discount rate used in leases

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

Income taxes

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

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

Determination of transaction prices

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

Employee share options

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

Notes to the Financial Statements

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3. MATERIAL ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing whether the Group has power over another entity. Subsidiaries are fully consolidated from the date that control commences until the date control ceases.

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

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

(ii) Common control business combination

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

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

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

Notes to the Financial Statements

31 December 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(iii) Goodwill on consolidation

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

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

(b) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use.

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

Notes to the Financial Statements

31 December 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Leases

(i) Lease and non-lease components

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

(ii) Recognition exemption

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

(iii) Depreciation

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

Hostels	Over the lease term
Offices	Over the lease term

(d) Contract assets and contract liabilities

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

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

(e) Financial instruments

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

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

Notes to the Financial Statements

31 December 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Inventories

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

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

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

(g) Revenue recognition

(i) Revenue from contracts with customers

The Group recognises revenue from the following major sources:

(a) Sales of goods

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

(b) Renders of services

Revenue from services is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Dividend income

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

(iii) Interest income

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

(iv) Rental income

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

Notes to the Financial Statements

31 December 2024

4. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings RM	Motor vehicle RM	Office equipment RM	Renovation RM	Total RM
Group					
Cost					
At 1 January 2023	583,827	-	5,884,589	2,973,186	9,441,602
Additions	4,158	73,700	1,165,550	1,459,731	2,703,139
Disposal	-	-	(19,589)	-	(19,589)
Written off	(30,053)	-	(2,056,433)	(926,959)	(3,013,445)
At 31 December 2023	557,932	73,700	4,974,117	3,505,958	9,111,707
Additions	54,822	-	87,707	148,696	291,225
Disposal	-	-	(15,895)	-	(15,895)
Written off	-	-	(2,254)	-	(2,254)
At 31 December 2024	612,754	73,700	5,043,675	3,654,654	9,384,783
Accumulated depreciation					
At 1 January 2023	527,268	-	5,581,517	2,272,041	8,380,826
Charge for the financial year	19,826	14,187	323,920	209,042	566,975
Disposals	-	-	(19,589)	-	(19,589)
Written off	(30,053)	-	(2,056,433)	(882,719)	(2,969,205)
At 31 December 2023	517,041	14,187	3,829,415	1,598,364	5,959,007
Charge for the financial year	24,216	24,321	487,359	320,168	856,064
Disposals	-	-	(15,895)	-	(15,895)
Written off	-	-	(1,768)	-	(1,768)
At 31 December 2024	541,257	38,508	4,299,111	1,918,532	6,797,408
Carrying amount					
At 31 December 2024	71,497	35,192	744,564	1,736,122	2,587,375
At 31 December 2023	40,891	59,513	1,144,702	1,907,594	3,152,700

Notes to the Financial Statements

31 December 2024

5. RIGHT-OF-USE ASSETS

	Hostels RM	Offices RM	Total RM
Group			
Cost			
At 1 January 2023	302,346	3,891,690	4,194,036
Additions	305,523	-	305,523
Termination of lease contract	(60,898)	-	(60,898)
At 31 December 2023	546,971	3,891,690	4,438,661
Additions	-	880,642	880,642
At 31 December 2024	546,971	4,772,332	5,319,303
Accumulated depreciation			
At 1 January 2023	302,346	1,007,091	1,309,437
Charge for the financial year	90,016	524,694	614,710
Termination of lease contract	(60,898)	-	(60,898)
At 31 December 2023	331,464	1,531,785	1,863,249
Charge for the financial year	101,832	476,812	578,644
At 31 December 2024	433,296	2,008,597	2,441,893
Carrying amount			
At 31 December 2024	113,675	2,763,735	2,877,410
At 31 December 2023	215,507	2,359,905	2,575,412

Notes to the Financial Statements

31 December 2024

6. INVESTMENT IN SUBSIDIARIES

	Company	
	31.12.2024	31.12.2023
	RM	RM
Unquoted shares, at cost	9,560,100	-

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		31.12.2024	31.12.2023	
Inspidea Sdn. Bhd.	Malaysia	100	100	Engaged in the business of animation production
Pipapo Sdn. Bhd.	Malaysia	100	-	Intellectual property ("IP") company that focuses on creating, developing and managing original intellectual properties, including but not limited to characters, stories and unique worlds. The company producing animated content, including films, television shows, and digital media, across various platforms
<u>Held through Inspidea Sdn. Bhd.</u>				
Tourific Sdn. Bhd.	Malaysia	100	100	Software and hardware distribution, information technology and network infrastructure support and technology training
Toonigami Sdn. Bhd.	Malaysia	100	100	Provision of computer animation solutions and services
Bowleh Sdn. Bhd.	Malaysia	100	100	Restaurant operator
Fuloso Sdn. Bhd.	Malaysia	100	100	Provision of games and content development and production, marketing and distribution of games and digital content

Notes to the Financial Statements

31 December 2024

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of subsidiaries

The Group has been formed pursuant to the completion of the acquisition of its subsidiary, Inspidea Sdn. Bhd. by the Company prior to the listing and quotation on the ACE Market of Bursa Malaysia Securities Berhad.

The Company entered into conditional Share Sale Agreements on 21 November 2023 to acquire the entire equity interest in Inspidea Sdn. Bhd. and its subsidiaries for a total purchase consideration of RM9,560,000 to be satisfied by the issuance of 399,999,997 ordinary shares in the Company at an issue price of RM0.0239 per share.

The acquisition was completed on 9 May 2024 and consolidated using merger method of accounting. Under the merger method of accounting, the results of these subsidiaries are presented as if the merger has taken effect throughout the current and previous financial years.

Incorporation of a subsidiary

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

7. GOODWILL ON CONSOLIDATION

	Group	
	31.12.2024	31.12.2023
	RM	RM
At beginning/end of the financial year	62,819	62,819

Goodwill acquired in a business combination is allocated, at acquisition date, to the cash-generating unit ("CGU") that is expected to benefit from the business combination. No impairment was recognised for the goodwill on consolidation as the net assets of the subsidiary was in excess of its carrying values.

