



FIVE DECADES OF TRUST AND TRANSFORMATION

INTEGRATED REPORT 2025

DEAR STAKEHOLDERS,

WELCOME TO OUR 1ST INTEGRATED REPORT



FIVE DECADES OF TRUST AND TRANSFORMATION

The cover features a digital butterfly emerging from a matrix of data and light, symbolising SIRIM's transformation over the past five decades. An enduring symbol of growth and renewal, the butterfly reflects SIRIM's evolution from a trusted institution in industrial research, quality and technology development into a leading enabler of innovation, digitalisation and industrial advancement. Its data-driven form represents the integration of research, digital technologies and technical expertise that underpin our solutions and services.

The outstretched hand symbolises the trust that SIRIM has built with government, industry, businesses and communities over the past five decades. It reflects our role in strengthening quality infrastructure, supporting enterprise development and advancing national competitiveness through standards, innovation and capability building.

The design concept and theme, Five Decades of Trust and Transformation, celebrate a legacy built on confidence and credibility while reflecting SIRIM's continued commitment to progress. As we mark our 50th anniversary, it embodies our journey of continuous evolution and our aspiration to create lasting value for industry, society and the nation in the years ahead.

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Online Version

This report and additional information can be found on our corporate website:

www.sirim.my

BASIS OF THIS REPORT

This Integrated Annual Report marks SIRIM's first step towards applying selected integrated reporting principles, strengthening how we explain the value we create and the role we play in Malaysia's industrial development.

The report has been prepared to provide a more connected view of our performance, strategy and impact. It shows how our activities and relationships support long-term value creation, while reflecting our aspiration to be the Best Partner for Innovation.

REPORTING PERIOD AND SCOPE OF REPORTING

The report covers SIRIM and its subsidiaries' operations in Malaysia for the full calendar year from 1 January to 31 December 2025. The reporting boundary encompasses the Group's principal business activities, including industrial research and technology, testing and inspection, certification, calibration and metrology services, training and consultancy, as well as packaging, design, and specialised industrial services. Unless otherwise stated, all information relates to the Group's consolidated operations.

MATERIALITY

This report outlines SIRIM's Material Matters, reflecting the most significant economic, environmental, social and governance issues arising from our operations and stakeholder relationships. These matters are integral to our value creation process, influencing our business model, strategic priorities, risk management approach and the outcomes we deliver to stakeholders over the short, medium and long term.

In 2025, our sustainability pillars include:

- ➔ **Protect and Conserve the Environment**
- ➔ **Safeguard Stakeholders' Interests**
- ➔ **Uphold Good Governance**

🔗 To read more on our approach to identifying and prioritising material sustainability matters and material matrix, please refer to pages 36 to 43.

REPORTING FRAMEWORKS

This Integrated Annual Report is guided by and prepared in reference to relevant global and local standards, guidelines and regulatory requirements, including:

✓	International Integrated Reporting Framework (IIRF) by the IFRS Foundation
✓	Main Market Listing Requirements (MMLR) by Bursa Malaysia
✓	Malaysian Code on Corporate Governance 2021 by Securities Commission Malaysia
✓	Malaysian Financial Reporting Standards (MFRS)
✓	Bursa Malaysia's Sustainability Reporting Guide, 3 rd Edition 2022
✓	Corporate Governance Guidelines 4 th Edition and MD&A Guidelines by Bursa Malaysia
✓	Companies Act 2016
✓	Global Reporting Initiative (GRI) Universal Standards
✓	United Nations Sustainable Development Goals (UN SDGs)

CROSS-REFERENCES

Points to sections containing supplementary details in this Report.

🔗 Tells you where you can find additional information within the Report.

ASSURANCE STATEMENTS

The report and its underlying disclosures were reviewed through the Group's internal governance and control processes, including management verification and oversight by the Board, to support the accuracy, completeness and reliability of the information presented.

The Financial Statements, selected Sustainability Disclosures and the Statement on Risk Management and Internal Control were subject to independent external assurance. Further details on the scope and conclusions are provided in the respective auditor's and assurance statements on pages 157 to 159.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements regarding SIRIM's future plans, strategies, priorities, business prospects and growth outlook. These statements are based on current expectations, assumptions and available information and are inherently subject to risks and uncertainties. Actual results may differ materially due to changes in economic conditions, market developments, regulatory requirements, technological advancements and other factors beyond the organisation's control. Accordingly, forward-looking statements should not be regarded as guarantees of future performance and have not been audited.

BOARD'S RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility for ensuring the integrity and reliability of the information presented in this Integrated Annual Report 2025. To the best of our knowledge, this report provides a balanced and fair account of the matters material to SIRIM and its stakeholders, reflecting our performance, governance and value creation across both financial and non-financial dimensions during the reporting period.



Nik Sazali Nik Hussin

President & Group Chief Executive Officer

FEEDBACK

We value and welcome all inputs and comments towards enhancing the quality of our IR disclosures. Please send your feedback and enquiries to:

- 👤 Mohamad Ariff Fahmy
- ☎ Tel No.: 03-5544 6000
- ✉ Email: publications@sirim.my

ONLINE VERSION

- 🌐 An online version of this Report, as well as previous ARs are available on our corporate website <https://www.sirim.my/media/annualreport>.

NAVIGATING THIS REPORT

Our Capitals



Financial Capital



Human Capital



Manufactured Capital



Natural Capital

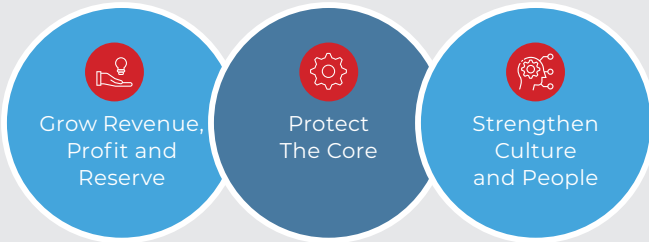


Intellectual Capital



Social & Relationship Capital

Our Key Business Strategies



Our Sustainability Pillars

PILLAR 1:
Protect and Conserve the Environment

Pillar 2:
Safeguard Stakeholders' Interests

Pillar 3:
Uphold Good Governance

Our Key Stakeholders



Employees



Customers



Government Agencies & Ministries



Business Partners



Industry & Association Partners



Consumer & Communities

Key Risks

F

Financial Risk

O

Operational Risk

MDR

Market & Industry Demand Risk

R

Regulatory Risk

TC

Technology & Cybersecurity Risk

ESG

ESG Risk

T

Talent Risk

GSC

Geopolitical & Supply Chain Risk

Key Market Trends

T1

Macroeconomic Growth

T5

Digital Acceleration & Technology Transformation

T2

Economic Uncertainties & Cost Pressures

T6

Workforce Capabilities & Talent Management

T3

Competitive Landscape

T7

Sustainability & Climate Change

T4

Growth in High-Value Industries

T8

Evolving Regulatory Requirement

Material Matters

Protect and Conserve the Environment

E1

Emissions

E3

Waste

E2

Energy

Safeguard Stakeholders' Interests

S1

Employment

S4

Customer Relations

S2

Training & Education

S5

Occupational Safety & Health

S3

Community

Uphold Good Governance

G1

Responsible Procurement

G3

Risk Management

G2

Business Ethics

G4

Data Governance

Related United Nation's Sustainable Development Goals (UN SDGs)



50 YEARS OF EXCELLENCE

1975

- Standards Institution of Malaysia (SIM) merged with the National Institute for Scientific and Industrial Research (NISIR) to form the Standards and Industrial Research Institute of Malaysia (SIRIM), a statutory body under the Ministry of Science, Technology and the Environment (Act 157).



1977

- Official opening of the SIRIM Complex in Shah Alam by His Royal Highness, Sultan Salahuddin Abdul Aziz Shah, Sultan of Selangor.

1979

- Appointed as the custodian of Weights and Measures under the Weights and Measures Act 1981.

1981

- Establishment of the National Metrology Laboratory.
- 2015 – Rebranded as National Metrology Institute of Malaysia (NMIM).

1981–1982

- SIRIM expanded its branches in Sarawak, Terengganu, Johor, and Sabah. It also expanded its testing, certification, and other related capabilities in support of nationwide industrial growth.

1991–1992

- Major organisational restructuring to adapt to global and industry needs.

1993

- Establishment of Malaysia Design Council (MRM) – SIRIM as secretariat for MRM.



Our J



1994–1995

- The Act 1975 was amended to empower The Institute to undertake commercial operations through the formation of Joint Venture (JV) companies or subsidiaries.



1996

- SIRIM was corporatised as a government-owned company under the Ministry of Finance (MOF), pursuant to the Standards of Malaysia Act 1996 (Act 549).

1997–2024

- Establishment of SIRIM subsidiary companies.

1997



2009



2013



2014



2016



2022

- SIRIM Huasheng in China – subsidiary of SIRIM QAS International.
- Rebranding of SIRIM Standards Technology Sdn Bhd (SST) to SIRIM Calibration Sdn Bhd.

2024

- SST changed to SIRIM Calibration effective 10 November 2022.
- SIRIM STS Sdn Bhd changed to SIRIM Academy Sdn Bhd effective 16 February 2024.



2018

- SIRIM was placed under the purview of the Ministry of International Trade and Industry (MITI).



MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY

2025

- SIRIM celebrated its 50th anniversary, marking five decades as an accredited certification body and industrial research organisation dedicated to safety, quality assurance, innovation, and industrial innovation.



ourney

REDEFINING THE FUTURE

Anniversary

OUR CONTRIBUTIONS TO THE NATION

01

Protecting All Malaysians

Every product bearing the SIRIM mark carries a promise of safety and trust, from the fire doors in our buildings to the appliances in our homes.

02

Turning Policy into Industry Actions

As the Government's trusted authority for research and industrial advancement, SIRIM helps translate national priorities into practical industrial outcomes through certification, inspection, testing, and capability-building.

03

Strengthening Malaysia's Industrial Backbone

We provide the technical infrastructure that enables industries to advance growth sustainably, from aerospace supply chain certification under AS9100 to radio frequency and electromagnetic compatibility (EMC) testing for the electronics and electrical (E&E) sector.

04

Bringing Global Expertise to Local Industry

Through the 15-year SIRIM-Fraunhofer collaboration, we have connected Malaysian companies to world-class technology with global best practices, helping them export, scale and compete internationally.

05

Building Malaysia's Future Workforce

We train thousands of industry personnel annually and build competencies in emerging fields such as ESG, digitalisation and AI management systems.

06

Powering Bumiputera Growth

SIRIM equips entrepreneurs with the technical edge needed to improve product quality, strengthen market readiness, and drive global competitiveness.

07

Innovation That Serves the People

Beyond industry, SIRIM's technical expertise supports food security, accessible technology and socioeconomic upliftment through practical innovations that address real challenges for Malaysians.

OVERVIEW OF SIRIM BERHAD

VISION **Best Partner for Innovation**

MISSION

**We Provide Quality and
Sustainable Innovation To:**

GOVERNMENT

Contribute towards national
policies and aspirations

INDUSTRY

Enhance trade access,
competitiveness and business
growth

SOCIETY

Improve quality of life through
health, safety, environment and
consumer protection

CULTURAL BELIEFS

A

Achieve
Sustainability

L

Lead Innovation

E

Engage Teamwork

A

Act Fast

D

Deliver Excellence





WHO WE ARE

SIRIM Berhad (SIRIM) is Malaysia's national institution for quality, technology and industrial research. Wholly owned by the **Minister of Finance Incorporated (MOF Inc.)** and operating under the Ministry of Investment, Trade and Industry (MITI), SIRIM has been a trusted partner for innovation and an enabler of Malaysia's industrial transformation for over five decades, advancing competitiveness and driving economic growth across sectors.

Our role sits at the intersection of national mandate and commercial impact. We translate government priorities into practical industry solutions, while commercialising our technical expertise to help businesses innovate, compete and access new markets with confidence. Through our integrated capabilities in testing, certification, inspection, applied research and standards-based professional training, SIRIM provides the technical expertise and trusted assurance that enable businesses to grow, transform and succeed in an increasingly complex global economy.

Beyond our technical contributions, SIRIM's journey reflects a broader national story of progress, resilience and ambition. For fifty years, businesses, institutions and communities have placed their trust in SIRIM to uphold quality, drive innovation and support nation-building. It is this enduring trust that has enabled SIRIM to serve as a catalyst for industrial excellence and shape five remarkable decades of impact, creating lasting value for Malaysia and its people.



ESTABLISHED LEGACY:

>50 Years Supporting
Industrial Development



WORKFORCE:

>2,000 Technical and
Professional Personnel

>400 Technical Experts
such as Engineers, Auditors,
Approved Signatories,
Technologists, Trainers and
Technicians



GLOBAL PRESENCE:

International Venture in
China + Regional
Collaborations Across **7**
Economies



NATIONWIDE NETWORK:

8 branches,
4 off-campus facilities &
1 international venture



LABORATORY STRENGTH:

112 laboratory facilities
supporting testing & research

OVERVIEW OF SIRIM BERHAD

THE MANDATES

Following the corporatisation of SIRIM Berhad in 1996, SIRIM's mandate is focused on strengthening Malaysia's national development and global competitiveness through:

HEALTH & SAFETY ASSURANCE

Safeguarding public and industrial well-being through standards and compliance

INNOVATION & INDUSTRIAL GROWTH

Driving research, technology development, and innovation across industries

STANDARDS & GLOBAL COMPETITIVENESS

Ensuring compliance with national and international standards to enhance Malaysia's trade and market access

OUR FUNCTIONS

Safeguard National Well-being

- Promote public and industrial welfare, health, and safety

Drive Scientific & Industrial Research

- Improve existing technical processes and methods
- Develop new technologies and innovations
- Encourage utilisation of Malaysian products
- Adapt global technologies for local industry use

Enable Industry Compliance & Growth

- Provide consultancy and extension services to help industry meet standards

Enhance Industrial Performance

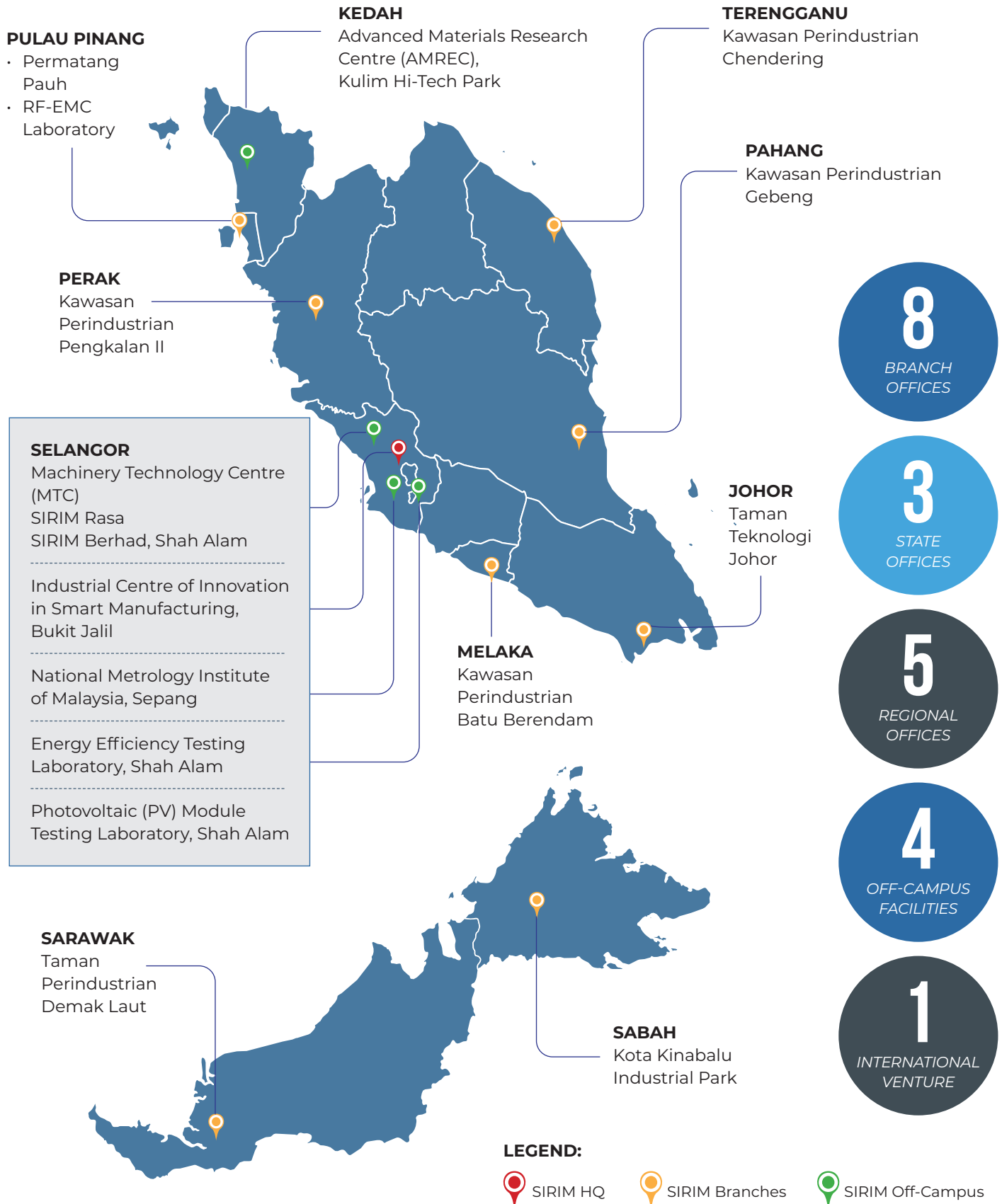
- Improve production systems, processes, and overall industrial efficiency

OUR DUTIES

- Planning, developing, operating, and managing national strategic facilities and programmes
- Managing and participating in government programmes
- Developing and managing strategic research activities and facilities
- Running testing and quality assurance schemes for government procurement and regulation enforcement
- Acting as the enquiry point for World Trade Organisation (WTO) Technical Barriers to Trade
- Developing programmes for small and medium-sized enterprises (SMEs) on behalf of the government



OUR NATIONWIDE PRESENCE



WHAT WE DO: OUR CORE BUSINESS

SIRIM operates at the intersection of quality assurance, conformity assessment, and technological innovation, delivering integrated solutions that strengthen Malaysia's industrial ecosystem. Through its end-to-end capabilities in testing, inspection, certification, and research, SIRIM enables industries to enhance competitiveness, accelerate transformation, and meet the evolving demands of a dynamic global landscape.

COMMERCIAL

TESTING AND INSPECTION

Conformity assessment through product testing, inspection, and certification, serving manufacturing, technology, healthcare, automotive, consumer, financial, higher education, construction and forestry industries.

Highlights

- Expanded Testing, Inspection & Certification ("TIC") services
- Growth in EV, aerospace, semiconductor and pharmaceutical sectors
- EV-related testing and fire safety capabilities
- 13 accredited laboratories

Led primarily by SIRIM QAS International.

CERTIFICATION

Providing certification and conformity assessment services that enhance market confidence, product integrity and international market access.

Highlights

- Product and management systems certification
- ESG-aligned product compliance support
- Security packaging and anti-counterfeit solutions
- Smart authentication technologies

Supported by SIRIM QAS International and Packaging and Security Design Centre.

CALIBRATION

Strengthening industrial precision through calibration and measurement services that ensure accuracy, reliability and compliance.

Highlights

- Expanded industrial calibration services
- Enhanced precision measurement capabilities
- Supports efficient and resource-optimised operations
- 35 accredited laboratories

Anchored by SIRIM Calibration and NMIM.

