

REVIEW OF OPERATIONS

31 DECEMBER 2025

GROUP FINANCIAL PERFORMANCE

For the financial year ended 31 December 2025, the Group posted a 3% higher revenue of RM88.7 million compared with RM86.0 million recorded in the previous financial year, due to the higher sales from the Security Services Division. The Group recorded an unrealised foreign exchange gain of RM127.8 million (2024: RM40.7 million) and finance costs of RM62.5 million (2024: RM67.4 million), both mainly arising from the ACB Bonds and USD Debts.

Overall, the Group posted a higher profit before tax of RM74.7 million (2024: loss before tax RM11.7 million) for the financial year under review.

REVIEW OF OPERATIONS

Security services

Secom (Malaysia) Sdn Bhd ("Secom"), a joint-venture with Secom Co Ltd, Japan and Koperasi Polis Diraja Malaysia Berhad, provides total integrated 24-hour security services under the SECOM brand. Secom has a broad range of products and services covering central monitoring services ("CMS") with emergency response, supply and installation of closed-circuit televisions ("CCTV"), access control, CCTV remote monitoring, security audit, and the supply of security guards for industrial and commercial premises. Secom provides total security solutions to enhance customers' security needs.

For the financial year, Secom achieved a revenue of RM82.0 million (2024: RM78.6 million), mainly attributed to the CMS, equipment sales, installation services and static guards services and posted a profit of RM9.1 million (2024: RM9.6 million).

With the increase in minimum wages from RM1,500 to RM1,700 effective 1 February 2025, the operating costs in the CMS and static guards divisions have increased which eroded profit margins. To mitigate this, Secom has taken the necessary actions to revise the static guards fees for most of the customers.

The overall market outlook for the next financial year remains challenging, particularly the higher operating cost and weak demand. The overall market sentiment remains soft and volatile. There is intense competition from other security service providers.

Secom's priority is to stabilise its overall operation especially in cost control, to keep and maintain the existing customer base, explore more product sales and technical maintenance opportunities.

Investment holding and others

This Division is primarily involved in manufacturing and sale of tools and dies, and investment holding. For the financial year under review, these activities collectively recorded a revenue of RM6.7 million and a loss of RM0.5 million.