8. DEFERRED TAX ASSET/(LIABILITY)

	Asset RM	Liability RM	Net RM
Group			
At 1 January 2023/31 December 2023	12,500	-	12,500
Recognised in profit or loss	(12,500)	(52,000)	(64,500)
At 31 December 2024	-	(52,000)	(52,000)

Notes to the Financial Statements

31 December 2024

8. DEFERRED TAX ASSET/(LIABILITY) (CONT'D)

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

Deferred tax asset	Unutilised business losses RM
Group	
At 1 January 2023/31 December 2023	12,500
Recognised in profit or loss	(12,500)
At 31 December 2024	-
Deferred tax liability	Property, plant and equipment RM
Group	
At 1 January 2023/31 December 2023	-
Recognised in profit or loss	52,000
At 31 December 2024	52,000

9. INVENTORIES

	Group	
	31.12.2024	31.12.2023
	RM	RM
Foods and beverages	5,589	6,879
	Group	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
	RM	RM
Recognised in profit or loss		
Inventories recognised as cost of sales	68,250	50,208

Notes to the Financial Statements

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10. TRADE RECEIVABLES

Trade receivables of the Group are non-interest bearing and are generally on 30 days (31.12.2023: 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

	Gross amount RM	ECLs RM	Net amount RM
Group			
31.12.2024			
Not past due	103,083	-	103,083
Past due:			
Less than 30 days	44,405	-	44,405
31 to 60 days	42,837	-	42,837
61 to 90 days	123,615	-	123,615
More than 90 days	290,859	-	290,859
	604,799	-	604,799
31.12.2023			
Not past due	2,330,377	-	2,330,377
Past due:			
Less than 30 days	263,542	-	263,542
	2,593,919	-	2,593,919

The foreign currency profile of trade receivables are as follows:

	Group	
	31.12.2024 RM	31.12.2023 RM
United States Dollar ("USD")	528,127	1,809,031
Euro ("EUR")	-	753,349
Canadian Dollar ("CAD")	53,293	-
Singapore Dollar ("SGD")	23,379	31,539

Notes to the Financial Statements

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11. OTHER RECEIVABLES

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
Non-trade receivables	487,828	487,828	-	-
Deposits	424,219	210,738	235,340	-
Prepayments	715,421	203,268	-	-
	1,627,468	901,834	235,340	-

Included in non-trade receivable of the Group is an amount of RM487,828 (31.12.2023: RM487,828) due from a company in which certain Directors have interests. The amount is unsecured, non-interest bearing and repayable on demand.

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	31.12.2024	31.12.2023
	RM	RM
At beginning of the financial year	101,679	(161,397)
Revenue recognised during the financial year	6,971,965	11,228,316
Billings issued during the financial year	(7,110,764)	(10,965,240)
At end of the financial year	(37,120)	101,679
Presented as:		
Contract assets	-	856,365
Contract liabilities	(37,120)	(754,686)
	(37,120)	101,679

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

	Gross amount	ECLs	Net amount
	RM	RM	RM
Group			
31.12.2023			
Not past due	856,365	-	856,365

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

Notes to the Financial Statements

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

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

Contract value yet to be recognised as revenue

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
Project revenue	37,120	754,686

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
2024	-	754,686
2025	37,120	-

13. AMOUNT DUE FROM A SUBSIDIARY

Amount due from a subsidiary is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

14. SHORT-TERM INVESTMENTS

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
<u>Fair value through profit or loss ("FVTPL")</u>				
Money market fund	10,057,671	-	6,905,267	-

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

Notes to the Financial Statements

31 December 2024

15. FIXED DEPOSITS WITH LICENSED BANKS

The interest rates of fixed deposits with licensed banks of the Group and of the Company ranged from 2.40% to 4.00% and 2.40% to 2.80% (31.12.2023: 2.50% to 2.90% and Nil) per annum respectively.

The maturity of fixed deposits with licensed banks of the Group and of the Company between 30 to 365 days and 365 days (31.12.2023: 30 to 365 days and Nil) respectively.

Included in the fixed deposits with licensed banks of the Group amounting to RM750,000 (31.12.2023: RM750,000) are pledged to licensed banks as securities for credit facilities granted to the subsidiary as disclosed in Note 20 to the financial statements.

Fixed deposits of the Group and of the Company with maturities more than 3 months amounting to RM21,099,290 and RM20,099,290 (31.12.2023: RM2,000,000 and RMNil) are placements made for a period of more than 3 months and bear interest rates ranged from 2.55% to 4.00% and 3.95% to 4.00% (31.12.2023: 2.70% and Nil) per annum and mature within one year respectively.

16. CASH AND BANK BALANCES

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
USD	5,086,557	3,026,370
EUR	468	950
CAD	312	312
Hong Kong Dollar ("HKD")	53	53

17. SHARE CAPITAL/INVESTED EQUITY

(a) Share capital

	Number of ordinary shares	
	31.12.2024	31.12.2023
	Units	Units
Group and Company		
Issued and fully paid:		
At beginning of the financial year/date of incorporation	3	2
Effect of restructuring exercise	399,999,997	-
Issuance of ordinary shares	100,000,000	1
At end of the financial year/period	500,000,000	3

Notes to the Financial Statements

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

(a) Share capital (Cont'd)

	Amount	
	31.12.2024	31.12.2023
	RM	RM
Group and Company		
At beginning of the financial year/ At 23 March 2023, date of incorporation	3	2
Effect of restructuring exercise	9,560,000	-
Issuance of ordinary shares	30,000,000	1
Share issuance expenses	(922,271)	-
At end of the financial year/period	38,637,732	3

The Company was incorporated with a paid-up share capital of RM2 comprising 2 ordinary shares that was subscribed as subscribers' shares on the date of its incorporation.

On 15 September 2023, the Company increased its issued and paid-up capital amount to RM1 by way of issuance of 1 new ordinary shares.

On 9 May 2024, the Company increased its issued and paid-up capital amount to RM9,560,000 by way of issuance of 399,999,997 new ordinary shares at RM0.0239 each for a total consideration of RM9,560,000 as full payment for the acquisition of its subsidiary, Inspidea Sdn. Bhd. and its subsidiaries.

On 26 July 2024, the Company raised RM30,000,000 by issuing 100,000,000 new ordinary shares at RM0.30 per share with the proceeds from the IPO.

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

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

Notes to the Financial Statements

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

(b) Invested equity

	Number of shares		Amount	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Units	Units	RM	RM
Group				
Issued and fully paid:				
Ordinary shares				
At beginning of the financial year	2,331,861	2,331,861	2,331,861	2,331,861
Effect of restructuring exercise	(2,331,861)	-	(2,331,861)	-
At end of the financial year	-	2,331,861	-	2,331,861
Convertible Preference Share ("CPS")				
At beginning of the financial year	88,509	88,509	4,279,566	4,279,566
Effect of restructuring exercise	(88,509)	-	(4,279,566)	-
At end of the financial year	-	88,509	-	4,279,566
	-	2,420,370	-	6,611,427

Invested equity solely comprised the aggregate number of issued and paid-up ordinary shares of Inspidea Sdn. Bhd. and its subsidiaries. The amount has been reversed against the merger deficit as disclosed in Note 36 to the financial statements.