TRAINING AND CONSULTANCY

Building future-ready talent and organisational capabilities through training, consultancy, certification-related programmes and industry development initiatives.

Highlights

- Standards and management system training
- Technical consultancy and advisory services
- Personnel certification and recognition programmes
- Lead assessor and capability development courses

Delivered through SIRIM Academy.

DEVELOPMENTAL



MALAYSIA DESIGN COUNCIL

Advancing local design excellence, talent, visibility and industry adoption.

Highlights

- Industrial design and innovation advisory support
- Elevate visibility of Malaysia Good Design products

Supported by MRM.

INDUSTRIAL RESEARCH

Driving industrial innovation and technology commercialisation to support national industrial transformation and future industries.

Highlights

- Transition towards a Contract Research Organisation (“CRO”) model
- Commercialisation of battery, plastics and ETO facilities
- Support for NSS, NIA, KL20 and energy transition initiatives
- Advance green manufacturing, circular economy practices and sustainable industrial solutions, including renewable energy and carbon reduction technologies.
- 37 total laboratories, including 22 accredited laboratories
- Strengthen ESG capabilities across industries
- Develop innovation through strategic partnerships

Anchored by SIRIM Industrial Research.

NATIONAL PRECISION TOOLING

Strengthening Malaysia’s industrial ecosystem by building manufacturing resilience through greater local and Bumiputera participation and design

Highlights

- Development of Bumiputera TDM 2.0 capabilities
- Strengthened automotive manufacturing supply chain
- Import substitution and export capability development
- Alignment with RMK-12 and MADANI aspirations

Supported by National Precision Tooling and SIRIM Industrial Research.

Highlights

- 6,459 measurement services delivered to 572 organisations
- 145 internationally recognised calibration capabilities
- Expansion of CMCs from 145 to 250 by 2030
- WTO Technical Barriers to Trade enquiry point
- Operation of national laboratories and certification systems accredited laboratories

STATUTORY

Safeguarding national measurement standards and traceability systems to support trade, compliance and industrial confidence.

**Revenue**

RM392.2 million
RM341.6 million (2024)

**Gross Profit**

RM223.4 million
RM189.2 million (2024)

**Profit For The Year**

RM16.6 million
RM4.4 million (2024)

KEY HIGHLIGHTS

72%

Productivity & Operational Efficiency across SIRIM-Fraunhofer (SF)
Participating SMEs*



28,700

Total Customers in 2025



120,000

TICC Certificates and Reports
issued in 2025



25,000

Industry Personnel Trained in 2025



1,090

Entrepreneurs Nurtured in 2025



595

Beneficiary Companies from
RMK12



80%

Increase in Technology Adoption
across SF participating SMEs*



**Total Assets**

RM957.8 million
RM923.6 million (2024)

**Basic Earnings Per Share**

RM0.2 per share
RM0.1 per share (2024)

**Total Equity**

RM264.1 million
RM247.6 million (2024)



RMK12 (including NMIM)
Total Funding (Year 2021-2025):

RM164.4 million

Total Projects: **14**



NIMP Industrial Development Fund (NIDF)
Total Funding (Year 2025-2026):

RM300 million

Total Projects: **8**



Malaysia Madani
Total Funding (Year 2023-2025):

RM10 million

Total Projects: **2**



RMK13
Total Funding (Year 2026):

RM22.9 million

Total Projects: **6**

Note:
* SIRIM-Fraunhofer 2.0 Survey 2025 where 151 SMEs participated

KEY HIGHLIGHTS

Awards and Recognition

- 1 **Best Investor Award** and **Best Green Invention Award** at the **36th International Invention, Innovation & Technology Exhibition (ITEX) 2025**. (Research Institution category)
- 2 **HRD Awards 2025**, acknowledging outstanding contributions to human capital development and workforce capability enhancement. (Training Provider category)
- 3
 - Successfully published **13 new Calibration and Measurement Capabilities (CMC)** at the Key Comparison Database (KCDB), the International Bureau of Weights and Measures (BIPM). Currently, the number of CMC published for Malaysia is 145.
 - Malaysia's ranking of CMC (global) as of 15 May 2026 is **43rd out of 104 economies**.
- 4 Recognised by the **Malaysia Book of Records** for **Employing the Most Auditors**, with **396 auditors at SIRIM QAS International**, in recognition of its organisational strength in delivering conformity assessment and certification services.
- 5 **Anugerah Kelisa Emas** awarded to Ts. Md Adha Rahmat, Chief Executive Officer of SIRIM QAS International, at the **MiSHA Asia Excellence Awards on OSH Principles of Prevention 2025**.
- 6 **Bronze Award** in the **Excellence in Data Privacy and Security Marketing category** at the **Marketing Excellence Awards 2025 Malaysia** for SIRIM QAS International's Marketing and Communication Section, in recognition of the "*Ada SIRIM, Baru Beli*" campaign.

ADVANCING NATIONAL PROGRESS THROUGH TRUSTED STANDARDS AND ACCREDITATIONS

Accredited by leading national, regional and international organisations, SIRIM is recognised for its technical competence and commitment to globally accepted standards. These endorsements validate our conformity assessment services, enabling industries to compete with confidence both at home and abroad.

112



Laboratory Facilities

Commercial

48



Accredited Laboratory Facilities

Developmental

22



Accredited Laboratory Facilities

Statutory

42



Accredited Laboratory Facilities

Appointment/Accreditation and Recognition

Appointment by Ministries and Government Agencies/Regulatory Bodies



Ministry of Investment,
Trade and Industry Malaysia
(MITI)



Ministry of Human
Resources Department of
Occupational Safety and
Health (DOSH)



Ministry of Domestic
Trade and Costs of Living



Ministry of Health
Malaysia (MOH)



Fire and Rescue
Department of Malaysia



Road Transport
Department



Royal Malaysian
Customs Department



Malaysian Communications
and Multimedia
Commissions



Energy Commission



SME Corporation
Malaysia



Ministry of Utility &
Telecommunication
Sarawak



Energy Commission
of Sabah



Construction Industry
Development Board (CIDB)



Malaysian Timber
Certification Council



Malaysian Palm Oil Board



Suruhanjaya Perkhidmatan
Air Negara



Medical Device Authority
(MDA) Malaysia

Accreditation and Recognition by the following Local and International Bodies



Department of
Standards Malaysia



United Kingdom
Accreditation Service(UKAS)



International Automotive
Task Force (IATF)



Global Ecolabelling
Network



International
Electrotechnical
Commission



IEC System for Conformity
Assessment Schemes for
Electrotechnical Equipment
and Components



International
Electrotechnical
Commission System



International Certification
Network Association



Saudi Standards, Metrology
and Quality Organization



مركز الاعتماد الخليجي
GCC Accreditation Center



UL Solutions



Certified Sustainable
Palm Oil (CSPO)



Malaysian Sustainable Palm
Oil (MSPO)



International Safe
Transit Association



Scientific Certification
Systems Global Services



Assurance Services
International



IT Services International

2025 KEY SIGNIFICANT EVENTS

FEB



6 FEBRUARY

Visit from Thailand Minister Counsellor

SIRIM welcomed a delegation from the Office of Commercial Affairs, Royal Thai Embassy, led by Worawan Wanwil. The visit aimed to strengthen engagement with Thailand's ministries and explore potential areas of collaboration.

MAR



20 MARCH

Launch of Genuine Engine Oil Certification Scheme

Collaborated with KPDN to enforce the *Perintah Perihal Dagangan* 2024 at the PETRONAS Melaka Lube Blending Plant. The scheme introduces the SIRIM Security Label to protect consumers and guarantee product authenticity.

APR



22 APRIL

ECOS-SIRIM Safety Label Launch

Appointed as a Conformity Assessment Body by the Energy Commission of Sabah (ECOS). The event also marked the official launch of the ECOS-SIRIM Safety Label to ensure electrical appliances in Sabah meet international safety standards.

22 MAY



LIMA 2025

SIRIM Calibration entered into a strategic collaboration with Aerospace Technology Systems Corporation (ATSC) to provide calibration services supporting aerospace maintenance precision and quality.

30 MAY



SIRIM wins at ITEX 2025

SIRIM showcased ten inventions at ITEX 2025, securing six gold medals, four silver medals, the Best Green Invention Award, and the Best Invention Award, reflecting its strong innovation capabilities across multiple industries.

JUN



27 JUNE

Signing Ceremony Between SIRIM QAS International and PSDC

SIRIM QAS International partnered with the Penang Skills Development Centre (PSDC) to manage and operate its EMC Laboratory. Effective 1 July, SIRIM QAS provides Radio Frequency (RF) and Electromagnetic Compatibility (EMC) testing to boost northern region industry access.

JUL



13 JULY

13th ASEAN Expert Group on Metrology Meeting

Through the National Metrology Institute of Malaysia (NMIM), SIRIM hosted the 13th ASEAN Expert Group on Metrology Meeting in Kuala Lumpur, focusing on regional collaboration, EV charging standard harmonisation, digital transformation, and metrology capacity building.



16 JULY

Launch of ISO 37001:2025 ABMS

SIRIM participated in the launch of the Fast Track Programme: ISO 37001 ABMS – Towards Certification, a collaboration between CIDB and MBAM to accelerate ISO 37001:2025 adoption among G7 contractors.



17 JULY

Launch of New RF EMC Lab in Penang

SIRIM QAS International launched its EMC Testing Laboratory and Innovation Management Certification services at PSDC, supporting industries with faster access to international testing and certification services.

AUG



Strategic MoA with CVC China

Formalised an agreement with CVC Certification & Testing Co., Ltd. to enhance international cooperation in testing, inspection, and mutual certification standards. The MoA was signed by Ts. Md Adha Rahmat, CEO of SIRIM QAS International, and Mr. Zhu Jia, Deputy General Manager of CVC Certification & Testing Co., Ltd..

OCT



SIRIM Invention, Innovation and Technology Expo (SI2TE 2025)

The 7th SI2TE concluded successfully after gathering 263 participants from schools, academic institutions, and industry under the theme "Fusion of Intelligence: Advancements in Science and Technology."



ASEAN Technopreneurship Innovation Roundtable and Workshop

Hosted under Malaysia's ASEAN Chairmanship, the roundtable brought together regional leaders and innovation stakeholders to advance technopreneurship, MSME development, and cross-border collaboration across ASEAN. The session was chaired by Nik Sazali Nik Hussin, President and Group Chief Executive Officer of SIRIM Berhad.

NOV



Sarawak Appliance Safety MoU

Signed an MoU with the Ministry of Utility and Telecommunication Sarawak (MUT) to elevate the safety and verification standards of electrical and gas appliances in the state.



VVB for GHG Emissions Launch

Launched the Validation and Verification Body (VVB) for Organisational Greenhouse Gas Emissions, accelerating Malaysia's net-zero transition and climate accountability. The launch was officiated by Datuk Ir. (Dr.) Khairol Anuar Mohamad Tawi, Chairman of SIRIM, and Nik Sazali Nik Hussin, President and Group Chief Executive Officer of SIRIM, together with Ts. Md. Adha Rahmat, CEO of SIRIM QAS International.



International Conference on Quality and Innovation (ICQI) 2025

ICQI 2025 gathered industry leaders, policymakers, researchers, and innovators in Kuala Lumpur to discuss AI-driven innovation, sustainability, digital transformation, governance, and climate action. The conference included a keynote address from Gobind Singh Deo, Minister of Digital.

20 NOVEMBER



Majlis SIRIM Industri 2025

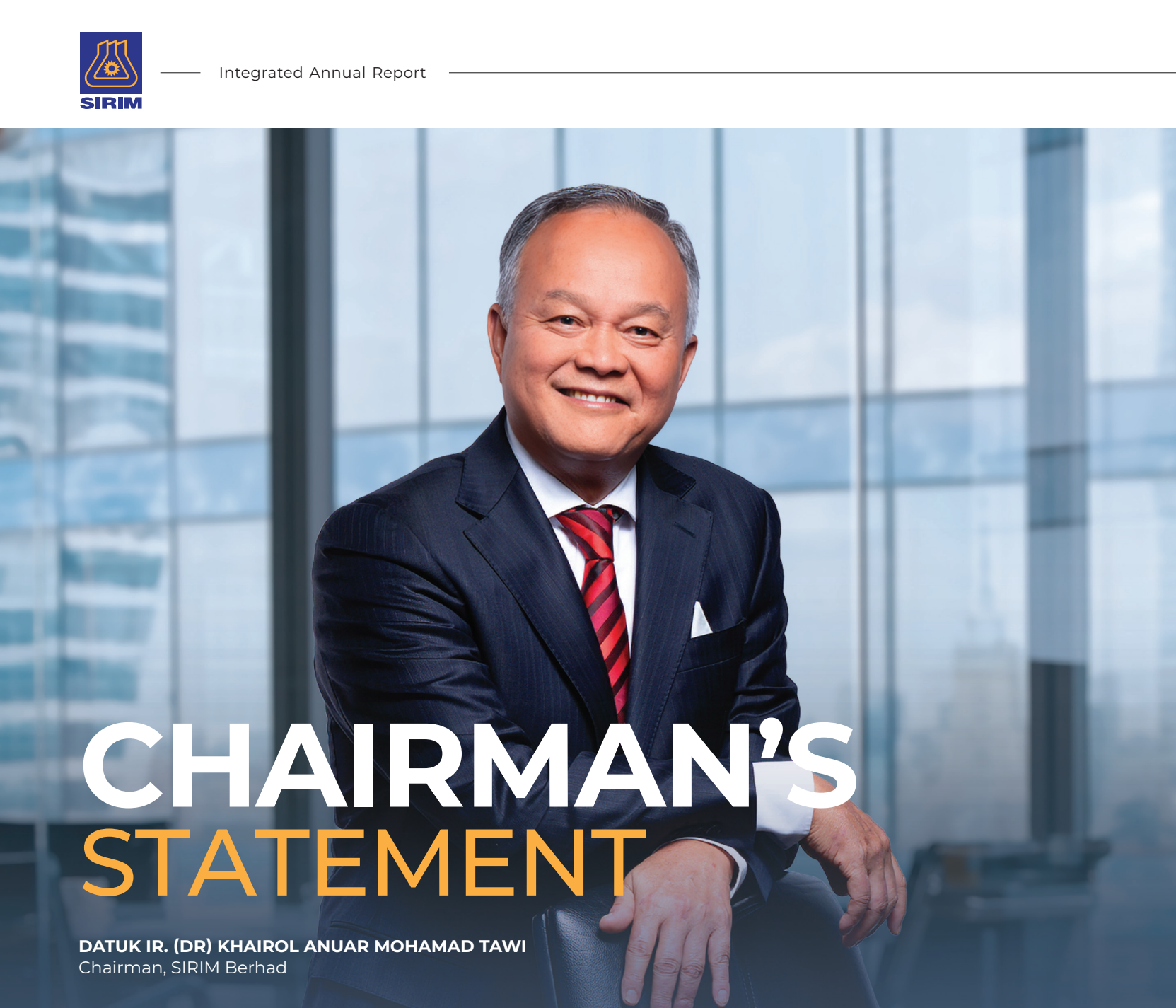
Celebrated the theme "Quality and Sustainability through AI-Driven Innovation," officially introducing two new landmark certification schemes: AI Management Systems (ISO/IEC 42001) and Innovation Management Systems (ISO 56001).

26 NOVEMBER



HRD Awards 2025

SIRIM Academy was honoured as the winner of the HRD Awards 2025 under the Training Provider category. The award reaffirms our commitment to excellence, innovation, and impactful learning supporting our journey towards building a future ready Malaysia.

A portrait of Datuk Ir. (Dr) Khairol Anuar Mohamad Tawi, Chairman of SIRIM Berhad, smiling and wearing a dark suit and a red and black striped tie. He is seated in front of a large window with a view of a city skyline.

CHAIRMAN'S STATEMENT

DATUK IR. (DR) KHAIROL ANUAR MOHAMAD TAWI
Chairman, SIRIM Berhad

DEAR STAKEHOLDERS,

IF SIRIM IS THERE, TRUST IS THERE.

That is what our 50th year reminded us. SIRIM is often described through technical words: standards, testing, inspection, certification, metrology and accreditation. While these functions remain fundamental, they do not fully capture SIRIM's broader contribution over the past five decades. Beyond these services, SIRIM has served as a trusted national institution, enabling industrial development, strengthening competitiveness, advancing innovation and contributing to Malaysia's nation-building journey.

At its core, SIRIM is about trust. Trust that a product is safe. Trust that a material has been tested. Trust that Malaysian industries can grow with the right technical strength behind them. This is the role we have played through different stages of national development, from supporting Malaysia's early industrial foundations to enabling a more advanced, competitive and future-ready economy.

In FY2025, this role became even more relevant. Malaysia's industrial agenda, including the New Industrial Master Plan (NIMP) 2030, continues to call for higher-value growth, stronger productivity and technology adoption. At the same time, artificial intelligence, ESG expectations and changing global market requirements are reshaping what industries need to remain competitive. For these ambitions to take shape, companies need more than policy direction. They need capability, assurance and institutions that can support progress on the ground.

This is where SIRIM continues to matter. When industries strengthen their products, processes and quality, Malaysians feel the difference in everyday life. From safer appliances to properly tested building materials and fire doors that perform as required. *"Ada SIRIM, Baru Beli!"* captures that promise behind our work: trust that protects people, supports industry and strengthens Malaysia's progress.

TO PROTECT THAT TRUST, SIRIM MUST KEEP EVOLVING

The trust SIRIM has built over five decades cannot be protected by standing still. As Malaysia's needs change, SIRIM must also change how it serves. This is the purpose of SIRIM 3.0. It is a decision by the leadership to make SIRIM more focused, responsive and prepared for what the country will need next.

“ This transformation is guided by a simple question: what kind of SIRIM does Malaysia need for the next 20 to 30 years? The answer cannot be limited to what has worked before. It requires us to imagine SIRIM's future together, then translate that ambition into clearer structures, stronger capabilities and more effective delivery.

In FY2025, following the Board's approval of the transformation direction in November 2024, the Board worked with management to shape the architecture needed for this next chapter. This included SIRIM's structure, business authorities, entities and ways of working. The Board's role was to provide oversight, guidance and challenge through the proper channels, while management led execution. This clarity of role allows transformation to move forward with discipline and accountability.

The transformation framework was subsequently strengthened through the Ministry of Finance (MOF)'s approval on March 2026, providing a clear mandate for execution. Anchored on six strategic pillars, SIRIM 3.0 focuses on business streamlining, developing future-ready talent and leadership, accelerating technology and digital adoption, strengthening financial sustainability, reinforcing regulatory excellence and enhancing strategic partnerships and stakeholder engagement. Together, these pillars provide the foundation for a more agile, impactful and future-ready SIRIM that can better support Malaysia's industrial and economic aspirations.

At the same time, SIRIM 3.0 must strengthen what we already do well. Our mandate is who we are. We are statutory, developmental and commercial within one institution, and that balance allows us to serve Government priorities, support industry competitiveness and contribute to society. Transformation does not change this purpose; it helps us deliver it better.

As with any meaningful transformation, this journey will require time and adjustment. It will not happen overnight, but it must happen if SIRIM is to serve Malaysia better. We are evolving not to become something else, but to become more effective at being SIRIM.