The terms of the CPS are as follows:

(a) Conversion right

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

(b) Conversion ratio

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

(c) Dividends

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

Notes to the Financial Statements

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

(b) Invested equity (Cont'd)

The terms of the CPS are as follows: (Cont'd)

(d) Voting right

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

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

(e) Preference

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

18. MERGER DEFICIT

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

19. EMPLOYEE SHARE-BASED REVERSE

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

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

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31 December 2024

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

Equity settled share-based transaction

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

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

Grant date	Number of options	Vesting conditions	Contractual life of options
26 July 2024	14,300,000	<ul style="list-style-type: none"> - The options divided into 4 tranches which separately vest on 26 July 2025, 26 July 2026, 26 July 2027 and 26 July 2028. - The exercisable options are capped at 10%, 20%, 30% and 40% of the total options offered, corresponding to each vesting date. 	5 years

The number and weighted average exercise prices of the share options are as follows:

Date of offer	Exercise price	Number of options			Balance as at 31.12.2024
		Balance as at 1.1.2024	Granted	Exercised	
	RM	Unit	Unit	Unit	Unit
26 July 2024	0.30	-	14,300,000	-	14,300,000

Fair value of share options and assumptions

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

	Granted on 26 July 2024
Fair value at grant date (RM)	0.0272
Share price at grant date (RM)	0.3000
Expected volatility (weighted average volatility)	14.52%
Option life (expected weighted average life)	5 years
Expected dividends	5.24%
Risk-free interest rate (based on Malaysian Government Securities)	3.57%

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20. BANK BORROWINGS

	Group	
	31.12.2024	31.12.2023
	RM	RM
Secured		
Term loan	290,141	498,137
Bank overdraft	-	350,361
	290,141	848,498
Non-current		
Term loan	74,726	207,997
Current		
Term loan	215,415	290,140
Bank overdraft	-	350,361
	215,415	640,501
	290,141	848,498

The bank borrowings are secured by the following:

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

The term loan is repayable by 66 (31.12.2023: 66) monthly instalments.

The bank overdraft is repayable on demand.

The weighted average effective interest rates per annum at the end of the reporting period for bank borrowings, were as follows:

	Group	
	31.12.2024	31.12.2023
	%	%
Term loan	3.35 - 3.94	3.30 - 3.79
Bank overdraft	-	7.51

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21. LEASE LIABILITIES

	Group	
	31.12.2024	31.12.2023
	RM	RM
Non-current	2,400,299	2,167,446
Current	605,914	509,882
	3,006,213	2,677,328

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
Within 1 year	720,600	612,600
Between 1 to 5 years	1,644,600	1,525,200
More than 5 years	1,122,000	945,000
	3,487,200	3,082,800
Less: Future finance charges	(480,987)	(405,472)
Present value of lease liabilities	3,006,213	2,677,328

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

22. TRADE PAYABLES

The normal trade credit terms granted to the Group is 30 days (31.12.2023: 30 days) depending on the term of the contracts.

23. OTHER PAYABLES

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
Non-trade payables	2,122,787	449,619	4,313	4,888
Accruals	581,050	1,855,376	38,000	4,300
	2,703,837	2,304,995	42,313	9,188

Included in non-trade payables of the Group and of the Company is amount of RM143,412 and RM546 (31.12.2023: RM73,700 and RMNil) due to a Director. The amount is unsecured, non-interest bearing and repayable on demand.

Included in non-trade payables of the Group is amount of RM72,834 (31.12.2023: RM145,748) due to a company in which certain Directors have interests. The amount is unsecured, non-interest bearing and repayable on demand.

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23. OTHER PAYABLES (CONT'D)

The foreign currency profile of other payables is as follows:

	Group	
	31.12.2024	31.12.2023
	RM	RM
HKD	72,834	145,748

24. REVENUE

	Group	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
	RM	RM

Revenue from contracts with customers:

Sales of goods	77,781	66,634
Rendering of services	25,672,562	28,092,089
	25,750,343	28,158,723

Timing of revenue recognition:

At point in time	25,750,343	28,158,723
------------------	------------	------------

Geographical market:

Malaysia	77,781	66,634
Australia	-	277,307
Canada	667,230	8,077,284
France	-	3,789,966
Singapore	64,199	195,130
United Kingdom	5,687,035	3,014,542
United States of America	19,254,098	12,737,860
	25,750,343	28,158,723

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

Notes to the Financial Statements

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25. STAFF COSTS

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	23.3.2023 to 31.12.2023 RM
Salaries, wages and other emoluments	9,613,224	9,342,132	245,583	-
Defined contribution plans	1,252,487	1,241,645	-	-
Social security contribution	470,957	411,354	-	-
Other benefits	780	-	-	-
	11,337,448	10,995,131	245,583	-

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

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	23.3.2023 to 31.12.2023 RM
Non-Executive Directors				
Fees	222,083	-	222,083	-
Other emoluments	23,500	-	23,500	-
	245,583	-	245,583	-
Executive Directors				
Salaries	630,000	485,405	-	-
Defined contribution plans	84,783	36,839	-	-
Social security contribution	2,435	1,931	-	-
	717,218	524,175	-	-
	962,801	524,175	245,583	-

Notes to the Financial Statements

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26. FINANCE COSTS

	Group	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM
Interest expenses:		
- bank overdraft	150	360
- lease liabilities	123,843	124,405
- term loan	14,135	21,264
	<u>138,128</u>	<u>146,029</u>

27. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	23.3.2023 to 31.12.2023 RM
Auditors' remuneration:				
- statutory audit	93,000	56,000	30,000	2,500
- non-audit fee	5,000	-	5,000	-
Depreciation of:				
- property, plant and equipment	856,064	566,975	-	-
- right-of-use assets	578,644	614,710	-	-
Dividend income	(7,671)	-	(5,505,254)	-
Gain on disposal on property, plant and equipment	(600)	(5,876)	-	-
Government grant income (a)	(75,000)	(180,000)	-	-
Interest income:				
- cash and bank balances	(219,695)	(38,917)	(36,727)	-
- fixed deposits with licensed banks	(525,893)	(186,405)	(398,945)	-
Property, plant and equipment written off	486	44,240	-	-
Realised loss/(gain) on foreign exchange	512,519	(116,116)	-	-
Rental income	(27,600)	(39,777)	-	-
Short-term leases (b)	84,564	117,600	-	-

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

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

Notes to the Financial Statements

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28. TAXATION

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	23.3.2023 to 31.12.2023 RM
Current tax				
Current financial year provision	1,861,346	2,230,169	99,767	-
Under provision in prior financial year	9,249	207,900	-	-
	1,870,595	2,438,069	99,767	-
Deferred tax				
Origination and reversal of temporary differences	60,000	-	-	-
Under provision in prior financial year	4,500	-	-	-
	64,500	-	-	-
	1,935,095	2,438,069	99,767	-

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

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	23.3.2023 to 31.12.2023 RM
Profit/(Loss) before tax	6,978,991	10,796,115	2,451,726	(9,188)
At Malaysian statutory tax rate of 24% (31.12.2023: 24%)	1,674,958	2,591,068	588,414	(2,205)
Change in tax rate for the first and second tranche of chargeable income	(60,256)	(56,450)	-	-
Expenses not deductible for tax purposes	2,161,754	395,551	831,350	2,205
Income not subject to tax	(1,911,990)	(63,100)	(1,319,997)	-
Income exempted under export allowance	-	(684,900)	-	-
Movement of deferred tax assets not recognised	56,880	48,000	-	-
Under provision of current tax in prior financial year	9,249	207,900	-	-
Under provision of deferred tax in prior financial year	4,500	-	-	-
	1,935,095	2,438,069	99,767	-

Notes to the Financial Statements

31 December 2024

28. TAXATION (CONT'D)

Unrecognised deferred tax assets

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
Property, plant and equipment	-	4,000
Unutilised capital allowances	99,000	91,000
Unabsorbed business losses	830,000	597,000
	929,000	692,000

The expiry of the unabsorbed business losses are as follows:

	Group	
	31.12.2024	31.12.2023
	RM	RM
Year of assessment 2029	112,000	112,000
Year of assessment 2030	77,000	77,000
Year of assessment 2031	56,000	56,000
Year of assessment 2032	153,000	153,000
Year of assessment 2033	199,000	199,000
Year of assessment 2034	233,000	-
	830,000	597,000

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

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

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

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29. EARNINGS PER SHARE

Basic earnings per share

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

	Group	
	31.12.2024	31.12.2023
Profit attributable to owners of Company (RM)	5,043,896	8,358,046
Weighted average number of ordinary shares (unit)	303,287,672	500,000,000
Basic earnings per ordinary shares (sen)	1.66	2.09

Diluted earnings per share

The diluted earnings per share has been calculated based on the adjusted consolidated earnings for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	31.12.2024	31.12.2023
Profit attributable to owners of Company (RM)	5,043,896	8,358,046
Weighted average number of ordinary shares (unit)	303,287,672	400,000,000
Effect of ESOS (unit)	524,888	-
Weighted average number of ordinary shares in issue (unit)	303,812,560	400,000,000
Diluted earnings per ordinary shares (sen)	1.66	2.09

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30. DIVIDEND

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
Dividend recognised as distribution to owners of the Company:				
Kucingko Berhad				
An interim single-tier dividend of RM0.0085 per ordinary share in respect of the financial year ended 31 December 2024 declared on 22 November 2024 and paid on 23 December 2024	4,250,000	-	4,250,000	-
Inspidea Sdn. Bhd.				
An interim single-tier dividend of RM29.785 per convertible preference shares in respect of the financial year ended 31 December 2023 declared on 29 March 2024 and paid on 29 March 2024	2,636,241	-	-	-
An interim single-tier dividend of RM1.022 per ordinary share in respect of the financial year ended 31 December 2023 declared on 29 March 2024 and paid on 29 March 2024	2,383,162	-	-	-
An interim single-tier dividend of RM36.899 per ordinary share in respect of the financial year ended 31 December 2022 declared on 31 March 2023 and paid on 31 March 2023	-	3,265,982	-	-
An interim single-tier dividend of RM1.260 per ordinary share in respect of the financial year ended 31 December 2022 declared on 31 March 2023 and paid on 31 March 2023	-	2,938,145	-	-
	9,269,403	6,204,127	4,250,000	-

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

Notes to the Financial Statements

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31. RECONCILIATIONS OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

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

	At 1.1.2023 RM	Drawdown RM	Repayment RM	At 31.12.2023 RM
Group				
Term loan	699,005	-	(200,868)	498,137
Lease liabilities	2,955,301	305,523	(583,496)	2,677,328
	3,654,306	305,523	(784,364)	3,175,465

32. RELATED PARTY DISCLOSURE

(a) Identifying related parties

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

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

Notes to the Financial Statements

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32. RELATED PARTY DISCLOSURE (CONT'D)

(b) Significant related party transactions

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

	Group		Company	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	23.3.2023 to 31.12.2023
	RM	RM	RM	RM
Transaction with a subsidiary				
- Dividend income	-	-	(5,499,987)	-
Transactions with companies in which a Director has interest				
- Dividend paid	2,850,188	3,529,753	-	-
- Reimbursement of staff costs	-	94,350	-	-
- Subscription of software license expense	885,797	900,906	-	-
Transaction with Executive Directors				
- Dividend paid	2,169,215	2,674,374	-	-

(c) Compensation of key management personnel

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

33. SEGMENT INFORMATION

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

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

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

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

Notes to the Financial Statements

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33. SEGMENT INFORMATION (CONT'D)

	Note	Animation services RM	IT services RM	Foods and beverages RM	Others RM	Adjustments and eliminations RM	Total RM
Group							
31.12.2024							
Revenue							
External customers		25,672,562	-	77,781	-	-	25,750,343
Inter-segment	A	1,383,986	850,424	47,836	-	(2,282,246)	-
Total revenue		27,056,548	850,424	125,617	-	(2,282,246)	25,750,343
Results							
Interest income		302,128	6,163	43	437,254	-	745,588
Dividend income		2,404	-	-	5,267	-	7,671
Interest expenses		(138,128)	-	-	-	-	(138,128)
Depreciation of property, plant and equipment		(853,638)	-	(23,171)	-	20,745	(856,064)
Depreciation of right-of-use assets		(578,644)	-	-	-	-	(578,644)
Other non-cash items	B	114	-	-	-	-	114
Segment profit/(loss)	C	9,757,733	121,559	(257,262)	1,891,547	(5,142,046)	6,371,531
Segment assets							
Additions to property, plant and equipment		287,939	-	5,849	-	(2,563)	291,225
Additions to right-of-use assets		880,642	-	-	-	-	880,642
Segment assets	D	22,254,966	386,268	100,387	36,948,918	(10,317,748)	49,372,791
Segment liabilities	E	6,024,838	12,836	1,050,780	278,955	(1,327,445)	6,039,964