SIRIM'S NEXT CHAPTER MUST BE BUILT WITH THOSE WE SERVE

As we enter FY2026, SIRIM 3.0 must move beyond organisational transformation towards delivering greater national impact by leveraging SIRIM's strategic assets, including expertise, technology, infrastructure and talent, to strengthen its leadership in standards, testing, inspection and certification while expanding into emerging growth sectors that enhance Malaysia's industrial competitiveness, innovation capacity and economic resilience.

To do this well, SIRIM must remain closely connected to the ecosystem around us. We are guided by the Government's mandate, particularly through MOF and Ministry of Investment, Trade and Industry (MITI), while our work with industry, regulators, partners and communities gives us practical insight into what is needed on the ground. We will continue to execute the Government's vision with discipline, while contributing grounded recommendations that help national priorities move into implementation.

ACKNOWLEDGEMENTS

The year saw the departure of our former President and Group CEO, Datuk Dr Ahmad Sabirin Arshad. I appreciate his service to SIRIM, and welcome Nik Sazali Nik Hussin's appointment as the acting President and Group CEO. I look forward to working together in building SIRIM's presence in Malaysia and beyond. On behalf of the Board, I also wish to record our sincere appreciation to Dato' Ir. Lim Yew Soon and Norlin Abdul Samad upon completing their six-year tenure on the Board. We thank them for their distinguished service and invaluable contributions.

In closing, I thank our shareholders, the Government, industry and ecosystem partners, our employees, communities and the public for the continued trust they place in SIRIM. As we move through this transformation, we welcome your partnership and support so that we can serve Malaysia better for the next 50 years. Our responsibility is clear: to stand closer to those building the nation's future, as a trusted institution and the best partner for innovation.



DATUK IR. (DR) KHAIRUL ANUAR MOHAMAD TAWI
Chairman, SIRIM Berhad



For more than half of a century, SIRIM remains closely associated with the mark of quality. Our responsibility is to keep this mark trusted, relevant and meaningful in a rapidly changing economy.

NIK SAZALI NIK HUSSIN
President & Group Chief Executive Officer,
SIRIM Berhad



FROM THE DESK OF THE **PRESIDENT AND GROUP CEO**

DEAR STAKEHOLDERS,

As mentioned by our Chairman, FY2025 was a significant year for SIRIM as we marked our 50th anniversary and reflected on the trust built over five decades. I am deeply grateful for the Board's trust in me to carry SIRIM forward into the next chapter of our journey. From management's perspective, the year was about protecting that trust through delivery. We focused on ensuring that SIRIM continued to serve its mandate as an Minister of Finance Incorporated (MOF Inc.) organisation while preparing the Group for its next phase of transformation.

It was also a year that tested both SIRIM and the industries we serve. Businesses continued to navigate geopolitical developments, tariff-related pressures, and a more competitive market. Internally, we managed a leadership transition. Despite these challenges, SIRIM continued to deliver, strengthened Group performance and began laying the foundation for SIRIM 3.0.

A YEAR OF PROGRESS AND RENEWAL

FY2025 marked the start of SIRIM's third major transformation. We began in 1975 as a Government agency and were corporatised in 1996.

“Today, SIRIM 3.0 represents the next step in our evolution: building an agile and unified SIRIM, strengthening our mandate to safeguard our businesses, and working towards our aspiration of RM1 billion income by 2030.

This transformation is not only about changing structure. It is about improving how we serve. During the year, we focused on strengthening delivery, improving customer experience, and optimising our resources so that SIRIM can respond with greater speed and consistency. As a Government-owned testing, inspection and certification body, we must remain commercially sustainable to continue carrying our mandate well. Today, approximately 43% of our operating expenditure is funded through commercial activities.

Despite the challenging environment, the Group recorded stronger performance in FY2025, with revenue reaching RM392.2 million. SIRIM QAS remained a major contributor, recording revenue of approximately RM300 million. Our developmental role was also supported through the Twelfth Malaysia Plan (RMK12), Malaysia MADANI and the New Industrial Master Plan (NIMP) Industrial Development Fund, with total funding of RM164.39 million across 14 RMK12 projects, RM10 million across two Malaysia MADANI projects, and RM300 million across eight NIMP Industrial Development Fund (NIDF) projects.

This is the purpose of SIRIM 3.0: to ensure that SIRIM delivers with greater focus, speed and relevance. The full impact will become clearer in FY2026, but FY2025 was the year we set the direction and began preparing SIRIM to serve Malaysia better.



FROM THE DESK OF THE PRESIDENT AND GROUP CEO

TURNING PERFORMANCE INTO INDUSTRY CAPABILITY

Our performance is linked to our ability to serve industry. In FY2025, SIRIM reached 28,700 customers, issued 120,000 testing, inspection, certification and calibration certificates and reports, trained 25,000 industry personnel, nurtured 1,090 entrepreneurs and supported 595 beneficiary companies through RMK12 programmes. These figures show how SIRIM's work translates into practical value by helping businesses strengthen compliance, improve quality, and build market confidence.

One key example is the Smart Tech Up Programme under the NIMP 2030. In FY2025, SIRIM was entrusted by the Government to lead this initiative, with an initial allocation of approximately RM60 million and a target to support 3,000 smart factories nationwide by 2030. This reflects SIRIM's role within the MITI ecosystem, where our services help companies adopt technology and improve competitiveness. Based on the SIRIM-Fraunhofer 2.0 Survey 2025, participating SMEs recorded an 80% increase in technology adoption and 72% improvement in productivity and operational efficiency.

We also continued supporting industry development through RMK12, which concluded in FY2025. In aerospace, SIRIM continued to promote AS9100 certification through engagements with NAICO, MIDA and industry platforms in Malaysia and abroad. As of December 2025, 21 local and international aerospace clients had been certified, including eight Tier 1 and 13 Tier 2 to Tier 3 suppliers within the aerospace ecosystem. This demonstrates how certification can help local companies strengthen their readiness to participate in higher-value supply chains.

For SMEs and mid-tier companies, standards and certification can become a pathway to new markets, stronger supply chain participation, and higher-value growth. This is where SIRIM's mandate becomes practical: helping Malaysian industries become more capable, credible and competitive.

GROWING FROM A TRUSTED CORE

SIRIM must continue expanding where industry needs us next, but growth must be built on the core that made us trusted. Our work in standards, testing, inspection, certification and research remains central to how we support industry and protect public safety. Across the Group, this foundation is supported by 112 laboratories, comprising 48 Commercial laboratories, 22 Developmental laboratories and 42 Statutory laboratories.

In FY2025, we strengthened our offerings in ESG and expanded our presence in the electrical and electronics sector through our collaboration with Penang Skills Development Centre (PSDC). This included the establishment of radiofrequency and electromagnetic capability (EMC) testing facilities in Penang, strategically located within the Bayan Lepas Free Industrial Zone. Officially launched on 17 July 2025, the facility generated RM670,400 in revenue and strengthens access to accredited EMC testing services for Northern Region manufacturers, particularly in electronics, telecommunications, automotive, and medical devices.

What matters is not only the new capability, but the model behind it. Through this collaboration, SIRIM gains access to a fully established EMC testing facility, including Malaysia's only 10-metre Semi-Anechoic Chamber, without the need for substantial capital expenditure to build a new laboratory. PSDC provides the assets and infrastructure, while SIRIM brings technical credibility, accreditation experience, and operating expertise. This is a model we can build on under SIRIM 3.0: collaborate with partners who have capital, infrastructure or market access, while SIRIM contributes assurance, technical depth and execution.

At the same time, research remains part of our core. In FY2025, SIRIM Industrial Research continued to support industry through applied solutions and collaborations. 54.4% of our SMEs benefited directly from these efforts, accelerating the development of new products and their transition toward Industry 4.0-aligned practices. Most significantly, we recorded an 80% improvement in technology and innovation adoption across participating SMEs, a testament to our role as a catalyst for industrial transformation. Our certification and assurance work also continued to support public confidence. SIRIM currently supports 11 ministries and agencies through product certification and inspection, while continuing to test and certify products used by Malaysians every day.

In 2025, we issued 120,000 testing, inspection, certification and calibration (TICC) certificates, including 653 management system certifications, 18,196 product certifications, 7,071 type approvals, 18,904 test reports and 18,795 inspection reports. After 50 years, SIRIM remains closely associated with the Mark of Quality. Our responsibility is to keep that mark trusted and useful to a changing economy.

21 Local and International Aerospace Customers
 Certified in 2025, including
8 Tier 1 and **13** Tier 2 and
 Tier 3 Suppliers within the
 Aerospace Ecosystem.



OUR STRENGTH IS OUR PEOPLE

SIRIM's strength is not only in our laboratories, equipment, or facilities. It is in our people. Out of approximately 2,000 employees, around 14% are technical experts, including researchers, engineers, metrologists, and designers who contribute directly to innovation, testing, certification, and industrial development. In addition, more than 600 personnel also hold professional titles and specialised qualifications. These are the people who carry SIRIM's credibility in the market and deliver our mandate on the ground.

This is why people development is central to SIRIM 3.0. In FY2025, we invested a total of RM3.2 million in employee training and development programmes. This comprised RM2.11 million for developmental training and RM1.12 million for functional training programmes, with over 500 training initiatives conducted throughout the year. Within these developmental programmes, we identified competencies across 27 new areas. These areas include information technology and artificial intelligence, aerospace, medical devices, battery testing, construction materials, energy efficiency, Global Reporting Initiative (GRI) standards, the IEC System for Certification to Standards Relating to Equipment for Use in Explosive Atmospheres (IECEX), Carbon Capture Utilisation Storage (CCUS), Artificial Intelligence (AI) testing facilities, blockchain-as-a-service, electrical and electronics (E&E) semiconductors, electric vehicle charging stations, water quality and specialised measurement capabilities.

Transformation is also about culture. We want SIRIMians to move as one Group, even as we operate across different entities and functions. This means strengthening leadership, upskilling, and continuing to care for our people. The success of SIRIM 3.0 will depend on our ability to bring our people with us.

MOVING FORWARD AS ONE SIRIM

As we move into FY2026, SIRIM 3.0 will enter a more active phase of implementation. This will bring challenges, including the centralisation of support services and changes to how we work. However, there will be no compromise on service delivery or our commitment to stakeholders. SIRIM must continue to serve while it transforms.



More importantly, we must move as One SIRIM. Even though we operate as a Group, our people must work with one culture, one direction and one vision.

Our path forward is guided by GO2030, which focuses on Growth and Optimisation. We aim to grow the Group by strengthening revenue opportunities, while optimising how we use our expenses, resources, and capabilities. Sustainability will remain the foundation, with digitalisation and people transformation as key enablers.

To our shareholders, employees, partners, customers, Government stakeholders and the industries we serve, I ask for your continued trust and support as we move through this next phase together. SIRIM has been trusted for 50 years because of what we deliver. Our responsibility now is to keep improving that delivery, and to remain the best partner for innovation for the next 50 years.



NIK SAZALI NIK HUSSIN

President & Group Chief Executive Officer, SIRIM Berhad

OUR APPROACH TO VALUE CREATION

SIRIM creates long-term value through an integrated approach that aligns our strategic priorities, operational capabilities, stakeholder needs and sustainability commitments to support industrial transformation and national growth

Assessing Our Context

01 ASSESS OUR OPERATING CONTEXT

[Read more on pages 44 to 47](#)

As technological advancement, industrial transformation and sustainability expectations reshape the operating landscape, SIRIM continuously assesses emerging trends as well as challenges and opportunities to strengthen industrial competitiveness, resilience and long-term value creation.

Key Market Trends

- | | |
|---|--|
| T1 Macroeconomic Growth | T5 Digital Acceleration & Technology Transformation |
| T2 Economic Uncertainties & Cost Pressures | T6 Workforce Capabilities & Talent Management |
| T3 Competitive Landscape | T7 Sustainability & Climate Change |
| T4 Growth in High-Value Industries | T8 Evolving Regulatory Requirement |

02 STRENGTHEN STAKEHOLDER RELATIONSHIPS

[Read more on pages 32 to 35](#)

As technological advancement, industrial transformation and sustainability expectations reshape the operating landscape, SIRIM continuously assesses emerging trends as well as challenges and opportunities to strengthen industrial competitiveness, resilience and long-term value creation.

Our Key Stakeholders

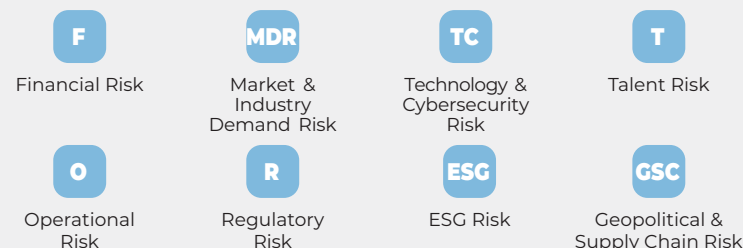


03 IDENTIFY RISKS AND OPPORTUNITIES

[Read more on pages 48 to 52](#)

Our integrated risk management approach enables SIRIM to proactively identify, assess and manage risks while capturing opportunities arising from industrial transformation and technological advancement. Supported by strong governance oversight, operational monitoring and strategic planning, SIRIM remains well-positioned to respond to evolving risks and uncertainties while sustaining long-term value creation.

Risks Identified



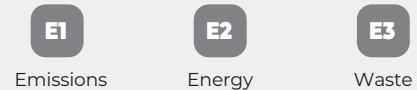
04 IDENTIFYING AND PRIORITISING OUR MATERIAL MATTERS

Through stakeholder engagements, materiality assessments and sustainability evaluations, SIRIM identifies and prioritises material matters that significantly influence our ability to create value. These material matters guide our strategic focus, operational priorities, sustainability initiatives and long-term value creation efforts.

Material Matters Linked to our ESG Focus Areas

[Read more on pages 36 to 43](#)

Protect and Conserve the Environment



Safeguard Stakeholders' Interests



Uphold Good Governance



05 EMBEDDING SUSTAINABILITY INTO SIRIM'S OPERATIONS

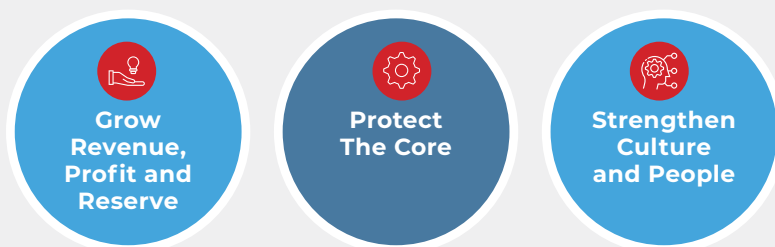
Sustainability is embedded across SIRIM's strategies, operational practices, innovation ecosystem and industrial development initiatives. Through our integrated approach, we continuously strengthen environmental stewardship, social responsibility and governance practices while aligning our sustainability priorities with national development aspirations.

[Read more on pages 78 to 97](#)

06 FORMULATE OUR STRATEGIES

[Read more on page 53](#)

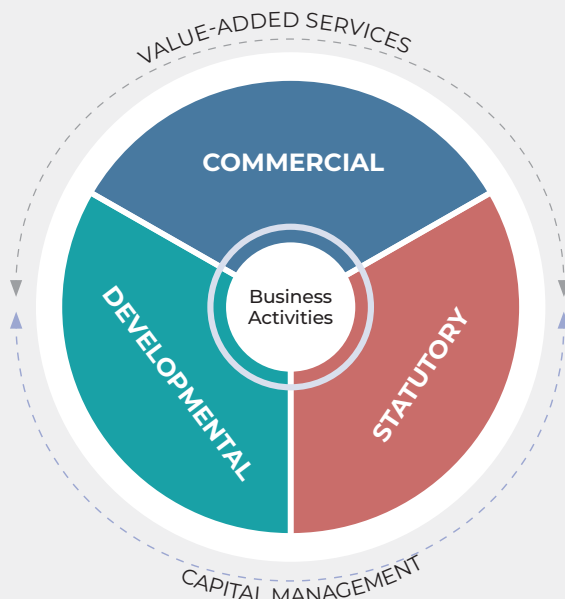
SIRIM's integrated business model is designed to maximise the effective utilisation of our six capitals while supporting our Commercial, Developmental and Statutory mandates. By aligning our strategic direction, operational capabilities and innovation ecosystem, we continue to strengthen industrial competitiveness, support technological advancement and facilitate sustainable economic growth.



07 OPTIMISING OUR CAPITALS

[Read more on pages 28 to 29](#)


08 INTEGRATE INTO OUR BUSINESSES

[Read more on pages 60 to 77](#)


09

Creating Value

Through our integrated approach to value creation, SIRIM continues to generate sustainable outcomes that strengthen industrial competitiveness, technological advancement and national development.

Employees

- Future-ready workforce
- Professional growth

Government Agencies & Ministries

- Industrial development
- National competitiveness

Industry & Association Partners

- Technology advancement
- Industry competitiveness

Customers

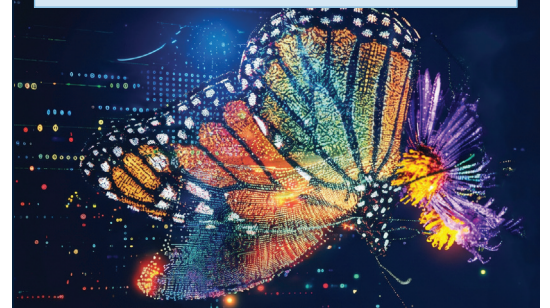
- Quality assurance
- Trusted solutions

Business Partners

- Innovation collaboration
- Shared growth

Consumers & Communities

- Public trust and confidence
- Societal well-being



KEY CAPITALS

Our key capitals represent the resources and relationships that enable SIRIM to deliver value and fulfil its mandate. By effectively managing and enhancing our financial, manufactured, intellectual, human, social and relationship, and natural capitals, we strengthen our ability to support industry development, drive innovation and contribute to sustainable growth for our stakeholders and the nation.



FINANCIAL CAPITAL

Financial capital comprises the funds and financial resources that support SIRIM's operations, strategic investments, innovation initiatives and long-term growth. Effective financial management enables SIRIM to strengthen organisational resilience, enhance industrial capabilities, invest in advanced technologies and sustain long-term value creation across its commercial, developmental and statutory roles.

Total Equity:
RM264.1 million

Additional CAPEX:
RM35.3 million

Revenue:
RM392.2 million



MANUFACTURED CAPITAL

Manufactured capital encompasses the physical infrastructure, laboratories, facilities, equipment, digital platforms and technological assets that support SIRIM's operations and service delivery. These capabilities enable SIRIM to deliver integrated testing, inspection, certification, calibration, industrial research, consultancy and innovative solutions that strengthen Malaysia's industrial ecosystem.

8 Branch Offices

3 State Offices

5 Regional Venture

4 Off-Campus Facilities

1 International Venture



INTELLECTUAL CAPITAL

Intellectual capital represents SIRIM's knowledge-based assets, technical expertise, proprietary technologies, intellectual property, systems, research capabilities and innovation ecosystem that drive industrial advancement and sustainable growth. Through continuous innovation, research and collaboration, SIRIM strengthens technological readiness and supports the development of future-ready industrial solutions.

Long-standing
industry
knowledge,
experience and
expertise

A **strong** and
trusted brand
that resonates with
consumers

Total Accredited
Laboratories:
104 Accredited Labs





HUMAN CAPITAL

Human capital reflects the skills, expertise, experience, leadership capabilities and innovation mindset of SIRIM's workforce that support operational excellence and long-term organisational success. Through continuous learning, professional development and capability enhancement initiatives, SIRIM continues to nurture a highly skilled and future-ready workforce capable of driving innovation and industrial transformation.