Notes to the Financial Statements

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33. SEGMENT INFORMATION (CONT'D)

	Note	Animation services RM	IT services RM	Foods and beverages RM	Others RM	Adjustments and eliminations RM	Total RM
Group							
31.12.2023							
Revenue							
External customers		28,092,089	-	66,634	-	-	28,158,723
Inter-segment	A	819,536	1,377,881	47,981	-	(2,245,398)	-
Total revenue		28,911,625	1,377,881	114,615	-	(2,245,398)	28,158,723
Results							
Interest income		218,546	5,077	40	1,659	-	225,322
Interest expenses		(146,029)	-	-	-	-	(146,029)
Depreciation of property, plant and equipment		(555,669)	-	(22,191)	-	10,885	(566,975)
Depreciation of right-of-use assets		(614,710)	-	-	-	-	(614,710)
Other non-cash items	B	(38,364)	-	-	-	-	(38,364)
Segment profit/(loss)	C	10,805,879	13,719	(222,032)	(116,132)	235,388	10,716,822
Segment assets							
Additions to property, plant and equipment		2,739,687	-	400	-	(36,948)	2,703,139
Additions to right-of-use assets		305,523	-	-	-	-	305,523
Segment assets	D	25,566,353	468,915	108,040	89,076	(860,581)	25,371,803
Segment liabilities	E	6,726,356	220,355	801,214	135,328	(1,169,437)	6,713,816

Notes to the Financial Statements

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33. SEGMENT INFORMATION (CONT'D)

Adjustments and eliminations

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
Gain on disposal of property, plant and equipment	600	5,876
Property, plant and equipment written off	(486)	(44,240)
	114	(38,364)

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
Segment profit	6,371,531	10,716,822
Interest income	745,588	225,322
Interest expenses	(138,128)	(146,029)
Profit before tax	6,978,991	10,796,115

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
Segment assets	49,372,791	25,371,803
Deferred tax assets	-	12,500
Total assets	49,372,791	25,384,303

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
Segment liabilities	6,039,964	6,713,816
Deferred tax liability	52,000	-
Tax payable	488,405	730,287
Total liabilities	6,580,369	7,444,103

Notes to the Financial Statements

31 December 2024

33. SEGMENT INFORMATION (CONT'D)

Geographic information

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

Major customers

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
Customer A	8,084,054	9,376,792
Customer B	7,627,331	6,278,522
Customer C	5,687,035	3,789,966
Customer D	-	2,903,132
	21,398,420	22,348,412

34. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

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

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
Financial assets				
<u>At FVTPL</u>				
Short-term investments	10,057,671	-	6,905,267	-
<u>At amortised cost</u>				
Trade receivables	604,799	2,593,919	-	-
Other receivables	912,047	698,566	235,340	-
Amount due from a subsidiary	-	-	2,900	-
Fixed deposits with licensed banks	25,274,290	7,175,000	20,099,290	-
Cash and bank balances	6,275,370	8,046,875	69,686	3
	33,066,506	18,514,360	20,407,216	3
	43,124,177	18,514,360	27,312,483	3

Notes to the Financial Statements

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34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

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

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
Financial liabilities				
<u>At amortised cost</u>				
Trade payables	2,653	128,309	-	-
Other payables	2,703,837	2,304,995	42,313	9,188
Borrowings	290,141	848,498	-	-
	2,996,631	3,281,802	42,313	9,188

(b) Financial risk management objectives and policies

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

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

(i) Credit risk

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

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

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

Notes to the Financial Statements

31 December 2024

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (Cont'd)

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

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

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

As at the end of the financial year, the Group has 2 (31.12.2023: 4) customers that owed the Group more than 10% each and accounted for approximately 86% (31.12.2023: 94%) of the Group's trade receivables outstanding.

(ii) Liquidity risk

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

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

Notes to the Financial Statements

31 December 2024

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (Cont'd)

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

	On demand Within 1 year RM	1 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
31.12.2024					
<u>Non-derivative financial liabilities</u>					
Trade payables	2,653	-	-	2,653	2,653
Other payables	2,703,837	-	-	2,703,837	2,703,837
Bank borrowings	222,132	75,279	-	297,411	290,141
Lease liabilities	720,600	1,644,600	1,122,000	3,487,200	3,006,213
	3,649,222	1,719,879	1,122,000	6,491,101	6,002,844
31.12.2023					
<u>Non-derivative financial liabilities</u>					
Trade payables	128,309	-	-	128,309	128,309
Other payables	2,304,995	-	-	2,304,995	2,304,995
Bank borrowings	572,493	297,411	-	869,904	848,498
Lease liabilities	612,600	1,525,200	945,000	3,082,800	2,677,328
	3,618,397	1,822,611	945,000	6,386,008	5,959,130
Company					
31.12.2024					
<u>Non-derivative financial liability</u>					
Other payables	42,313	-	-	42,313	42,313
31.12.2023					
<u>Non-derivative financial liability</u>					
Other payables	9,188	-	-	9,188	9,188

Notes to the Financial Statements

31 December 2024

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk

(a) Interest rate risk

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

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

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

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

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
Fixed rate instruments				
<u>Financial assets</u>				
Short-term investments	10,057,671	-	6,905,267	-
Fixed deposits with licensed banks	25,274,290	7,175,000	20,099,290	-
	35,331,961	7,175,000	27,004,557	-
<u>Financial liability</u>				
Lease liabilities	(3,006,213)	(2,677,328)	-	-
Net financial assets	32,325,748	4,497,672	27,004,557	-
Floating rate instrument				
<u>Financial liabilities</u>				
Term loan	(290,141)	(498,137)	-	-
Bank overdraft	-	(350,361)	-	-
	(290,141)	(848,498)	-	-

Notes to the Financial Statements

31 December 2024

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flows sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/ (decreased) the Group's profit before tax by RM2,901 (31.12.2023: RM8,485), arising mainly as a result of lower/higher interest expense on floating rate borrowings. This analysis assumed that all other variables remain constant. The assumed movement in basis points for the interest rate sensitivity analysis based on the currently observable market environment.

(b) Foreign currency risk

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

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

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
USD		
<u>Financial assets</u>		
Trade receivables	528,127	1,809,031
Cash and bank balances	5,086,557	3,026,370
	<u>5,614,684</u>	<u>4,835,401</u>

Notes to the Financial Statements

31 December 2024

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk (Cont'd)

(b) Foreign currency risk (Cont'd)

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

	Group	
	31.12.2024	31.12.2023
	RM	RM
EUR		
<u>Financial assets</u>		
Trade receivables	-	753,349
Cash and bank balances	468	950
	468	754,299
CAD		
<u>Financial assets</u>		
Trade receivables	53,293	-
Cash and bank balances	312	312
	53,605	312
SGD		
<u>Financial assets</u>		
Trade receivables	23,379	31,539
HKD		
<u>Financial assets</u>		
Cash and bank balances	53	53
<u>Financial liability</u>		
Other payables	(72,834)	(145,748)
	(72,781)	(145,695)

Foreign currency sensitivity analysis

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

Notes to the Financial Statements

31 December 2024

34. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risk (Cont'd)

(b) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

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

	Effect on profit before tax	
	Group	
	31.12.2024	31.12.2023
	RM	RM
USD/RM - Strengthened 1% (31.12.2023: 1%)	56,147	48,354
USD/RM - Weakened 1% (31.12.2023: 1%)	(56,147)	(48,354)
EUR/RM - Strengthened 1% (31.12.2023: 1%)	5	7,543
EUR/RM - Weakened 1% (31.12.2023: 1%)	(5)	(7,543)
CAD/RM - Strengthened 1% (31.12.2023: 1%)	536	3
CAD/RM - Weakened 1% (31.12.2023: 1%)	(536)	(3)
SGD/RM - Strengthened 1% (31.12.2023: 1%)	234	315
SGD/RM - Weakened 1% (31.12.2023: 1%)	(234)	(315)
HKD/RM - Strengthened 1% (31.12.2023: 1%)	(728)	(1,457)
HKD/RM - Weakened 1% (31.12.2023: 1%)	728	1,457

(c) Equity price risk

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

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

Equity price risk sensitivity analysis

At the reporting date, if the various investments indices had been increased/decreased by 1%, with all variables held constant, the Group's and the Company's profit before tax would have been RM100,577 and RM69,053 (31.12.2023: RMNil and RMNil) higher/lower, arising as a result of higher/lower fair value gains on investment in equity instrument.

Notes to the Financial Statements

31 December 2024

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments

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

(i) Policy on transfer between levels

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

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

(ii) Level 1 fair value

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

(iii) Level 2 fair value

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

Non-derivative financial instruments

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

(iv) Level 3 fair value

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

The following table summarises the methods used in determining the fair value of financial assets on a recurring basis as at 31 December 2024 and 31 December 2023.

Financial asset	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	31.12.2024 RM	31.12.2023 RM		
Group				
Short-term investment	10,057,671	-	Level 1	Reference to statements provided by the respective financial institutions.
Company				
Short-term investment	6,905,267	-	Level 1	Reference to statements provided by the respective financial institutions.

Notes to the Financial Statements

31 December 2024

35. CAPITAL MANAGEMENT

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

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

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

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
Bank borrowings	290,141	848,498	-	-
Lease liabilities	3,006,213	2,677,328	-	-
Less: Short-term investments	(10,057,671)	-	(6,905,267)	-
Less: Fixed deposits with licensed bank	(25,274,290)	(7,175,000)	(20,099,290)	-
Less: Cash and bank balances	(6,275,370)	(8,046,875)	(69,686)	(3)
Net cash	(38,310,977)	(11,696,049)	(27,074,243)	(3)
Total equity	42,792,422	17,940,200	36,730,503	(9,185)
Debt-to-equity ratio (times)	N/A	N/A	N/A	N/A

N/A - The gearing ratio may not provide a meaningful indicator of the risk of borrowings.

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

36. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

The Company entered into conditional Share Sale Agreements on 21 November 2023 to acquire the entire equity interest in Inspidea Sdn. Bhd. and its subsidiaries for a total purchase consideration of RM9,560,000 to be satisfied by the issuance of 399,999,997 ordinary shares in the Company at an issue price of RM0.0239 per share. The acquisition was completed on 9 May 2024.

For the purpose of accounting for the restructuring exercise, the Group has applied merger method accounting on the basis that the restructuring exercise does not constitute a business combination to which acquisition accounting can be applied. Under merger method accounting, the difference between cost of investment recorded by the Company and the share capital of Inspidea Sdn. Bhd. and its subsidiaries is accounted for as merger deficit.

Notes to the Financial Statements

31 December 2024

36. SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (CONT'D)

On 29 June 2024, the Company launched its Prospectus and undertook IPO at RM0.30 per share, comprising:

- (i) Public issue of 100,000,000 new ordinary shares in the following manner:
 - (a) 25,000,000 shares to the Malaysian Public;
 - (b) 10,000,000 shares to the eligible Directors and employees as well as persons who have contributed to the success of the Group; and
 - (c) 65,000,000 shares by way of private placement to selected investors.
- (ii) Offer for sale of 100,000,000 existing ordinary shares by way of private placement to selected investors.

On 26 July 2024, the listing of and quotation for the Company's entire enlarged issued and paid-up share capital of RM38,637,732 comprising 500,000,000 ordinary shares in the Company has been completed and the Company has been successfully listed on the ACE Market of Bursa Malaysia Securities Berhad.

37. COMPARATIVE INFORMATION

- (i) The financial statements of the Group for the financial year ended 31 December 2023 were audited by another firm of Chartered Accountants. Certain comparatives in the Group were reclassified to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2023.
- (ii) The Company was incorporated on 23 March 2023 in the previous financial period. As such, the comparative information is for the financial period from 23 March 2023 to 31 December 2023, while the current financial year is from 1 January 2024 to 31 December 2024. Consequently, the comparative figures in the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and related notes are not comparable.

38. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 April 2025.

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OTHER INFORMATION

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Proxy Form



List of Property

As at the financial year ended 31 December 2024, Kucingko Berhad does not own any properties or land. All operations are conducted through leased premises, and the Group does not hold any real estate assets for either investment or operational purposes.