Total No. of Employees:
2,167

Male: 44%
Female: 56%
Permanent: 99%
Contract: 1%

Investment in Developmental & Functional training:
RM3.2 million

42% Women
Researchers, Scientists and Engineers



NATURAL CAPITAL

Natural capital comprises the environmental resources and natural ecosystems that support SIRIM's operations, innovation activities and sustainability commitments. SIRIM remains committed to responsible resource management, environmental stewardship and the development of sustainable and innovative technologies that contribute towards long-term industrial and environmental sustainability.

Water Consumption:
235,000 cubic meters

Launch of **SIRIM Sustainability Roadmap 2024-2027**

134 Energy Saving Measures (ESM) Identified through energy audits carried out



SOCIAL & RELATIONSHIP CAPITAL

Social and Relationship Capital encompasses the relationships, collaborations, stakeholder networks and trust established between SIRIM and its stakeholders to support innovation, industrial development and sustainable value creation. Strong partnerships with government agencies, industry players, SMEs, academia and international organisations enable SIRIM to strengthen industrial competitiveness and national development.

Collaboration with **SMEs and Industry Players**

Customer Satisfaction Index:
>90%

8 High Value Partnerships
Secured



OUR VALUE CREATING BUSINESS MODEL

SIRIM's Value-Creating Business Model demonstrates how we leverage our key capitals, capabilities and strategic activities to create value for our stakeholders. Through innovation, technology, standards and quality solutions, we transform inputs into meaningful outcomes that support industrial advancement, national competitiveness and long-term sustainability.

OUR CAPITALS

INPUTS



Financial Capital

- Total Assets: RM957.8 million
- Capital Reserve: RM248.1 million
- Cash & Cash Equivalents: RM305.3 million
- Shareholders' Equity: RM264.1 million
- Share Capital: RM70.0 million



Manufactured Capital

- 4 Technology Centres: Energy & Environment Centre | Life Sciences Centre | Smart Manufacturing Centre | Advanced Material Research Centre (AMREC)
- 112 laboratories established
- Investment in property, plant & equipment: RM479.1 million
- RM201 million developmental projects under RMK12 funding



Intellectual Capital

- Issuance of IP Rights/Patented Technologies/Registered Trademarks/Production Licenses/Licensed Technologies and Processes
- The knowledge, processes, technologies and systems embedded in our operations, nurture the capacity for innovation, key to maintaining our competitive edge
- Established Board Risk and Sustainability Committee to Enhance Oversight of Risk & Sustainability Performance



Human Capital

- Total Workforce: 2,167
 - RSE accounts for 14% of the workforce (functional technical roles)
 - Experts represent >30% of the workforce (employees with at least one professional certification; overlapping categories)
- A high performance and innovative culture
- Occupational Safety and Health approach is guided by ISO 45001:2025



Natural Capital

- Electricity Consumption: 22.3 MWh
- Establish ESG Tracker as a central dashboard to monitor Key Sustainability Indicators across the Group
- Sustainability Framework established to provide the basis for 2027 target to reduce carbon emission intensity by 20% from the 2023 baseline
- Adopting Solar Photovoltaic (PV) Systems to reduce reliance on grid electricity
- SIRIM as a Low Carbon Campus
- Energy efficiency and conservation initiatives



Social and Relationship Capital

- Total Customers: 28,700 (2024: 19,440)
- Focused efforts on community innovation
- Strong relationships with Government Ministries and Agencies
- Strategic partnerships with Universities and Research Institutions
- Collaboration with SMEs and Industry Players
- Introduced Wicking Bed System (WBS), a self-watering urban farming solution that reduces water usage and improves crops yields

...ENABLE VALUE-ADDING ACTIVITIES THAT CREATE

CULTURAL BELIEFS



A Achieve Sustainability



L Lead Innovation



E Engage Teamwork



A Act Fast



D Deliver Excellence

STRATEGY



Grow Revenue, Profit and Reserve



Protect The Core



Strengthen Culture and People

[Read more on page 53](#)

KEY MARKET TRENDS

- Macroeconomic Growth
- Economic Uncertainties & Cost Pressures
- Competitive Landscape
- Growth in High-Value Industries
- Digital Acceleration & Technology Transformation

[Read more on pages 44 to 47](#)

SUSTAINABILITY PILLARS

PILLAR 1: Protect and Conserve the Environment

[Read more on pages 78 to 97](#)

Pillar 2: Safeguard Stakeholders' Interests

Pillar 3: Uphold Good Governance

MATERIAL MATTERS

Protect and Conserve the Environment

- Emissions
- Energy
- Waste

[Read more on pages 36 to 43](#)

Safeguard Stakeholders' Interests

- Employment
- Training & Education
- Community
- Customer Relations
- Occupational Safety & Health

Uphold Good Governance

- Responsible Procurement
- Business Ethics
- Risk Management
- Data Governance

Governance underpins every aspect of SIRIM, providing the oversight, accountability and strategic direction needed to ensure responsible decision-making, effective risk management and the sustainable creation of value over the short, medium and long term.

[Read more on pages 114 to 138](#)

UNDERPINNED BY

OUR OVERARCHING GOVERNANCE

VISION

Best Partner For Innovation

MISSION

GOVERNMENT

Contribute towards national policies and aspiration.

INDUSTRY

Enhance trade access, competitiveness and business growth.

SOCIETY

Improve quality of life through health, safety, environment and consumer protection.

...VALUE FOR OUR STAKEHOLDERS.

OUTPUTS

01 Commercial

- Testing & inspection services delivered
- Certifications issued
- Calibration & measurement services delivered

02 Developmental

- Industrial research & innovation projects delivered
- Technology commercialisation initiatives completed
- Sustainability & ESG solutions delivered
- Industry capability development programmes delivered
- Industry personnel trained

03 Statutory

- National measurement standards maintained
- Calibration & measurement capabilities recognised internationally

04 Emissions

- Scope 1 GHG Emissions (tCO₂e): 2,122.55 tCO₂e
- Scope 2 GHG Emissions (tCO₂e): 16,119.23 tCO₂e
- Scope 3 GHG Emissions (tCO₂e): 2,862.65 tCO₂e

OUTCOMES



Financial Capital

- Revenue: RM392.2 million (2024: RM341.6) ↑ 15% YOY
- PAT: RM16.6 million (2024: RM4.4 million)
- Total Income: RM501.1 million (2024: RM445.7 million)
- Cost-to-Income-Ratio: 0.9 (2024: 1.0)
- Net assets per share: RM3.8 million (2024: RM3.6 million)



Manufactured Capital

- Project completed within timeline 2025: 36% (2024: 80%)
- Order Book: RM28 million (2024: RM12.1 million)
- New Products & Services launched: 10 (2024: 12)



Intellectual Capital

- Accredited and recognised by 17 Ministries and Government Agencies/Regulatory Bodies
- Appointed by 17 Local and International Bodies
- Registered Trademarks issued: 147
- Patents filed: 2 (2024: 3)
- Patented Innovations: 47



Human Capital

- Women representation: 44% of total employees (2024: 43%)
33% Board Members (2024: 33%) and 57% Senior Management (2024: 57%)
- Recorded an average of 46 training hours per employee (2024: 44 hours)
- 0.86 per 1,000,000 working hours of LTIFR recorded (2024: 1.72)
– Zero Fatalities | Zero NOI | Zero NOP
- Staff salaries and benefits: RM119.9 million (2024: RM105.9 million)
- Hiring Rate: 7% (2024: 5%) outpaced Attrition Rate of 5% (2024: 5%)
- 290 talents in pipeline for enrolment in SIRIM Talent Management Programme (STAMP)



Natural Capital

- GHG emissions decreased to 21,104.43 tCO₂e representing an 8.5% reduction (2024: 23,060 tCO₂e)
- Total cumulative Solar PV capacity installed: 1,100 KWP generating 247,700 kWh of Solar Energy (2024: 167kWp | 199,754kWh)
- 20 Energy Audits conducted across buildings and premises, identified as Major Energy Users
- Carbon Intensity: 42.12 tCO₂e/RM Mil (2024: 51.83 tCO₂e/RM Mil), achieving a 25.4% cumulative reduction in Carbon Intensity from 2023 baseline surpassing its 2027 target
- 22% substitution of purchased electricity with renewable energy at installed premises



Social and Relationship Capital

- Customer Growth increased by 48%, compared to 7% in 2024
- Industry Personnel Trained: 24,889 (166% above 2025 target of 15,000)
- Companies verified as smart factory under the Smart Tech Up Programme: 37
- Bumiputera trained and nurtured: 23,117 (2024: 21,199)
- Total procurement expenses with Bumiputera vendors: RM35.8 million (2024: RM32.5 million)
- CSR & ESG Programmes implemented: 4 (2024: 4)
- Youths benefitted from CSR Programmes: 632 (2024: 800)
- RM24.6 million contributed in Taxes and Zakat (2024: RM21.3 million)
- 200 units of WBS deployed nationwide and training programmes conducted for local communities to grow their own food

STAKEHOLDERS & UNSDGs



STAKEHOLDER ENGAGEMENT

Our role as a national institution is reflected in how we engage the people and organisations connected to our work. Whether we are listening to customers to improve service delivery, working with government agencies to uphold standards and regulatory requirements, or collaborating with industry partners on shared solutions, engaging with our stakeholders helps us make better decisions that strengthen trust and responsiveness across the industries and communities we serve.

	Why They Matter	How We Connect
 EMPLOYEES Capitals  Strategies  Risks T O ESG Market Trends T3 T5 T6 T7	Employees are the foundation of SIRIM's ability to deliver technical excellence and national service. Their wellbeing, capability, and sense of purpose directly shape the quality of every service we provide and our capacity to transform as an organisation.	- Online Pulse Survey  - Group Briefings and Campaigns   - Physical Engagements 
 GOVERNMENT AGENCIES & MINISTRIES Capitals  Strategies  Risks R ESG GSC Market Trends T1 T2 T4 T5 T7 T8 Material Matters G2 G3 UN SDGs   	Government agencies and ministries define the regulatory environment within which SIRIM operates. Their direction shapes our mandate, and their trust validates our role as a national testing, inspection and certification agency.	Focus Group Discussions 
 INDUSTRY & ASSOCIATION PARTNERS Capitals   Strategies   Risks MDR R O Market Trends T3 T4 T5 T6 T8 Material Matters S4 G3 UN SDGs   	Businesses across all sectors turn to SIRIM to meet regulatory standards, build capability, and stay competitive. Their ESG readiness and technical compliance depend directly on our ability to deliver accessible, relevant solutions.	- Online Pulse Survey  - Courtesy Visits/ Pocket Talks/ Seminars/ Webinars  - Updates & Networking Sessions  - Technical Seminars and Webinars  - Majlis SIRIM Industri 

Frequency of Engagement



As Required



Biannually



Quarterly



Annually



Daily



Monthly

Expectations and Priorities	Our Response and Impact
Scope 3 Emissions Tracking Accurate measurement of commuting emissions and its impact on our carbon footprint.	- Strengthened accuracy of Scope 3 GHG data and overall GHG accounting quality - Achieved 100% participation in our employee commuting pulse survey
Fair Employment Practices Fair wages, job security, safe working conditions, reasonable hours, and respectful treatment.	- Ensure fair collective bargaining between employer and union to mitigate operational disruptions - Improved employee satisfaction and retention
Sustainability and Integrity Culture A high-performance culture grounded in ESG awareness and ethical conduct.	- Drive adoption of <i>Amalan Baik</i> ESG practices through regular briefings and campaigns - Foster a responsible, motivated, and operationally efficient workplace
National Agenda Alignment Alignment between SIRIM's sustainability approach and national policy direction, including sustainability reporting, carbon markets, and industry readiness.	- Strengthen understanding of new sustainability regulations, carbon market developments, reporting standards framework and legal compliance requirements - Advocate sustainability-related services offered by SIRIM
ESG Compliance Access to ESG solutions, including training, certification, advisory, and eco-products to meet regulatory and customer requirements.	- Consolidate SIRIM's ESG service offerings into a comprehensive package - Help companies become ESG-compliant and market-ready through capacity building, technical advisory, certification and verification services
Technical Updates Timely access to regulatory updates, standards changes, technical guidance, and compliance requirements.	- Conduct Pocket Talks, Seminars, and Webinars featuring industry experts - Deliver technical seminars on certification schemes, standards, and regulatory requirements - Build industry capability and awareness on product quality and safety
Collaboration and Recognition Platforms for networking, knowledge-sharing, and recognition of industry achievements.	- Organise networking sessions to facilitate exchange of industry insights - Recognise certified organisations and deepen partnerships through <i>Majlis SIRIM Industri</i>

STAKEHOLDER ENGAGEMENT

	Why They Matter	How We Connect	
 CUSTOMERS Capitals   Strategies    Risks     Market Trends      	Our diverse customer base relies on SIRIM to achieve technical compliance, certification, and capacity growth. Building their confidence and satisfaction is central to our role as a trusted technical partner.	- Customer Visits and Engagement Sessions  - Pocket Talks  - Customer Satisfaction Survey  - Technical Seminars and Webinars  - Exhibitions, Roadshows and Industry Events  - Majlis SIRIM Industri 	
 BUSINESS PARTNERS Capitals   Strategies    Risks    Market Trends      Material Matters   UN SDGs   	Strategic partners and collaborators are essential to maintaining SIRIM's credibility, expanding our capabilities, and keeping us at the forefront of industry developments.	- Strategic Partnership Meetings  - Technical Workshops  - Collaboration Agreement 	
 CONSUMERS & COMMUNITIES Capitals   Strategies  Risks    Market Trends    Material Matters   UN SDGs   	Society and local communities are the ultimate beneficiaries of SIRIM's work. Their awareness of quality, safety, and certification standards directly drives the integrity of Malaysia's marketplace.	- Social Media Platforms, Advertisement  - Exhibitions, Roadshows and Awareness Programmes   - Pocket Talks and Educational Awareness Sessions 	

Frequency of Engagement



As Required



Biannually



Quarterly



Annually



Daily



Monthly

Expectations and Priorities	Our Response and Impact
Service Quality and Responsiveness Reliable certification, fast turnaround times, and consistent service experience.	- Conduct regular engagement sessions and address feedback through service improvement initiatives - Gather feedback through annual customer satisfaction surveys to continuously enhance the customer experience
Technical Knowledge and Capability Access to regulatory updates, emerging trends, practical guidance, and compliance training.	- Share updates on quality, safety, and certification developments through Pocket Talks - Deliver training and capability-building programmes through SIRIM Academy and subject matter experts
Market Awareness Understanding of certification benefits and market requirements.	Raise awareness of SIRIM's certification solutions and benefits
Strategic Collaboration Effective partnerships, market opportunities, and strong governance.	- Maintain regular engagement to explore new strategic initiatives - Ensure partnerships remain productive and mutually beneficial
Capability and Innovation Access to emerging competencies and opportunities for joint development.	- Conduct joint programmes and technical workshops - Drive knowledge exchange and collaborative innovation
Consumer Protection Product safety, certification awareness, and access to reliable information.	Share educational content and certification awareness campaigns
Product Confidence Better understanding of certified products and authentic quality assurance.	- Conduct outreach programmes, exhibitions, and public engagement activities - Build consumer confidence in certified products and services by promoting the tagline 'Ada SIRIM Baru Beli'
Quality Awareness Understanding of standards, quality, and safety requirements.	- Deliver awareness sessions and educational programmes - Promote a culture of quality and safety across communities and academic institutions

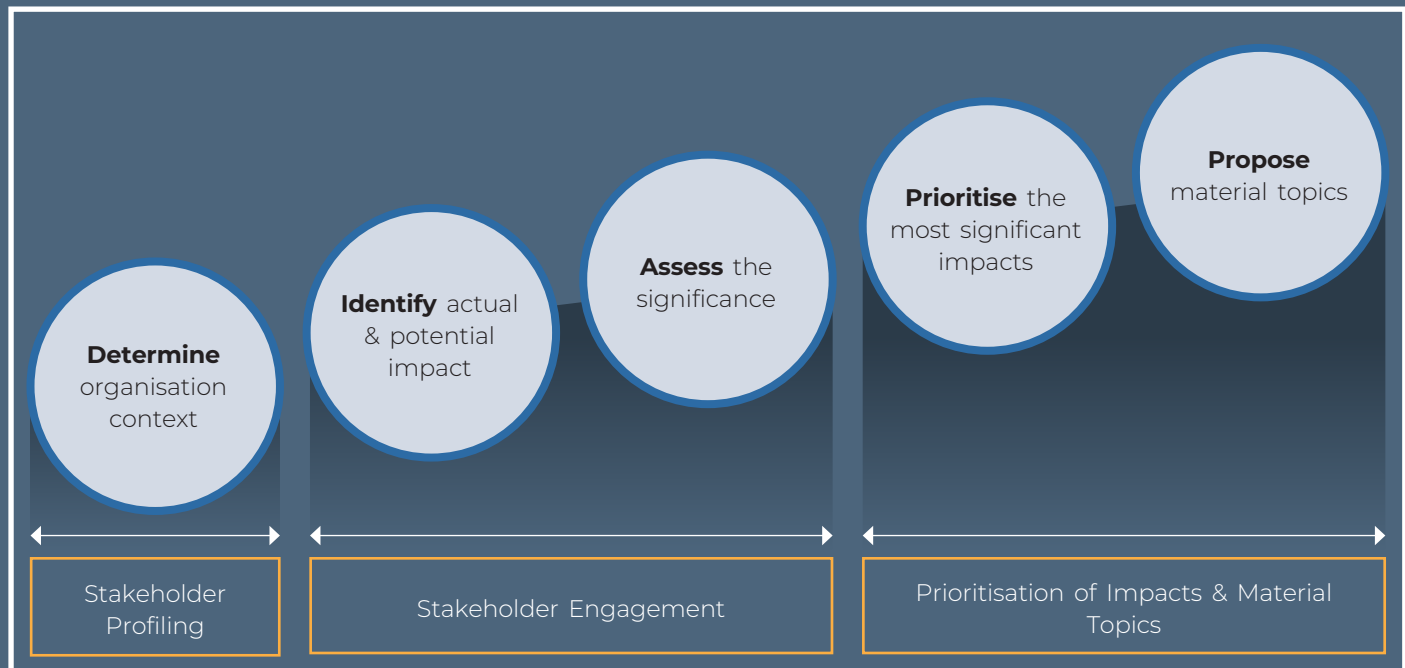
OUR MATERIAL MATTERS

Materiality helps SIRIM focus on what matters most. It brings discipline to our sustainability agenda by identifying the issues that could affect our operations, stakeholder trust and long-term relevance.

This marks the first year we conducted a formal materiality assessment, and the process has already sharpened how we prioritise and disclose our sustainability efforts. As our approach matures, we intend to refine our methodology and broaden the lens through which we assess material issues, ensuring our sustainability agenda keeps pace with the evolving expectations of our stakeholders and the industries we serve.

MATERIALITY METHODOLOGY

SIRIM's materiality assessment follows a structured process to identify, assess and prioritise sustainability matters that are significant to the organisation and our stakeholders.



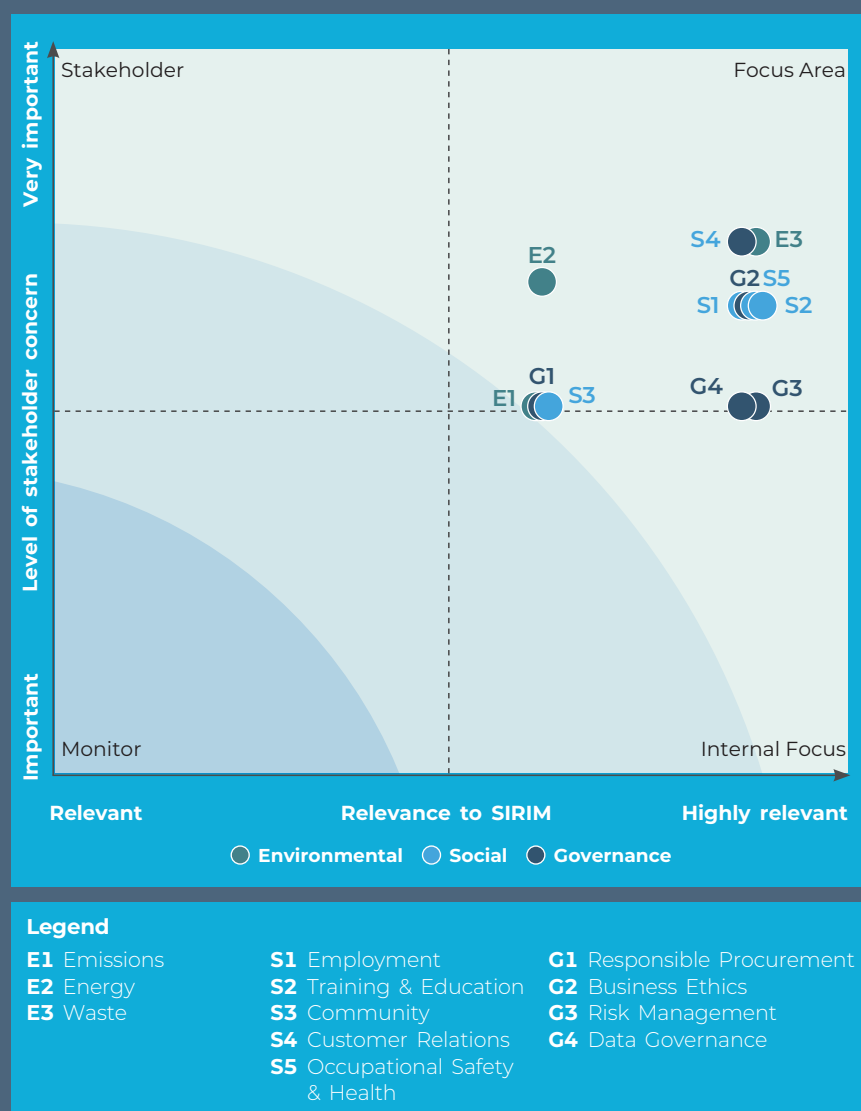
- 1. Understand Our Context:** Reviewed SIRIM's operating environment, regulatory obligations and stakeholder landscape to define the scope of the assessment.
- 2. Identify Actual & Potential Impacts:** Gathered insights through stakeholder engagement, including online surveys and focus group discussions, to identify sustainability concerns across SIRIM's value chain.
- 3. Assess Impact Significance:** Evaluated each matter based on the severity and likelihood of its impact on the economy, environment and society.
- 4. Prioritise Key Matters:** Scored and plotted the assessed topics onto the Materiality Assessment Matrix to determine their relative significance to SIRIM and its stakeholders.
- 5. Validate Material Topics:** Proposed the final list of material matters for senior management validation, forming the basis for SIRIM's sustainability disclosures and performance monitoring.

OUR MATERIAL MATTERS

Informed by stakeholder engagements and leadership input, we assessed the sustainability issues most relevant to SIRIM and the people we serve.

The outcome of this process is a set of material matters that reflect where our responsibilities are greatest and where focused action creates the most meaningful impact. These are organised across our three sustainability pillars, **Protect and Conserve the Environment**, **Safeguard Stakeholders' Interests**, and **Uphold Good Governance**, which forms the foundation of our sustainability reporting and management approach.

Priority material matters are those where our impacts on people, industry, and the environment are most significant and demand direct attention. Other material matters represent areas where we have clear responsibilities but carry lower relative significance in the current reporting period.



The materiality matrix reveals a concentrated and well-aligned profile for SIRIM, with all 12 material matters clustering within the moderate to high priority range across both internal and external dimensions. At the core of our sustainability agenda are **Customer Relations and Waste**, which occupy the upper-right quadrant as primary focus areas, reflecting strong convergence between what SIRIM prioritises and what our stakeholders expect most.

Closely behind, a dense cluster of material matters including **Business Ethics, Employment, Training & Education, and Occupational Safety & Health** score consistently high on internal importance while registering significant external relevance, affirming that integrity, people capability, and workplace safety are central to SIRIM's identity as an employer and a trusted institution. **Energy** similarly draws strong external interest, reflecting growing stakeholder expectations around environmental and resource responsibility.

Risk Management and Data Governance score highly on internal importance, reflecting SIRIM's deliberate commitment to robust governance and accountability structures. **Responsible Procurement, Community, and Emissions** sit at the lower end of the matrix, recognised as areas of emerging responsibility that are expected to grow in significance as regulatory requirements and stakeholder expectations continue to evolve.

Ultimately, the matrix reflects a strong alignment between SIRIM's operational mandate and the expectations of the industries, communities, and government bodies we serve, consistent with our role as a trusted national institution built on quality, integrity, and technical excellence.

OUR MATERIAL MATTERS

PROTECT AND CONSERVE THE ENVIRONMENT

In managing the environment, we hold ourselves to the same standards we set for others. Our environmental responsibility begins with how we manage our own footprint, applying the same discipline and accountability we advocate for industry.

E1

EMISSIONS

Release of greenhouse gases and pollutants, including efforts to monitor, manage, and reduce carbon footprint.

Impact

Positive: SIRIM's standards and certification services directly enable industries to measure, manage, and reduce their emissions, amplifying our climate impact beyond our own operations.

Negative: Failure to manage own Scope 1 and 2 emissions undermines the credibility of the environmental standards we set for others.

Risks & Opportunities

Risks: Growing regulatory and stakeholder pressure on climate disclosure could expose gaps in SIRIM's own emissions reporting and management, while stricter carbon regulations risk increasing compliance obligations and reputational exposure.

Opportunities: Developing low-carbon and emissions verification standards positions SIRIM as an essential partner in Malaysia's decarbonisation agenda, creating new service demand. This will strengthen SIRIM's ESG profile and opens access to sustainable financing opportunities as sustainable business practices become a market expectation.

Management Approach

Track and reduce greenhouse gas emissions to ensure that SIRIM's own environmental performance is consistent with the low-carbon standards we set for industry, and to manage our exposure to tightening climate regulations.

For more information, see page 83.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



E2

ENERGY

Consumption and management of energy used in operations, including electricity, fuel, and renewable sources, with a focus on conservation and efficiency.

Impact

Positive: Reduced energy consumption lowers operating costs and supports Malaysia's national energy transition goals, enhancing SIRIM's reputation as a responsible public institution.

Negative: High energy demand from operating facilities contributes to carbon emissions and exposes SIRIM to rising utility costs.

Risks & Opportunities

Risks: Escalating energy tariffs and tightening carbon regulations could materially increase operating costs and compliance obligations.

Opportunities: Investment in energy efficiency and renewable energy adoption can reduce cost exposure, reduce Scope 2 emission, improve our environmental performance, and strengthen SIRIM's credibility in advocating environmentally friendly standards.

Management Approach

Implement energy saving measures (ESMs) identified through energy audits, which provide a clearer basis for prioritising capital investment, facility upgrades and efficiency improvements across operations between year 2026 to 2028.

For more information, see page 86.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



E3

WASTE

Generation, handling, recycling, and disposal of waste materials, promoting waste minimisation and circular practices.

Impact

Positive: Effective waste management programmes reduce environmental harm and support SIRIM's compliance with scheduled waste regulations, protecting our operating licences.

Negative: Improper handling of hazardous laboratory waste poses environmental, health, and regulatory risks that could disrupt operations and affect accreditation standing.

Risks & Opportunities

Risks: Non-compliance with waste regulations carries legal penalties and reputational damage; poor waste practices at laboratory sites could affect international accreditation.

Opportunities: SIRIM's waste-to-wealth research in converting biomass and fermentation by-products into commercial bioactives demonstrates circular economy leadership and creates new revenue streams.

Management Approach

Manage operational and laboratory waste responsibly to protect our accreditation standing, meet scheduled waste obligations, and demonstrate that the circular economy principles we advocate are reflected in our own practices.

For more information, see page 87.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



SAFEGUARD STAKEHOLDERS' INTERESTS

Our ability to deliver national value depends on the people behind our work and the communities we serve. Safeguarding stakeholder interests means building a capable workforce, maintaining a safe and inclusive workplace, and directing our expertise where it matters most.

S1

EMPLOYMENT

Workforce management, well-being, and development.

Impact

Positive: Fair employment practices and a strong people culture enable SIRIM to retain the specialised technical talent that is critical to delivering accredited, trusted services.

Negative: Attrition of highly specialised staff erodes institutional knowledge and disrupts service continuity.

Risks & Opportunities

Risks: Competition for technical skills talent in the market, coupled with public sector salary constraints, poses ongoing recruitment and retention challenges.

Opportunities: SIRIM's inclusive culture, leadership development programmes, and national mission appeal make us an employer of choice, enabling talent attraction beyond purely commercial competitors.

Management Approach

Foster fair, inclusive, and supportive employment practices to retain the specialised talent that underpins our service delivery, and to build an organisation where people are motivated to contribute to SIRIM's national mission.

For more information, see page 89.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



OUR MATERIAL MATTERS

S2

TRAINING & EDUCATION

Employee learning, skills development, and career growth.

Impact

Positive: A well-trained workforce determines the quality and accuracy of every service SIRIM delivers, protecting our credibility and customer trust.

Negative: Competency gaps risk compromising service quality and SIRIM's ability to keep pace with evolving industry standards.

Risks & Opportunities

Risks: Rapid technological change, including digitalisation and AI adoption, may outpace existing training frameworks, creating capability gaps that affect service relevance.

Opportunities: SIRIM's authority as a national technical body uniquely positions us to lead industry-wide upskilling to generate training revenue while building Malaysia's industrial growth.

Management Approach

Invest continuously in workforce capability to ensure the technical accuracy and service quality that our customers and accreditation bodies depend on, and to build the future talents and leadership pipeline SIRIM needs for long-term relevance.

For more information, see page 90.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



S3

COMMUNITY

Engagement and positive impact on local communities.

Impact

Positive: Community initiatives such as Dermasiswa, the Wicking Bed System, and SME smart manufacturing support create measurable socioeconomic value and strengthen SIRIM's national relevance.

Negative: Without deliberate outreach, SIRIM's technical capabilities risk remaining inaccessible to SMEs and communities that stand to benefit most from our expertise.

Risks & Opportunities

Risks: Failure to demonstrate tangible community impact may weaken government support, reduce public goodwill, and affect SIRIM's social licence to operate as a nationally mandated body.

Opportunities: Embedding community development into our service model strengthens public trust, enhances SIRIM's brand reputation and supports the long-term sustainable growth of the communities and industries we serve.

Management Approach

Direct SIRIM's technical expertise towards community empowerment, fulfil our public mandate, extend the benefits of our capabilities beyond commercial customers, and reinforce our relevance as a nationally mandated institution.

For more information, see page 94.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



S4

CUSTOMER RELATIONS

Maintaining the highest standards of quality, responsiveness, and trust to define SIRIM's critical relationships with the industries, businesses, and government bodies that rely on our conformity assessment and technical services.

Impact

Positive: Strong customer relationships built on reliable, impartial service delivery reinforce SIRIM's market position and generate repeat business and referrals.

Negative: Service failures, delays, or perceived conflicts of interest can erode customer confidence and drive businesses toward alternative certification bodies.

Risks & Opportunities

Risks: Growing competition from international and private testing and certification providers puts pressure on SIRIM's market share, particularly for commercially driven customers.

Opportunities: Deepening customer partnerships through integrated advisory, digital service channels, and proactive industry engagement creates stickier relationships and higher-value contracts.

Management Approach

Strengthen the quality and consistency of customer engagement to protect SIRIM's reputation as a trusted, impartial technical authority and to remain the partner of choice in an increasingly competitive conformity assessment landscape.

For more information, see page 92.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



S5

OCCUPATIONAL SAFETY & HEALTH

Ensuring a safe and healthy workplace by preventing injuries, illnesses, and incidents through safety systems.

Impact

Positive: A strong OSH culture reduces incidents, protects employee wellbeing, and reinforces SIRIM's duty of care, which directly affects talent retention and operational continuity.

Negative: Workplace incidents in laboratory or field settings carry human, legal, and reputational consequences that can disrupt service delivery and damage stakeholder confidence.

Risks & Opportunities

Risks: Exposure to hazardous chemicals, radiation, and heavy equipment in our facilities creates inherent safety risks; any serious incident could affect our ISO 45001 standing, productivity and customer relationships.

Opportunities: Maintaining a demonstrably safe workplace improves employee morale, reduces operational downtime, and signals to customers that SIRIM upholds the very standards it certifies others against. This will also strengthen our employer brand and regulatory credibility.

Management Approach

Maintain a safe working environment to protect our people, preserve operational continuity, ensure legal compliance, and uphold the credibility of an organisation that certifies others against the very standards we are held to ourselves.

For more information, see page 93.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



OUR MATERIAL MATTERS

UPHOLD GOOD GOVERNANCE

Good governance is integral to maintaining SIRIM's reputation as a trusted institution and ensuring accountability across our operations. Upholding it means embedding integrity into how we operate, maintaining systems that keep us accountable, and earning the trust that industry, government, and the public place in us.

G1

RESPONSIBLE PROCUREMENT

Ethical and sustainable sourcing practices ensuring suppliers meet governance and ESG standards.

Impact

Positive: Responsible procurement ensures SIRIM's integrity standards extend through our entire supply chain, supports local vendor growth, and protects the organisation from third-party compliance failures.

Negative: Procurement irregularities or over-reliance on single-source suppliers can compromise service quality, create cost vulnerabilities, and expose SIRIM to reputational and legal risk.

Risks & Opportunities

Risks: Dependence on specialised imported equipment or sole-source technical suppliers creates supply chain fragility and pricing exposure, particularly given global supply disruptions.

Opportunities: Our Vendor Development Programme builds a stronger, more capable domestic supply base, reducing dependency and supporting national economic goals. Strengthening supplier collaboration also improves our ESG performance and creates a foundation for more comprehensive Scope 3 emissions measurement across our supply chain.

Management Approach

Adopt a fully digitalised supply chain system that extends SIRIM's integrity standards across the value chain, reducing third-party risk and supporting the development of a capable domestic supplier base to strengthen long-term operational resilience.

For more information, see page 97.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



G2

BUSINESS ETHICS

Ethical conduct in business practices, including anti-corruption, compliance, and transparency.

Impact

Positive: An uncompromising ethical culture protects the impartiality that underpins every standard, test report, and certification SIRIM issues — and is the foundation of stakeholder trust.

Negative: Any breach of ethical conduct, however isolated, could call into question the validity of our certifications and jeopardise our international accreditation relationships.

Risks & Opportunities

Risks: Bribery, conflicts of interest, or procurement irregularities pose direct legal, reputational, and accreditation risks that could materially affect SIRIM's ability to operate.

Opportunities: Our robust ABMS, OACP, and governance frameworks position SIRIM as a benchmark for public sector integrity, strengthening our standing with regulators, international partners, and customers.

Management Approach

Embed integrity into every level of our operations to protect the impartiality that our certifications and standards depend on, and to meet the expectations of regulators, accreditation bodies, and the public we serve.

For more information, see page 95.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



G3

RISK MANAGEMENT

Systematic identification, assessment, and mitigation of risks affecting operations and strategy.

Impact

Positive: Proactive enterprise risk management protects service continuity, safeguards SIRIM's assets, and enables the Board and management to make informed, confident strategic decisions.

Negative: Poorly identified or unmitigated risks can disrupt SIRIM's services and erode the confidence of customers, regulators, and government stakeholders.

Risks & Opportunities

Risks: The increasing complexity of SIRIM's operations across laboratories, subsidiaries, and advisory businesses widens the risk landscape, requiring increasingly sophisticated oversight.

Opportunities: A mature, Board-level risk culture enables SIRIM to anticipate disruptions, respond decisively, and turn uncertainty into competitive advantage.

Management Approach

Inculcate a strong risk mindset across all business operations to proactively identify and mitigate risks, safeguard business continuity, and enable confident decision-making, ensuring that SIRIM remains a stable and dependable institution for the industries and government bodies that rely on us.

For more information, see page 139.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



G4

DATA GOVERNANCE

Management of data quality, security, privacy, and compliance.

Impact

Positive: Robust data governance protects customer confidentiality, ensures the integrity and security of our technical records, and supports SIRIM's compliance with data protection legislation.

Negative: A data breach or integrity failure in our certification or test records could expose customers to harm, trigger regulatory action, and permanently damage SIRIM's trusted status.

Risks & Opportunities

Risks: Growing digitalisation of our services increases cybersecurity exposure; any compromise of confidential customer or operational data carries severe reputational and legal consequences.

Opportunities: Strong data governance enables SIRIM to responsibly expand digital service delivery, leverage data analytics for operational improvement, and meet the rising expectations of internationally accredited customers.

Management Approach

Strengthen controls over data confidentiality and security to protect sensitive client and operational information, while embarking on the journey towards information security certification to strengthen stakeholder confidence and trust in our services.

For more information, see page 97.

Stakeholders



Capitals



Market Trends



Risks



Strategic Pillars



UN SDGs



MARKET LANDSCAPE

SIRIM operates in a market shaped by economic shifts, technological advancement, industry transformation and rising expectations for trusted technical capability. These trends influence the services industries need, the risks we must manage, and the opportunities available for future growth.

In 2025, Malaysia's continued economic resilience created a stronger platform for industrial upgrading. At the same time, cost pressures, regulatory change, and emerging technology adoption required organisations to improve how they operate. Against this backdrop, we continued to strengthen our role as a national partner for quality, innovation and industry capability.

T1 MACROECONOMIC GROWTH

Time horizon



Description

Malaysia's economy remained resilient in 2025, supported by domestic growth priorities, regional trade opportunities and demand from high-value industries. With global GDP growth¹ estimated at 3.3% and Malaysia recording 5.2% growth², opportunities continue to emerge for local market expansion and growth across ASEAN, Asia and selected global markets.

¹ IMF - <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>

² BNM - https://www.bnm.gov.my/-/qb25q4_en_pr

Impact

Risk: Slower demand, pricing pressure and market competition may affect growth momentum.

Opportunity: Economic growth, supported by national policies such as the National Investment Aspirations (NIA) and New Industrial Master Plan 2030 (NIMP 2030), creates opportunities for SIRIM to expand relevant services in high-value sectors.

Response

Leveraged Malaysia's growth momentum by expanding our offerings and strengthening partnerships that support business competitiveness. We also continued scaling product servicing capabilities and SIRIM S.M.A.R.T. Solutions to capture wider market opportunities.

Outlook

Looking ahead, sustained economic growth and rising demand from high-value industries are expected to create further opportunities for SIRIM to deepen industry support, expand market reach and strengthen our contribution to Malaysia's long-term competitiveness.

Capitals



Material Matters



Strategies



Stakeholders



Risks



T2 ECONOMIC UNCERTAINTIES AND COST PRESSURES

Time horizon



Description

Despite Malaysia's positive economic momentum, businesses continue to navigate inflationary pressures, cost volatility, supply chain disruption and shifting customer demand. Malaysia Budget 2025 also shaped business conditions, through measures supporting skills development, R&D, the halal industry, MSMEs and Bumiputera enterprises.