Analysis of Shareholdings

As at 3 April 2025

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	13	0.53	260	0.00
100 – 1,000	325	13.19	176,141	0.04
1,001 – 10,000	960	38.96	5,740,900	1.15
10,001 – 100,000	941	38.19	34,765,500	6.95
100,001 – 24,999,999 (*)	223	9.05	210,161,403	42.03
25,000,000 and above (**)	2	0.08	249,155,796	49.83
Total	2,464	100.00	500,000,000	100.00

Notes:

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

DIRECTORS' SHAREHOLDINGS (as per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Lim Chor Ghee	440,000	0.09	-	-
See Chin Joo	605,801	0.12	172,889,216 ⁽¹⁾	34.58
Ooi Kok Hong	1,100,001	0.22	172,889,216 ⁽¹⁾	34.58
Quah Bee Fong	300,000	0.06	-	-
Elaine Law Soh Ying	100,000	0.02	-	-
Puar Chin Jong	300,000	0.06	-	-
Ku Chia Loon	10,300,000	2.06	-	-

Note:

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

Analysis of Shareholdings

As at 3 April 2025

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(as per Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Cat Ching Sdn Bhd	172,889,216	34.58	-	-
Koo Hong @ Ku Hong Hai	76,266,580	15.25	-	-
See Chin Joo	605,801	0.12	172,889,216 ⁽¹⁾	34.58
Ooi Kok Hong	1,100,001	0.22	172,889,216 ⁽¹⁾	34.58

Note:

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

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS

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

No.	Name	No. of Shares Held	%
1.	Cat Ching Sdn Bhd	172,889,216	34.58
2.	Koo Hong @ Ku Hong Hai	76,266,580	15.25
3.	Tham Choy Yong	24,913,568	4.98
4.	Yang Chong Yaw Alan	22,224,200	4.45
5.	Tan Seow Hoe	11,300,000	2.26
6.	Ku Chia Loon	10,300,000	2.06
7.	Tri Dynasty Holdings Sdn. Bhd.	10,168,874	2.03
8.	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Phillip Capital Management Sdn. Bhd</i>	5,940,600	1.19
9.	Chang Tat Cyan	5,652,885	1.13
10.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Flexi Invest Fund</i>	5,438,300	1.09
11.	Eng Lian Management Sdn. Bhd.	5,084,437	1.02
12.	Lu Pat Sdn. Bhd.	5,084,437	1.02
13.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 3 ACB Fund)</i>	4,455,400	0.89
14.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Investment Dividend Fund (5311-401)</i>	3,676,000	0.74
15.	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Phillip Capital Management Sdn. Bhd.</i>	3,526,300	0.70
16.	Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Manulife Investment - ML Flexi Fund (250283)</i>	3,404,800	0.68

Analysis of Shareholdings

As at 3 April 2025

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

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

No.	Name	No. of Shares Held	%
17.	Ooi Eng Bee	2,927,800	0.59
18.	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Phillip Capital Management Sdn. Bhd.</i>	2,849,700	0.57
19.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>HSBC (M) Trustee Bhd for Manulife Investment Growth Fund (4074)</i>	2,505,900	0.50
20.	RHB Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Seow Hoe</i>	2,450,000	0.49
21.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Fortress Capital Asset Management (M) Sdn. Bhd.</i>	2,250,000	0.45
22.	Wong Chung Hua	2,199,900	0.44
23.	Gan Kuok Chyuan	2,150,000	0.43
24.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>MTrustee Berhad for Phillip Pearl Fund (UT-PM-PPF)(419471)</i>	2,102,400	0.42
25.	RHB Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chan Kok San</i>	2,100,000	0.42
26.	TASEC Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for TA Investment Management Berhad (Clients)</i>	1,602,500	0.32
27.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>MTrustee Berhad Ethereal-Omega EQ Fund (445330)</i>	1,557,000	0.31
28.	APEX Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Seik Yee Kok</i>	1,240,300	0.25
29.	Lee Kok Chuan	1,200,000	0.24
30.	Cartaban Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Barclays Capital Securities Ltd (SBL/PB)</i>	1,168,300	0.23
TOTAL		398,629,397	79.73

DIRECTORS' INTEREST IN OPTIONS OVER ORDINARY SHARES

Name of Directors	No. of Options Granted under Employees' Share Option Scheme ("ESOS")	No. of Options Exercised since the implementation of ESOS
See Chin Joo	2,500,000	-
Ooi Kok Hong	2,500,000	-

Notice of Second Annual General Meeting

As at 3 April 2025

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting ("2nd AGM") of Kucingko Berhad ("Kucingko" or "Company") will be held at the Corporate Office of Kucingko Berhad, H-G-03 & H-G-03A, Glomac Square, Jalan SS6/16A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 26 June 2025** at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
(Please refer to Explanatory Note 1)
2. To approve the payment of Directors' fees to the Non-Executive Directors up to an aggregate amount of RM260,000 for the period from 27 June 2025 until the next Annual General Meeting of the Company to be held in 2026, to be paid monthly in arrears.
(Please refer to Explanatory Note 2) **Ordinary Resolution 1**
3. To approve the payment of Directors' benefits to the Non-Executive Directors up to an aggregate amount of RM60,000 for the period from 27 June 2025 until the next Annual General Meeting of the Company to be held in 2026.
(Please refer to Explanatory Note 2) **Ordinary Resolution 2**
4. To re-elect the following Directors who retire by rotation in accordance with Clause 96 of the Constitution of the Company, and being eligible, have offered themselves for re-election:-
 - (i) Mr. Puar Chin Jong **Ordinary Resolution 3**
 - (ii) Ms. Quah Bee Fong **Ordinary Resolution 4**
 (Please refer to Explanatory Note 3)
5. To re-appoint Messrs TGS TW PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS

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

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

"THAT subject to the provision of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to Kucingko Berhad ("Kucingko" or "Company") and/or its subsidiaries ("Kucingko Group") to enter into the recurrent related party transactions of a revenue and/or trading nature with the related parties as set out in the Circular to Shareholders of the Company dated 30 April 2025, which are necessary for the day-to-day operations of Kucingko Group within the ordinary course of business, at arm's length basis, and on normal commercial terms, which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

Notice of Second Annual General Meeting

As at 3 April 2025

THAT the authority for the Proposed New Shareholders' Mandate shall continue to be in full force until:-

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

whichever is the earlier.

AND THAT the Board of Directors be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed New Shareholders' Mandate with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities."

(Please refer to Explanatory Note 4)

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

By Order of the Board

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

Kuala Lumpur
Date: 30 April 2025

NOTES:

1. For the purpose of determining who shall be entitled to attend and vote at the Second Annual General Meeting ("2nd AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at **19 June 2025**. Only a member whose name appears in this Record of Depositors shall be entitled to attend and vote at the 2nd AGM or appoint proxy(ies) to attend and vote on his/her behalf.
2. A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.

Notice of Second Annual General Meeting

3. A member of the Company who is entitled to attend and vote at 2nd AGM of the Company is entitled to appoint not more than 2 proxies to attend, participate, speak and vote instead of the member at the 2nd AGM. There shall be no restriction as to the qualifications of the proxy.
4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportions of shareholdings to be represented by each proxy must be specified in the instrument of appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney shall be deposited at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur not less than 24 hours before the time for holding the meeting or any adjournment thereof.
9. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 2nd AGM will be put to vote by way of poll.