Impact

Risk: Rising operating costs and market volatility may affect margins, procurement, project delivery and customer demand.

Opportunity: Malaysia's priorities under the Twelfth Malaysia Plan (RMK-12) create opportunities for SIRIM to expand our services and strengthen our role in priority sectors such as high-value manufacturing, green technology, healthcare, aerospace, digitalisation and infrastructure.

Response

To navigate economic uncertainties, SIRIM strengthened financial resilience by taking a more disciplined approach to capital management, pursuing strategic and profitable investments, and unlocking new revenue opportunities through market expansion, solution-based offerings and asset monetisation.

Outlook

Economic conditions are expected to remain dynamic, requiring disciplined cost management, agile market positioning and stronger value propositions to sustain performance. SIRIM is well-positioned to play a pivotal role in strengthening Malaysia's industrial ecosystem across RMK-13 priority sectors, including electrical and electronics, energy, smart manufacturing, aerospace, chemicals, and oil and gas.

Capitals



Material Matters



Strategies



Stakeholders



Risks



Time horizon  Short-term (1-2 years)  Medium-term (2-5 years)  Long-term (>5 years)

T3 COMPETITIVE LANDSCAPE

Time horizon  

Description

SIRIM operates in a competitive market shaped by established institutions, specialised service providers and international players across research, testing, certification and sustainability-related services. With global demand for these services continuing to grow, SIRIM's credibility, national mandate and broad service offerings remain key differentiators.



Impact

Risk: Inability to keep pace with market and customer expectations may weaken competitiveness and growth.

Opportunity: Strong expertise, innovation and customer-focused solutions can strengthen differentiation, loyalty and growth.

Response

We responded by expanding our testing and inspection services across more sectors and developing a wider range of contract research solutions for industries. Supported by continuous operational improvements, this enables us to deliver more personalised, holistic and responsive customer solutions.

Outlook

Looking ahead, we will continue to build a more agile and future-ready organisation by adopting automation tools, improving operational efficiency and strengthening multidisciplinary capabilities across our workforce. These efforts will enable us to respond more effectively to evolving industry needs and deliver broader, more integrated solutions.

Capitals



Material Matters



Strategies



Stakeholders



Risks



T4 GROWTH IN HIGH-VALUE INDUSTRIES

Time horizon  

Description

Growth in strategic sectors such as advanced manufacturing, technology, green industries and other high-value industries is increasing demand for research, testing, certification, innovation and project delivery support.

Impact

Risk: Capability gaps, resource constraints and project complexity may affect the ability to serve emerging sectors effectively.

Opportunity: As high-value industries continue to expand, demand grows for SIRIM's project management, industrial research and technical services to support innovation and technology adoption.

Response

We strengthened our position in high-value industries by growing our research pipeline, securing strategic contracts and applying robust project monitoring through the High Impact Performance Management approach, enhancing oversight of more than 145 strategic projects. In parallel, SIRIM continued to monetise new technical capabilities, including the National Rechargeable Battery Testing Centre, Ethylene Oxide testing and biodegradable plastics, to support emerging industry demand.

Outlook

As demand from high-value sectors is expected to grow, SIRIM is well-positioned to deepen collaboration with industries and government ministries, secure high-end contracts and expand commercial offerings that support Malaysia's industrial transformation agenda.

Capitals



Material Matters



Strategies



Stakeholders



Risks



MARKET LANDSCAPE

T5 DIGITAL ACCELERATION & TECHNOLOGY TRANSFORMATION

Time horizon



Description

Digital acceleration, Artificial Intelligence (AI) adoption are reshaping how industries operate, compete and deliver value. Across emerging Asia's export markets, the technology upcycle is strengthening demand for data-enabled solutions that improve efficiency, service quality and innovation capacity.

Impact

Risk: Delays in digital adoption, weak system integration or cybersecurity gaps may affect efficiency, service quality and resilience.

Opportunity: Digitalisation can improve productivity, reduce manual processes and lower operating costs, while enabling SIRIM to develop new technology-driven services that meet evolving industry needs.

Response

SIRIM Group advanced its digital transformation by enhancing digital service delivery, automating key workflows and strengthening core platforms across human resources, procurement and operations.

Key initiatives included the Facial Recognition Clocking System, COA System Re-platforming, NexiCRM, MyEP, MyFast, Online Claim System and MyHR. These platforms supported greater operational efficiency, improved service delivery and strengthened data-driven decision-making.

Outlook

As digital adoption advances across the Group, SIRIM is well positioned to drive greater operational effectiveness, improve project execution and deliver innovative, technology-enabled solutions.

Capitals



Material Matters



Strategies



Stakeholders



Risks



T6 WORKFORCE CAPABILITY AND TALENT MANAGEMENT

Time horizon



Description

The rapid pace of technological advancement and increasing demand for specialised talent continue to intensify competition for skilled professionals. In Malaysia, 64%¹ of organisations reported moderate to extreme skill shortages, particularly for intermediate-level technical and professional roles, underscoring the importance of workforce development, succession planning and continuous upskilling.

¹ Hays - <https://www.hays.com.my/press-release/content/64-per-cent-of-organisations-in-malaysia-experienced-moderate-to-extreme-skill-shortages-according-to-hays-asia-salary-guide>

Impact

Risk: Skill gaps, talent shortages and limited succession readiness may constrain project delivery, innovation and business continuity.

Opportunity: Up-skilling, re-skilling and professional development strengthen workforce adaptability, productivity and long-term competitiveness.

Response

In 2025, SIRIM strengthened workforce capabilities through targeted training, professional certifications, and graduate and postgraduate studies. These initiatives enhanced competencies in ESG, project management, digital tools, AI, cybersecurity and data analytics, supporting business performance and future readiness.

Outlook

SIRIM will continue investing in workforce development by strengthening technical, digital, leadership and project management capabilities, while embedding organisational values, enhancing consequence management practices, and establishing a competency database to support long-term organisational effectiveness.

Capitals



Material Matters



Strategies



Stakeholders



Risks



Time horizon  Short-term (1-2 years)  Medium-term (2-5 years)  Long-term (>5 years)

T7 SUSTAINABILITY & CLIMATE CHANGE

Time horizon  

Description

Malaysia's low-carbon transition under the National Energy Transition Roadmap (NETR), alongside the broader sustainability direction signalled by the National Sustainability Reporting Framework (NSRF), is reshaping expectations across the economy. These shifts are influencing industries, customers and value chain partners, creating stronger demand for credible standards, technical expertise and low-carbon solutions.

Impact

Risk: Ageing infrastructure, rising maintenance demands, climate-related disruptions and evolving environmental requirements may affect operational reliability and compliance.

Opportunity: Sustainability and decarbonisation create growth opportunities in energy, environment, audits, certifications and carbon reduction advisory.

Response

SIRIM expanded energy and environmental capabilities through energy audits, carbon reduction initiatives, sustainability programmes and certification services. At the operational level, the Group improved energy efficiency and infrastructure resilience through chiller upgrades, solar photovoltaic installations, Green Building Certification, and various facility enhancement works across our sites.

Outlook

Growing demand for low-carbon and sustainable solutions is expected to drive opportunities for SIRIM across energy management, carbon reduction, green building, sustainability certification and climate-resilient infrastructure services.

Capitals



Material Matters



Strategies



Stakeholders



Risks



T8 EVOLVING REGULATORY REQUIREMENT

Time horizon  

Description

Evolving regulatory and industry requirements in areas such as quality, safety, sustainability, governance and technical standards are increasing the need for robust compliance frameworks, effective oversight and continuous capability enhancement.

Impact

Risk: Non-compliance may result in operational disruptions, penalties, reputational impact or delays in certification and approvals.

Opportunity: Strong governance and compliance capabilities reinforce trust, improve service reliability and create demand for advisory, testing and certification services.

Response

In response to an increasingly complex regulatory landscape, we enhanced compliance and governance framework through stronger oversight of statutory requirements, safety standards, certifications and operational controls.

Outlook

Moving forward, SIRIM will continue to enhance compliance oversight, governance practices and reporting capabilities to keep pace with evolving regulatory requirements, including the shift towards more regulated sustainability and climate-related disclosures.

Capitals



Material Matters



Strategies



Stakeholders



Risks



KEY RISKS AND MITIGATION

For SIRIM enterprise, risk management is embedded as a core strategic discipline that goes beyond safeguarding the organisation from potential threats. It enables us to proactively navigate uncertainties, strengthen organisational resilience, and identify opportunities for sustainable growth and innovation.

Our integrated approach considers the interdependencies between financial, operational, technological, and human capital risks, ensuring that risk management is closely aligned with our strategy, business model, and key stakeholder expectations. This holistic perspective enables us to anticipate emerging risks, including those arising from regulatory shifts, technological advancements, market dynamics, and ESG-related factors.

By systematically identifying, assessing, and mitigating key risks, while concurrently leveraging opportunities, we strengthen informed decision-making, effective resource allocation, and long-term value creation. Through robust governance, continuous monitoring, and targeted mitigation measures, we remain committed to strengthening Malaysia's industrial competitiveness and innovation ecosystem while sustaining stakeholder confidence.

F FINANCIAL RISK

Risk Trend/Movement



Time horizon



Inability to sustain long-term financial resilience due to changes in regulations, cashflow shortage, and change of geopolitical landscape affecting the supply chain and investments

Potential Impact

Reduced financial performance and value creation arising from:

- Increased operational and compliance costs, leading to disruption of existing business activities
- Constraints on liquidity, limiting operational continuity and the execution of strategic initiatives
- Diminished capacity to invest in long-term growth and sustainability priorities
- Elevated costs and supply chain disruptions due to geopolitical factors, resulting in reduced market competitiveness

Mitigation Measures

- Diversify revenue streams by developing high-value industrial solutions, strengthening research and technology commercialisation, monetising strategic assets and expanding into international markets
- Strengthen regulatory monitoring and engagement to ensure timely response to evolving compliance requirements
- Enhance cash flow management, strengthen credit control mechanism, review investment performance, maintaining adequate liquidity buffers and credit facilities
- Drive operational efficiency and implementation of cost optimisation across key business activities and Business Process Reengineering
- Prioritise capital allocation based on strategic value, diversify funding sources, and phase investments to align with financial capacity
- Implement strategic procurement practices to improve supply chain resilience and continuity

Capitals



Strategies



Stakeholders



Market Trends



Material Matters





MDR MARKET AND INDUSTRY DEMAND RISK Risk Trend/Movement Time horizon

Shifts in market demand, intense market from local and global players, and changing industry priorities may impact SIRIM's growth and market relevance

Potential Impact	Mitigation Measures
- Reduced demand for services and solutions - Loss of market relevance, competitiveness and market share due to misalignment with evolving industry trends and emerging market needs - Slower revenue growth driven by declining demand or shifting customer preferences - Pressure on pricing and margins due to intensified competition	- Monitor market trends, customer needs, regulatory developments and emerging technologies - Expand into high-growth and high-value sectors aligned with national priorities such as New Industrial Master Plan (NIMP) 2030 - Develop differentiated offerings through unique and innovative services and intensify contract research that offer added value beyond basic compliance - Strengthen collaboration with multinational corporations, government-linked companies and mid-tier companies to capture new business opportunities and support industry development - Expand market reach and resilience through strategic partnerships, international collaborations, and merger and acquisition opportunities



TC TECHNOLOGY AND CYBERSECURITY RISK Risk Trend/Movement Time horizon

Risk arising from the pace of technological change, adverse outcomes of Artificial Intelligence (AI) technology, digital transformation and evolving cyber threats across SIRIM's operating environment

Potential Impact	Mitigation Measures
Adverse impacts arising from rapid technological advancement, digital transformation, and evolving cyber threats, including: - Increased exposure to misinformation and AI-generated content may undermine data reliability and decision-making credibility - Increased cyber threats may lead to data breaches, operational disruptions, regulatory issues, and reputational damage - Reduced operational resilience and service reliability - Compromised data security and integrity - Slower technology adoption and innovation	- Invest in digital infrastructure, AI facilities/house, Internet of Things (IoT), smart manufacturing and technology-enabled platforms to strengthen operational efficiency - Strengthen cybersecurity data governance, information security, AI Ethics, monitoring, controls through IT audit and incident response readiness - Conduct regular system upgrades, maintenance and technology enhancement initiatives - Build technical and digital capabilities through capacity building and professional development - Collaborate with technology partners, research institutions and industry players - Advance industrial research and development and innovation initiatives to support technology readiness



KEY RISKS AND MITIGATION

T TALENT RISK

Risk Trend/Movement



Time horizon



Associated with ability to attract, retain, and develop skilled talent to meet evolving business and industry needs

Potential Impact	Mitigation Measures
- Poor leadership pipeline, affecting succession planning and strategic continuity - Reduced capacity to deliver strategic programmes and industry solutions - Loss of critical technical expertise and institutional knowledge impacting service quality and innovation - Increased recruitment and training costs due to higher attrition rates - Reduced organisational agility in responding to evolving industry and market demands	- Strengthen technical, digital, and professional capabilities through targeted development programmes - Enhance leadership development programmes and succession readiness for critical roles - Reinforce a high-performance culture through clearer accountability and competency development

Capitals



Strategies



Stakeholders



Market Trends



Material Matters



O OPERATIONAL RISK

Risk Trend/Movement



Time horizon



Risk arising from operational and infrastructure challenges that may hinder the delivery of the Group's services, innovation programmes and industry solutions

Potential Impact	Mitigation Measures
- Disruption to service delivery, timelines, and operational performance - Reduced effectiveness of industry support, innovation programmes, and technology commercialisation - Lower productivity, service quality and operational resilience due to inefficiencies or infrastructure limitations - Weakened contribution to national industrial development objectives and stakeholder expectations - Damage to organisational reputation and stakeholder confidence	- Strengthen infrastructure planning including operations, laboratories, facilities and service platforms - Strengthen operational excellence through quality management and project oversight - Streamline workflows, standardise procedures, and adopt digital solutions to enhance productivity and service delivery - Enhance maintenance and asset management by implementing preventive maintenance programmes and asset lifecycle management to minimise downtime and disruptions - Drive technology adoption through industry engagement, advisory services and pilot programmes - Invest in automation, digitalisation and smart manufacturing capabilities - Build strategic partnerships to improve commercialisation pathways and market accessibility

Capitals



Strategies



Stakeholders



Market Trends



Material Matters



Time horizon	 Short-term (1-2 years)	 Medium-term (2-5 years)	 Long-term (>5 years)
Risk Trend/Movement	 Decreased	 Increased	 Unchanged

R REGULATORY RISK

Risk Trend/Movement  **Time horizon**  

Associated with evolving government policies, regulatory requirements, accreditation standards, and industry standards that may affect the Group's operations, service delivery, and compliance obligations

Potential Impact	Mitigation Measures
- Delays in aligning services with new regulatory and standards requirements - Challenges in maintaining accreditation and conformity assessment capabilities - Reduced participation in regulated certification and testing activities - Increased market competition from emerging certification providers	- Maintain proactive engagement with regulators, accreditation bodies, and industry stakeholders while monitoring policy, regulatory, and standards developments - Strengthen accreditation, compliance monitoring, and internal audit processes - Enhance technical competency to meet evolving regulatory and accreditation requirements - Regularly review and update standards, processes, and service offerings to remain relevant

Capitals 	Strategies 	Stakeholders 	Market Trends 	Material Matters 
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ESG ESG RISK

Risk Trend/Movement  **Time horizon**   

Risk arising from sustainability-related expectations and the challenges of transitioning the Group and its stakeholders towards a low-carbon economy

Potential Impact	Mitigation Measures
- Legal and regulatory fines - Operational vulnerabilities and disruption - Increase cost for unmanaged environmental matters - Greater stakeholder scrutiny - Reputational damage and loss of stakeholder trust	- Strengthen energy, emissions, waste, water, and resource management practices - Integrate ESG considerations into operations, research and decision-making, enhance management and board oversight - Invest in Energy Saving Measures (ESM) to increase energy efficiency - Promote ethical business practices and good governance across the organisation - Focus on advancing sustainable technologies and green innovation including National Renewable Battery Testing Centre (NRBTC), Carbon, Capture, Utilisation and Storage (CCUS), and other R&D initiatives - Support industry sustainability and decarbonisation through ESG-related solutions and technical services

Capitals 	Strategies 	Stakeholders 	Market Trends 	Material Matters 
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KEY RISKS AND MITIGATION



GSC GEOPOLITICAL AND SUPPLY CHAIN RISK **Risk Trend/Movement** **Time horizon**

Exposure to geopolitical developments, trade uncertainties, and supply chain disruptions that may influence market conditions, investment decisions and access to critical resources

Potential Impact	Mitigation Measures
- Reduced activity in industries served by the Group including industry investment and technology adoption - Delays in technology development, testing and commercialisation initiatives - Disruptions to strategic partnerships and supply chains - Demand uncertainty and reduced customer activity - Cost escalation and margin pressure for SIRIM's services - Disruption to service delivery and execution	- Diversify customer base and expand international partnerships, particularly across ASEAN - Leverage regional trade agreements, including the Regional Comprehensive Economic Partnership (RCEP), to support market access - Strengthen collaboration with industry players to understand supply chain and market vulnerabilities - Align SIRIM's solutions with regional and national industrial development priorities - Sustain demand by scaling flexible service delivery models, including remote, hybrid and off-site solutions for audits, inspections and training - Expand compliance, certification and sustainability-related services that support industry resilience, standards compliance and market readiness, while capturing non-discretionary demand - Strengthen travel risk management and flexible deployment planning (e.g. rerouting, remote substitution) - Localise testing, calibration and supplier networks to reduce dependency on overseas inputs



OUR STRATEGIC ROADMAP 2025-2027

VISION

Best Partner For Innovation

Aspiration 2027: RM1 Billion Income

OUR MISSION



Government

Contribute towards national policies and aspiration



Industry

Enhance trade access, competitiveness and business growth



Society

Improve quality of life through health, safety, environment & consumer protection

STRATEGIC PILLARS



Grow Revenue, Profit & Reserve

Expanding our market presence, innovating products & services for total solution, reinventing sales & marketing to drive sustained revenue growth



Protect The Core

Safeguarding our core roles while strengthening other expertise, functions to achieve consistent and continuous revenue growth



Strengthen Culture & People

Embracing high performing culture, and enhancing employee capabilities to propel our success

ENABLERS



Marketing & Branding



Digitalisation



Business Process Re-Engineering



Performance Measurement



Commitment To Sustainability

FINANCIAL REVIEW

FINANCIAL PERFORMANCE OVERVIEW

In 2025, SIRIM delivered strong revenue, improved earnings, and a healthy liquidity position. Revenue grew by approximately 15%, from RM341.6 million in 2024 to RM392.2 million in 2025, with total income exceeding RM500 million for the first time. This reflects sustained demand for our testing, inspection, and certification (TIC) and technical services, alongside expanding commercialisation and consultancy offerings.

Profitability also rose significantly: Profit Before Tax increased by over 60% to RM41.3 million, Profit After Tax reached RM16.6 million, and Profit From Operations grew to RM31.6 million (up from RM16.6 million in 2024). Driven by cost discipline and better resource utilisation, we closed the year with RM305.3 million in cash and cash equivalents, providing the capacity and resilience to invest confidently in facilities, technology, and talent.