EXPLANATORY NOTES

1. Item 1 of the Agenda -Audited Financial Statements for the financial year ended 31 December 2024

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

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

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

Shareholders' approval is hereby sought for the payment of Non-Executive Directors' Fees of up to an aggregate amount of RM260,000 and Directors' benefits of up to an aggregate amount of RM60,000 for the period from 27 June 2025 until the next Annual General Meeting of the Company.

Directors' Fees

The payment of Directors' fees for the Non-Executive Directors is based on the following fee structure:

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

Notice of Second Annual General Meeting

EXPLANATORY NOTES (CONT'D)

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

Directors' benefits

The proposed Directors' benefits payable comprises only meeting allowances payable to Non-executive Directors. In determining the estimated amount, the Board has considered various factors, including the current board size, the number of scheduled Board and Board Committees meetings for the period from 27 June 2025 until the next Annual General Meeting, the number of Non-Executive Directors involved in the meeting and the possibility of an additional Board or Board Committee meeting, if required, during the same period.

In the event that the proposed amount of Directors' fees and/or benefits is insufficient due to an enlarged Board size or an increased number of meetings, approval will be sought at the next Annual General Meeting for the shortfall.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on Ordinary Resolutions 1 and 2 concerning the Directors' fees and benefits of the Non-Executive Directors at the 2nd AGM.

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

The following Directors of the Company are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 2nd AGM:

- (i) Mr. Puar Chin Jong
- (ii) Ms. Quah Bee Fong

The retiring Directors have no family relationship with any Director and/or major shareholder of the Company. They do not have any conflict of interest, potential conflict of interest or perceived conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. Their profiles are detailed in the Board of Directors' profile in the Annual Report 2024.

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

The NC and Board have also conducted an assessment on the independence of the retiring Directors and confirm that they meet the independence criteria as prescribed under the Listing Requirements.

Both retiring Directors abstained from deliberations and decisions regarding their own re-election. Based on the NC's recommendation, the Board is satisfied with their performance and contributions and supports their re-election based on the justifications below:

Ordinary Resolution 3 – Re-election of Mr. Puar Chin Jong as Independent Non-Executive Director

Mr. Puar Chin Jong has a distinguished track record in corporate finance across various industries, including investment banking, property development, and financial services. As an Independent Non-Executive Director, he consistently demonstrates objectivity and independence in expressing his views and actively contributing to Board deliberations. His valuable oversight, professional insights, and financial acumen support informed and well-balanced decision-making. Mr. Puar has shown strong commitment to his role, dedicating significant time and effort while actively participating in all Board and Board Committee meetings. In his capacity as an Independent Non-Executive Director, Chairman of the Audit and Risk Management Committee, and a member of both the NC and Remuneration Committees, he has consistently exercised due care, diligence, and professionalism in discharging his responsibilities.

Notice of Second Annual General Meeting

EXPLANATORY NOTES (CONT'D)

3. Ordinary Resolutions 3 and 4 – Re-election of Directors (Cont'd)

Ordinary Resolution 4 – Re-election of Ms. Quah Bee Fong as Independent Non-Executive Director

Ms. Quah Bee Fong brings extensive experience in equity research and investment management. As an Independent Non-Executive Director, she consistently demonstrates objectivity and independence in expressing her views and actively contributing to Board deliberations. She has shown unwavering commitment to her role, dedicating significant time and effort while actively participating in all Board and Board Committee meetings, ensuring well-informed and balanced decision-making. In her capacity as an Independent Non-Executive Director, Chairman of the Remuneration Committee, and a member of the Audit and Risk Management Committee, NC, and Long-Term Incentive Plan Committee, Ms. Quah has consistently exercised due care, diligence, and professionalism in carrying out her duties.

4. Ordinary Resolution 6 – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")

The proposed Ordinary Resolution 6, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company. For further information, please refer to the Circular to Shareholders dated 30 April 2025.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Notice of Second Annual General Meeting

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individuals who are standing for election (excluding directors standing for re-election) as Directors

There are no individuals who are standing for election as Directors at the Second Annual General Meeting of the Company.

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KUCINGKO BERHAD

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

CDS Account No.

No. of Shares Held

FORM OF PROXY

I/We _____
(Full name in block letters)

NRIC/Passport/Registration No. _____

of _____
(Full address)

being a member/members of **KUCINGKO BERHAD ("Company")** hereby appoint:

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
Email Address	Contact No.	No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
Email Address	Contact No.	No. of Shares	%
Address:			

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf, at the Second Annual General Meeting of the Company to be held at the Corporate Office of Kucingko Berhad, H-G-03 & H-G-03A, Glomac Square, Jalan SS6/16A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 June 2025 at 10.00 a.m., or at any adjournment thereof in the manner as indicated below-

No.	Resolutions		For	Against
1.	To approve the payment of Directors' fees to the Non-Executive Directors up to an aggregate amount of RM260,000 for the period from 27 June 2025 until the next Annual General Meeting of the Company to be held in 2026.	Ordinary Resolution 1		
2.	To approve the payment of Directors' benefits to the Non-Executive Directors up to an aggregate amount of RM60,000 for the period from 27 June 2025 until the next Annual General Meeting of the Company to be held in 2026.	Ordinary Resolution 2		
3.	Re-election of Mr. Puar Chin Jong as Director.	Ordinary Resolution 3		
4.	Re-election of Ms. Quah Bee Fong as Director.	Ordinary Resolution 4		
5.	Re-appointment of Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
6.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 6		

(Please indicate your vote by marking (X) in the space provided above on how you wish your vote to be cast. Unless voting instructions are indicated in the space above, the proxy will vote or abstain from voting as he/she thinks fit.)

Date : _____

Contact No. : _____

Signature of Member/Common Seal

Fold this flap for sealing

NOTES:

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4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991("Central Depositories Act"), it may appoint not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

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AFFIX
STAMP

KUCINGKO BERHAD
[Registration No. 202301011068 (1504989-A)]
Registered Office
Acclime Corporate Services Sdn Bhd
Level 5, Tower 8, Avenue 5, Horizon 2,
Bangsar South City,
59200 Kuala Lumpur

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7. Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportions of shareholdings to be represented by each proxy must be specified in the instrument of appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney shall be deposited at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur not less than 24 hours before the time for holding the meeting or any adjournment thereof.
9. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 2nd AGM will be put to vote by way of poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2025.



KUCINGKO BERHAD

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

H-G-03A Glomac Square, Jalan SS6/16A
47301 Petaling Jaya, Selangor, Malaysia

www.kucingko.com