STRENGTHENING FINANCIAL DISCIPLINE

Managing 2025's rising costs, infrastructure needs, and crucial technology investments required balancing commercial performance with supporting Malaysia's industrial ecosystem. We responded by strengthening financial discipline across the Group. Major expenditure and investment decisions were strictly assessed against expected returns and strategic value. We also optimised procurement practices, tightened expenditure monitoring, and managed cash flow to preserve liquidity. This disciplined approach allowed us to manage cost pressures without compromising critical investments, ensuring resources are channelled into initiatives that build long-term value.

SUPPORTING COMMERCIAL AND NATIONAL PRIORITIES

Portfolio diversity sustains our financial resilience. In 2025, our commercial operations remained the primary growth drivers, fueled by sustained demand for TIC, calibration, and technology services. Concurrently, our statutory and developmental functions advanced Malaysia's industrial transformation through standards development, industrial innovation programmes, and SME support.

While some development initiatives do not yield immediate financial returns, they generate vital long-term national value. Government funding and strategic

REVENUE

RM392.2
million

2024: RM341.6 million

+15%



allocations continue to support these roles, enabling programmes that strengthen national quality infrastructure, promote technology adoption, and advance sustainability initiatives alongside our commercial capabilities.

INVESTING FOR LONG-TERM VALUE

In 2025, we continued investing in areas that strengthen SIRIM's future relevance. We targeted investments toward research and development, laboratory upgrades, and digital technologies to boost technical capabilities and address evolving industry needs.

Digitalisation enhanced both operational efficiency and service delivery by streamlining processes and improving facility utilisation.

We also sustained investments in our workforce through training, professional development, and leadership programmes, ensuring the deep expertise required to maintain service quality and long-term credibility.

OUTLOOK

Moving forward, we will pursue sustainable revenue growth and disciplined cash generation by focusing on high-value services, expanding commercialisation, and optimising asset utilisation. We remain committed to investing in digital transformation, sustainability, and talent development to drive future performance. Ultimately, our goal is to maintain financial resilience while delivering on our national mandate. With stronger financial resilience, we can invest where it matters most: in capabilities that serve industry, strengthen national competitiveness and deliver value to everyday Malaysians.

5-YEAR FINANCIAL SUMMARY

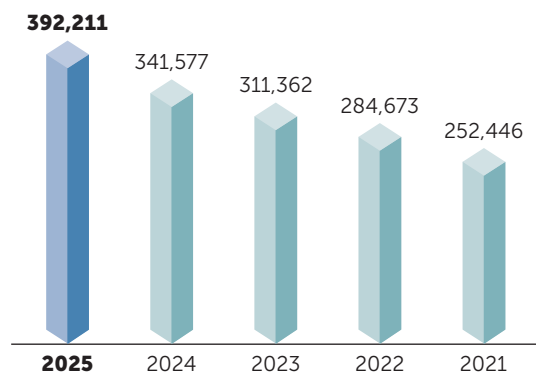
Financial Year Ended 31 December

(RM'000)	2025	2024	2023	2022	2021
FINANCIAL RESULTS					
Total Income	501,135	445,668	405,970	364,658	378,083
Revenue	392,211	341,577	311,362	284,673	252,446
Profit before tax	41,308	25,716	19,538	15,509	36,461
Profit after tax	16,624	4,364	4,064	(6,452)	19,602
FINANCIAL POSITION					
Share capital	70,000	70,000	70,000	70,000	70,000
Capital Reserve	248,092	248,092	248,092	248,092	248,092
Shareholders' equity	265,443	248,669	242,936	238,033	244,485
Non-controlling interests	(1,357)	(1,037)	(208)	–	–
Total equity	264,086	247,632	242,728	238,033	244,485
Liabilities	693,702	675,954	572,893	578,108	581,351
Total equity and liabilities	957,788	923,586	815,621	816,141	825,836
Non-current assets	610,722	588,189	533,740	617,866	606,316
Current assets excluding cash	41,734	43,194	41,777	35,710	31,480
Bank balances and cash	305,332	292,203	240,104	162,565	188,040
Total assets	957,788	923,586	815,621	816,141	825,836
FINANCIAL RATIOS					
Net Profit Margin (%)	3	1	1	-2	5
Productivity Ratio	2.04	2.09	2.13	2.06	2.25
Cost to Income Ratio	0.94	0.96	0.97	0.97	0.92
EBITDA	53,026	38,278	31,545	27,783	47,856
Return on average shareholders' equity (ROE) (%)	6	2	2	-3	8
SHARE INFORMATION					
Basic Earnings per share (RM)	0.24	0.06	0.06	-0.09	0.28
Net assets per share (RM)	3.79	3.55	3.47	3.40	3.49

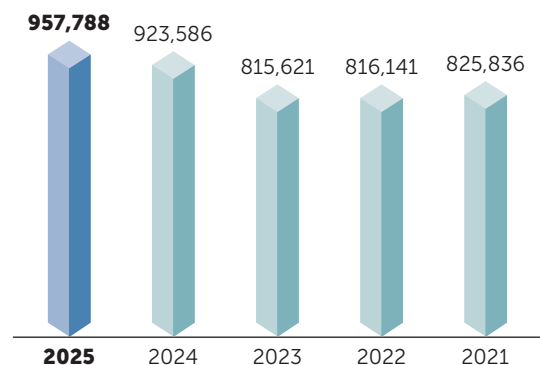
5-YEAR FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December

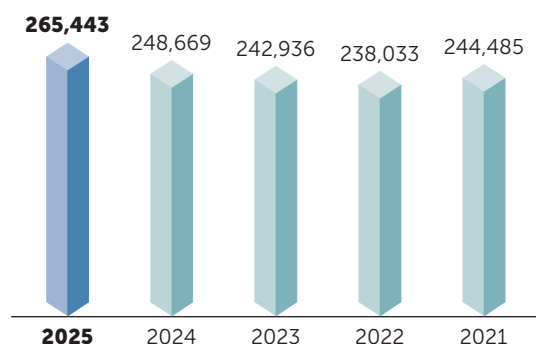
REVENUE (RM'000)



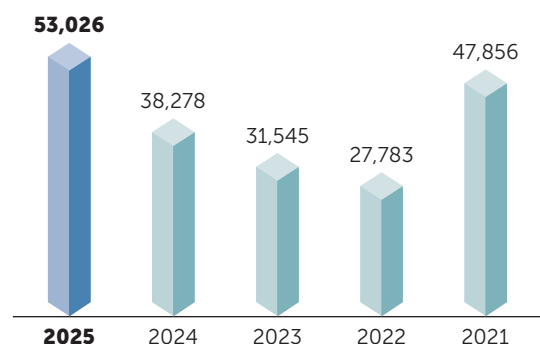
TOTAL ASSETS (RM'000)



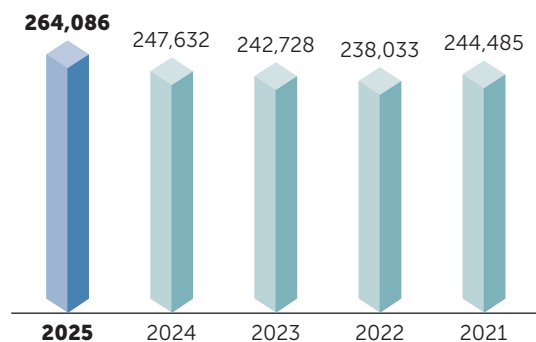
SHAREHOLDERS' EQUITY (RM'000)



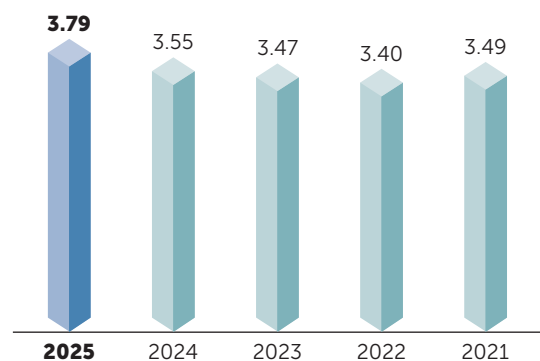
EBITDA' EQUITY (RM'000)



TOTAL EQUITY (RM'000)

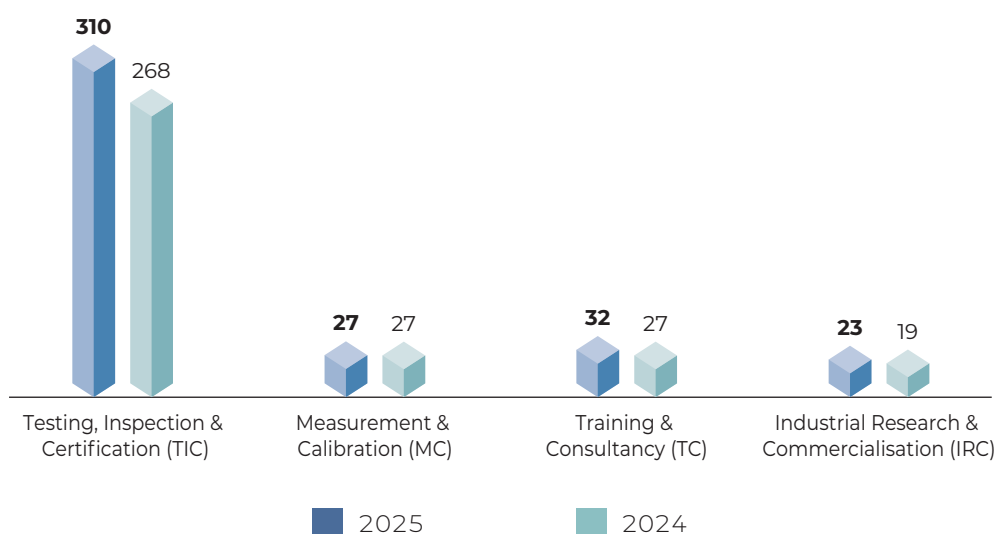


NET ASSETS PER SHARE (RM)

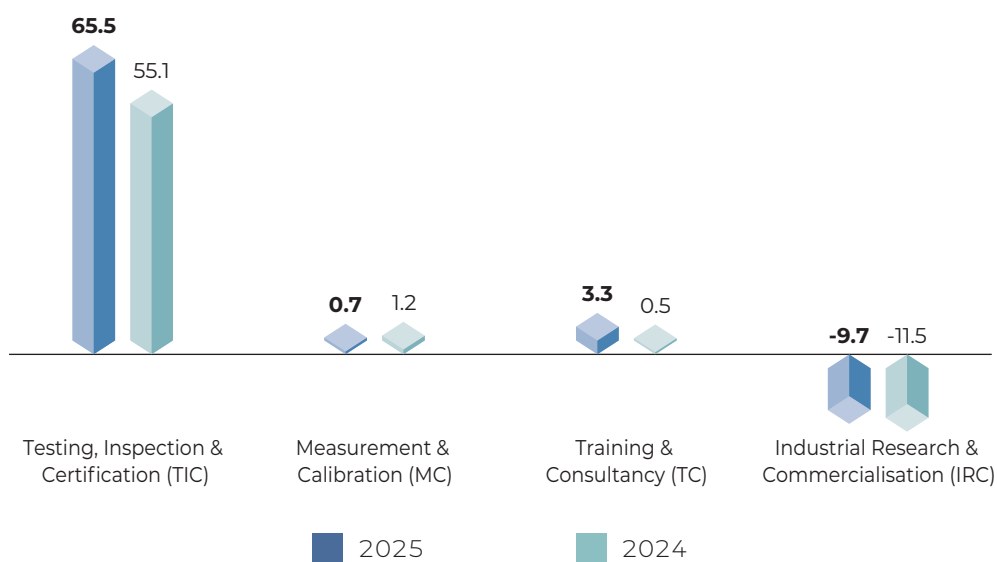


SEGMENTAL ANALYSIS

Revenue by Segments (RM million)

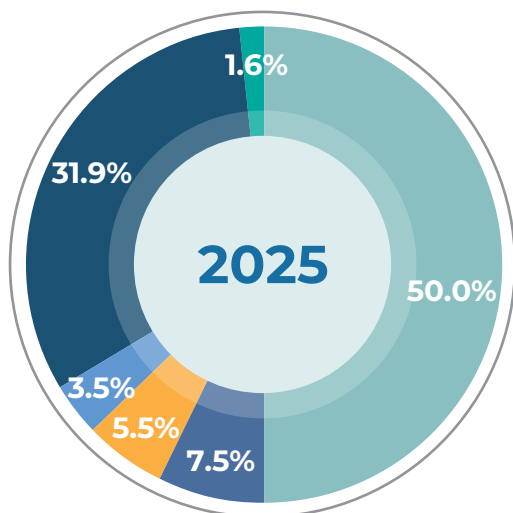


Profit After Tax by Segments (RM million)

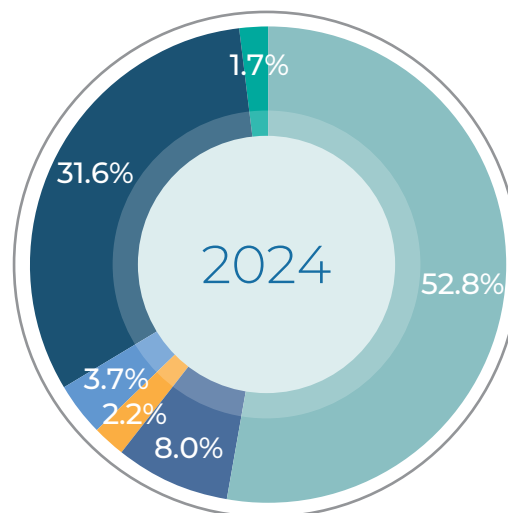


SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

TOTAL ASSETS

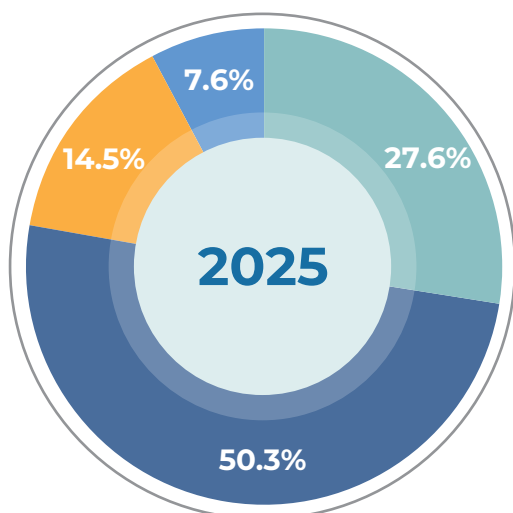


Property, Plant & Equipment
Prepaid Lease Payment
Unit Trust Investment

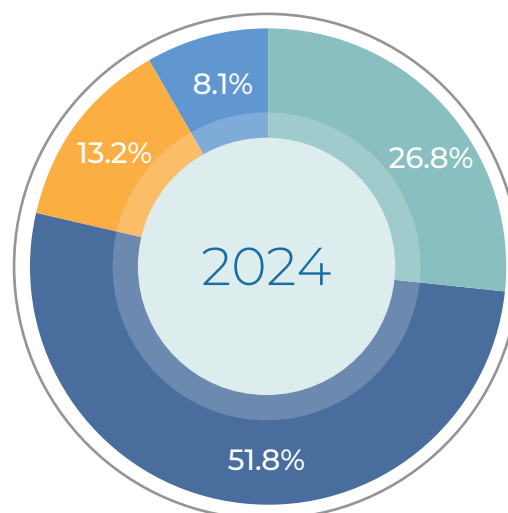


Trade & Other Receivables
Cash & Cash Equivalents
Others

TOTAL EQUITY & LIABILITIES



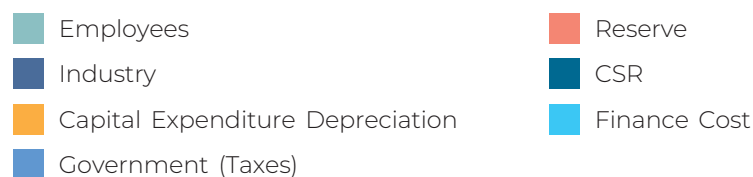
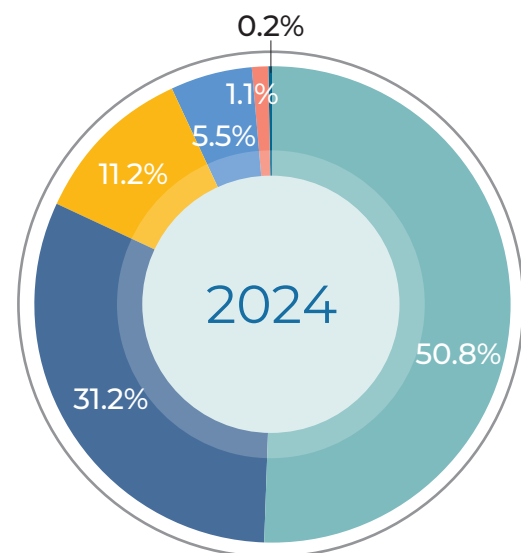
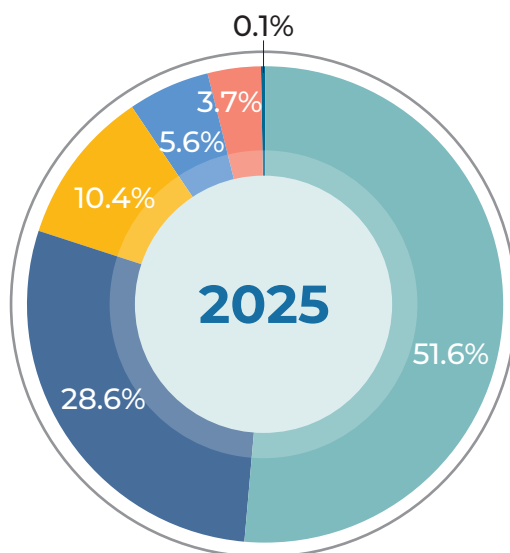
Total Equity
Deferred Income (Non-current)



Trade & Other Payables
Others

STATEMENT OF VALUE ADDED & DISTRIBUTION

In RM'000	2025 RM'000	2024 RM'000
Value Created		
Revenue	392,211	341,577
(Purchase of Goods & Services)	(57,576)	(54,703)
Value added by the Group	334,635	286,874
Other Income	6,715	8,050
Grant Income	92,420	86,769
Investment income	9,788	9,273
	443,558	390,966
Value distributed:		
Industry	126,935	121,996
Government (Taxes)	24,684	21,352
Employee	228,902	188,582
Corporate Social Responsibility	360	642
Capex (Depreciation)	45,940	43,894
Finance Cost	113	136
Reserve	16,624	4,364
	443,558	390,966



BUSINESS REVIEW

COMMERCIAL

Driving Capability and Calibration Excellence

WHO WE ARE/WHAT WE DO

SIRIM's commercial services play a central role in helping industries build trust, strengthen capability and access markets with confidence. Delivered through SIRIM QAS, SIRIM Packaging & Security Design Centre (PSDC), SIRIM Calibration and SIRIM Academy, these interconnected services support organisations in meeting regulatory requirements, improving operational excellence and enhancing competitiveness across domestic and international markets.

Together, they enable industry readiness through trusted products, reliable systems, competent talent and secure market solutions.



FOCUS AREAS

Testing and Inspection	Certification	Calibration	Training and Consultancy
As SIRIM's largest commercial business, SIRIM QAS provides trusted testing, inspection and certification services that help industries meet quality, safety and regulatory requirements in Malaysia and beyond. Supported by 13 accredited laboratories and seven accreditation certificates, SIRIM QAS serves key sectors including manufacturing, technology, healthcare, automotive and consumer goods.	We provide trusted management system, product and personal certification, product identification, authentication and packaging innovation by combining the strengths of SIRIM QAS and the SIRIM PSDC. Through our expertise, we help businesses strengthen product integrity, meet market and regulatory requirements, and build stakeholder confidence. In parallel, we also provide entrepreneur and technopreneurship programmes to support business capability, competitiveness and market access.	We strengthen industrial precision through calibration and measurement services that ensure accuracy, reliability and compliance. Working alongside the National Metrology Institute of Malaysia (NMIM), SIRIM Calibration operates 35 accredited laboratories across eight strategic locations in Malaysia, with services extending to Singapore, Thailand and Brunei. Our capabilities support sectors such as agriculture, telecommunications, utilities, food and beverages, and other industries that depend on trusted measurement and quality assurance.	We build industry capabilities through training, consultancy and certification-related programmes that strengthen compliance, competitiveness and sustainability readiness. Through SIRIM Academy, we support organisations in developing future-ready skills and advancing capability development across Malaysia and the region.

Capabilities and Services

Compliance testing to standards and regulatory requirements; engineering and third-party inspections.	Management system, product and personnel certification, ESG-aligned product compliance support, security packaging and anti-counterfeit printing solutions, entrepreneur and technopreneur development, SME capability enhancement, packaging and branding advisory, security packaging and anti-counterfeit solutions.	Calibration services across radio frequency, electrical, mass and volumetric, temperature, force and pressure, and dimensional measurement.	Standards-based management systems; certification and technology programmes; recognition schemes; lead assessor and management courses.
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BUSINESS ENVIRONMENT

In 2025, SIRIM's commercial operating environment continued to be shaped by strategic national policies, sector demand and evolving regulatory expectations. Malaysia's New Industrial Master Plan (NIMP) 2030, with its focus on high-value manufacturing, digitalisation, sustainability and export competitiveness, continued to drive demand for testing, inspection, certification, calibration and specialised training services.

Growth in sectors such as semiconductors, electric vehicles, aerospace, green technology and medical devices, alongside new industrial and development projects, further reinforced the need for trusted technical and compliance partners. Against this backdrop, SIRIM continued to support industrial upgrading by helping organisations strengthen standards compliance, enhance operational capabilities and improve competitiveness in regional and global markets.

OUR PROGRESS AND PERFORMANCE

Performance Snapshot

GROWTH HIGHLIGHTS

Served **28,700** customers in 2025

Achieved >90% customer satisfaction rate across calibration services

Accredited as a Certification Body under ISO/IEC 17024 for six personnel certification schemes

Issued 120,000 TICC certificates and reports to help businesses meet quality, safety, and regulatory requirements

Trained more than 24,000 Industry Personnel in 2025

Approved 73 CAPEX projects under the supervision of the Asset Management Department to support operational reliability

Achieved 100% employee participation in digitalisation-related training programmes

AWARDS AND RECOGNITION

Excellence in **Data Privacy and Security Marketing** (Bronze) by the Marketing Excellence Awards 2025

Most **Innovative Marketing Leader of the Year** (Silver) at the NEXT Awards Malaysia 2025

Recognised by **Malaysia Book of Records** for the Most Auditors

Winner for the **Training Provider** category at the HRD Awards 2025

Malaysia ranked 43rd out of 104 economies for **Calibration and Measuring Capabilities** (CMC) in 2026

Maintained recognition as an **Exemplar Global Recognised Training Provider** and **GRI Certified Training Partner** (Regional)

In FY2025, SIRIM's commercial businesses delivered resilient performance despite evolving market conditions, supported by sustained demand for quality, compliance, measurement and capability development services. Growth across testing, inspection, certification, calibration and specialised training reflected increasing industry emphasis on quality, safety, regulatory compliance and workforce readiness. These achievements reinforced SIRIM's position as a trusted partner in helping industries enhance competitiveness, strengthen operational excellence and navigate an increasingly complex business environment.

BUSINESS REVIEW

Commercial

Strategic Performance Review

Testing and Inspection

Testing and inspection underpin quality and safety by verifying compliance with recognised standards. In FY2025, we focused on strengthening technical capabilities, deepening industry engagement, and developing specialist expertise to help businesses meet evolving quality, safety and regulatory requirements.

Initiatives:

Achievements



Expand Offerings

Expanded testing and inspection capabilities across emerging technologies, industrial safety and energy efficiency.

Achieved a total of 28 additions across testing and inspection services including ISO/IEC 17025 and 17020.



Industry Engagement and Knowledge Sharing

Conducted and participated in engagement and awareness sessions on cable testing and certification, sanitaryware certification, and quality and innovation initiatives including ICQI 2025.

Strengthened industry awareness on quality, safety and regulatory compliance.



Employee Development

Built technical expertise across key specialised areas while supporting professional recognition initiatives.

For more information on people, culture and community initiatives, refer to the Sustainability Statement on pages 91 to 97.

Recognised a total of 56 personnel as competent in new technical areas.



Digitalisation & Lab Workflow Optimisation

Enhanced laboratory efficiency via:

- Automated test calculations, graph generation, and document preparation across labs.
- Streamlined workflows through delegation, dedicated teams, and subcontracting to remove delivery bottlenecks.

- Reduced processing times by up to 98% in targeted test areas.
- Reduced turnaround times by 4-7 days across key categories such as electrical equipment and safety products.

Certification

Certification and packaging solutions help businesses turn compliance into confidence and product integrity into competitive advantage. During the year, we continued strengthening our role in supporting trusted product identification, authentication, packaging innovation and entrepreneur capability development across industries and institutions.

Initiatives

Achievements



Service Expansion and Innovation

Develop new schemes, products and services across emerging and high-value sectors.

- Introduced 13 new schemes, products and services including AI Management System Certification (ISO/IEC 42001) and Innovation Management System Certification (MS ISO 56001).
- Delivered 480 packaging and design solutions with integrated authentication and brand protection features.

Initiatives

Achievements

**Improving Turnaround Times**

Revised Management System Certification approval process to strengthen monitoring, across the certification workflow.

- Expanded the workflow scope from file submission review to the full approval process, from audit completion to final approval, to enable more comprehensive performance assessment.
- Monitoring is still in its early stage, with clearer performance insights expected as implementation matures.

**Strategic Collaborations**

Strengthened international and internal collaborations across automotive, aerospace and emerging technology sectors.

- Forged four strategic partnerships with ATIC, UDA Certification Group, China Testing & Certification International Group (CTC) and ALTER Technology, strengthening SIRIM's international presence.

**Security Design and Printing Solutions**

Provided integrated security, authentication and traceability solutions that support product integrity, document protection and anti-counterfeiting efforts across industries.

- Produced 265 million security labels and delivered security printing solutions including licences, academic certificates, smart cards and secure packaging solutions.

**Technopreneurship Development Programme**

Collaborated with regional development authorities and government agencies, including ECER, NCER, PERNAS and TEKUN Nasional, to implement development programmes that enhance business capabilities, competitiveness and growth opportunities for SMEs and Bumiputera entrepreneurs.

- Supported more than 1,090 entrepreneurs through programmes focused on business capability development, product quality enhancement, branding and market readiness.
- Conducted 19 technopreneurship and BizTransformation training sessions involving 671 participants focusing on packaging, branding, labelling and product commercialisation.

**Commercial Growth**

Broadened market reach and deepened customer relationships by leveraging existing products and services.

- Secured 38 new customers, complemented by 34 repeat customers, supporting a balanced mix of business growth and customer retention.

**Building Aerospace Industry Readiness**

Promoted AS9100 and aerospace certification across local, regional and international platforms in 2025 to strengthen industry awareness, build aerospace ecosystem networks and support future market expansion.

- Certified nine companies for AS9100 in 2025, making it a total of 21 companies.
- Participated in six aerospace industry events, including LIMA 2025, Airexpo Shanghai and MRO Asia Pacific to promote certification awareness.

BUSINESS REVIEW

Commercial



Spotlight

Expanding Radio Frequency (RF) and Electromagnetic Compatibility (EMC) Testing in Malaysia's Technology Hub

To strengthen SIRIM's presence in the Northern Region and support Malaysia's growing electrical and electronics sector and semiconductor ecosystem, SIRIM QAS partnered with Penang Skills Development Centre (PSDC) to operate an RF & EMC Testing Laboratory in Penang, located within the Bayan Lepas Free Industrial Zone.

Strategic Objectives

- ➔ Expand access to accredited RF & EMC testing services for the electronics, telecommunications, automotive and medical device sectors
- ➔ Strengthen testing capacity and service delivery through advanced testing infrastructure, including Malaysia's only 10-metre Semi-Anechoic Chamber
- ➔ Enhance industry reach and customer engagement within Penang's E&E and semiconductor ecosystem

Calibration

Calibration helps industries move from estimation to certainty, ensuring measurements support dependable decisions and consistent delivery. During FY2025, we strengthened this role by expanding market reach, enhancing service quality and building strategic partnerships to deliver more responsive and reliable calibration support.

Initiatives:

Achievements



Accredited Calibration and Verification Services

Delivered high-precision calibration and verification services across education, healthcare, E&E, manufacturing, automotive, aerospace, government and defence sectors, while maintaining ISO/IEC 17025:2017 accreditation.

Enhanced market trust by guaranteeing compliance and precision in national industrial measurement frameworks.



Market Expansion and Customer Engagement

Engaged industries through seminars, dialogues, exhibitions and customer visits, digital marketing and international market exploration.

Strengthened customer engagement and market visibility across Klang Valley, Melaka, Kota Kinabalu and Kuching, contributing to growth in companies served and calibration and verification reports produced.



Technical Advisory and Service Quality

Expanded in-house verification and localised support services, provided specialised calibration consultancy for critical government sectors, and strengthened technician capabilities through continuous training.

Maintained ISO/IEC 17025:2017 accreditation while enhancing service accessibility, technical credibility and operational reliability.

Initiatives

Achievements

**Strategic Partnerships**

Collaborated with government agencies, research institutions, vendors and industry stakeholders through awareness programmes and knowledge-sharing initiatives.

Expanded reach, strengthened cross-sector collaboration and increased awareness of calibration risks and supported national self-reliance.

Training and Consultancy

Training and consultancy play a vital role in advancing industry readiness, equipping organisations with the capabilities needed to succeed in an increasingly dynamic economy. Throughout the year, SIRIM Academy strengthened its role as a trusted capability development partner through internationally recognised accreditations, industry-focused programmes, and collaborative initiatives.

Initiatives:

Achievements

**Institutional Credibility and Recognitions**

Pursued key industry recognitions to reinforce capability and credibility.

- Obtained recognitions including AWS Accredited Test Facility, IECEx Recognised Training Provider, MSPO Endorsed Training Provider, and JPK's Pusat dan Program Bertauliah.

**Industry Capability Building**

Strengthened organisational capability and technical readiness across industries.

- Supported MIMOS in becoming the first organisation in Malaysia and Asia Pacific to achieve ISO 56001:2024 Innovation Management System certification.
- Delivered Radiography Testing Level 1 & 2 programmes under the MISA NDT collaboration.

**Technical Advisory and Training Support**

Provided training and consultancy services on ISO 37001, ISO 9001 and Integrated Management Systems (IMS) to selected organisations and AKI award recipients.

- Contributed to a 72% improvement in productivity and operational efficiency across participating SMEs.

**Knowledge Sharing and Collaboration**

Facilitated industry-wide collaboration and exchange of insights on quality and innovation.

- Hosted ICQI 2025 with 365 participants, keynote speakers and seven international panellists.

OUTLOOK

Moving forward, SIRIM will scale its commercial businesses by expanding market access, strengthening technical capabilities, and delivering more integrated solutions across Malaysia and the ASEAN region. Key priorities include deepening technical expertise through investments in advanced capabilities, accreditation and digitalisation, expanding specialised services and secure authentication solutions, and strengthening regional competitiveness in areas such as fire testing, medical device certification, packaging and security design, and industry capability development.

Through stronger industry collaborations and integrated advisory, training and technical solutions, SIRIM aims to enhance its position as a trusted partner for quality, innovation, entrepreneurship and industry growth.

BUSINESS REVIEW

DEVELOPMENTAL

Enabling Innovation and Industrial Progress

WHO WE ARE/WHAT WE DO

SIRIM's Developmental business advances Malaysia's industrial transformation by turning research, innovation and technical expertise into practical solutions for industries. Guided by our aspiration to be the **Best Partner for Innovation**, we develop capabilities, technologies and industry-ready solutions as well as design policies and standards that strengthen competitiveness of Malaysian products and services, accelerate technology adoption and support national development priorities.

Working across government, industry and communities, we help businesses innovate, improve productivity and access new market opportunities while contributing to broader economic, environmental and social outcomes. This role is delivered through three complementary platforms: **SIRIM Industrial Research**, **National Precision Tooling Sdn Bhd**, and the **Malaysia Design Council (MRM)**, each playing a distinct role in strengthening Malaysia's innovation and industrial ecosystem.



FOCUS AREAS

Industrial Research

SIRIM Industrial Research (SIRIM IR) serves as the Group's innovation and technology development arm. Through applied research, testing, validation and commercialisation support, SIRIM IR helps industries transform ideas into practical solutions, accelerate technology adoption, and enhance competitiveness in line with national priorities.

National Precision Tooling

Leveraging the strengths of National Precision Tooling and SIRIM Industrial Research, we expand Bumiputera participation in high-value industries through capability development, technology adoption and supply chain integration. In line with RMK-12 and the MADANI agenda, our work strengthens local manufacturing, supports import substitution and creates opportunities for export growth.

Malaysia Design Council

We advance Malaysia's design industry by strengthening professional capabilities, promoting design excellence and increasing the visibility of local designers and products. Through industry development, recognition and strategic partnerships, we support design-led innovation and competitiveness.

Strategic Research Services

Smart Manufacturing

- ⌚ Precision Engineering
- ⌚ Innovative Engineering
- ⌚ Advanced Automation
- ⌚ Intelligent System

Life Sciences

- ⌚ Biobased Product and Scaling Up
- ⌚ Biosafety and Compliance Testing
- ⌚ Smart Lifesciences and Wellness

Advanced Material Research Centre (AMREC)

- ⌚ Medical Devices
- ⌚ Frontier Technology
- ⌚ Advanced Materials

Energy and Environmental Innovation

- ⌚ Environmental Technology and Sustainability
- ⌚ Renewable and Clean Energy
- ⌚ Green Innovation Research

BUSINESS ENVIRONMENT

In 2025, SIRIM's Developmental business operated within a national landscape increasingly focused on industrial upgrading, innovation-led growth and technology-based competitiveness. Malaysia's policy direction, including the New Industrial Master Plan 2030, National Energy Transition Roadmap, National Semiconductor Strategy, Government Industry 4.0 initiatives and Budget 2025 priorities, continued to reinforce the need for stronger research, design, engineering and commercialisation capabilities.

These developments created growing demand for applied research, precision engineering, advanced materials, smart manufacturing, clean technology and design-led innovation. Against this backdrop, SIRIM continued to support government and industry by operationalising national priorities into practical research programmes, technical capabilities and innovation platforms that strengthen Malaysia's industrial ecosystem and future economic resilience.

OUR PROGRESS AND PERFORMANCE

Performance Snapshot

GROWTH HIGHLIGHTS		
Operational Efficiency	88% of beneficiary companies reported increased production capacity	77% of beneficiary companies reported shorter overall lead times
Innovation and Market Reach	70% of beneficiary companies introduced new product lines	40% of beneficiary companies expanded into new countries
Economic Contribution	RM292 million in gross value added generated by beneficiary companies in 2024	

Strategic Performance Review

Industrial Research

In line with its mandate, SIRIM IR continued to drive applied research, technology development and commercialisation support for industry, SMEs and communities. In 2025, SIRIM IR focused on translating research into practical solutions across its focus areas.

SIRIM IR's portfolio continued to support three key areas of impact: strengthening high-value sectors, improving local industry capabilities, and delivering technology solutions that contribute to societal well-being.

BUSINESS REVIEW

Developmental

High-Value and Emerging Sectors	Local Industry Capability	Community and Sustainability Solutions
Advanced renewable energy systems, rechargeable battery technologies, biotechnology, medical devices, advanced manufacturing, smart systems, secure technologies and circular economy applications.	Supported reverse engineering, CAD/CAM/CAE services, additive manufacturing, precision engineering, fabrication, tooling development and smart automation to improve productivity, product innovation and manufacturing competitiveness.	Developed and deployed solutions supporting clean water access, renewable energy, healthcare applications, environmental protection, smart farming and community-based technology adoption.

Initiatives:

Achievements



Smart Manufacturing and Engineering Solutions

Delivered precision engineering, reverse engineering, CAD/CAM/CAE, additive manufacturing, machining, fabrication, equipment design, automation and intelligent system solutions.

Strengthened local industry capabilities in product development, process improvement, tooling, smart automation and manufacturing competitiveness.



Life Sciences and Healthcare Innovation

Advanced biobased and biopharmaceutical research, product scaling-up, biosafety and compliance testing, bioprocess technology, advanced formulation design and healthcare-related innovation.

Supported Malaysia's biotechnology, wellness and healthcare ecosystem through applications including cosmeceutical product development, wound management products, biomodelling and cranioplasty, and antimicrobial technologies.



Advanced Materials and Frontier Technologies

Conducted research in medical devices, rechargeable battery materials, lithium-ion battery recycling, hydrogen storage, biodegradable materials, nanotechnology, anti-corrosion agents, composites and frontier technologies.

Supported the development of future-oriented materials and technologies, including battery testing, hydrogen storage, carbon fibre, organ-on-chip, artificial intelligence, drone technology, gene editing and blockchain applications.



Energy and Environmental Innovation

Advanced industrial decarbonisation and clean energy innovation through:

- **National CCUS Pilot Project:** SIRIM leads the National CCUS Pilot Project (2025–2030) to support industrial decarbonisation and develop Malaysia's CCUS ecosystem.
- **National Renewable Battery Testing Centre:** Located at Kulim Hi-Tech Park, NRBTC provides independent testing for EV and energy storage batteries, supporting safety, compliance and clean energy manufacturing.

National CCUS Pilot Project

- Launched the iron and steel sector pilot programme.
- Initiated techno-economic assessments and international benchmarking.
- Established strategic partnerships and carbon monitoring frameworks.
- Progressed the pilot facility's engineering design and implementation.

National Renewable Battery Testing Centre

- Commissioned the Centre's Electrical and Mechanical Section, comprising 13 major testing systems.
- Secured a RM1.42 million PETRONAS Research project to develop a graphene-enhanced battery module for the MODENAS MEV-01, improving performance in Malaysia's high-temperature conditions.

Initiatives:**Achievements****SME and Community Technology Deployment**

Developed technology solutions for SMEs and communities, including smart farming, IoT-based monitoring, water treatment, renewable energy and community-based healthcare solutions.

Improved access to practical technology applications, including clean water systems, solar-powered solutions, power failure monitoring, water treatment plant monitoring and smart farming solutions.

**Spotlight****INNOVATION IN ACTION**

SIRIM IR's work in 2025 demonstrated how applied research can be translated into solutions with industrial, environmental and social value. Across its research centres, SIRIM IR developed and deployed technologies that supported high-value sectors, improved SME productivity and delivered practical solutions for communities.

These projects reflect SIRIM IR's role in connecting research capability with real-world needs, from circular materials and rechargeable battery testing to healthcare innovation, smart farming, clean water access and frontier technologies.

Innovation Area:	Selected Applications and Outcomes
→ Sustainability and Circular Innovation	Green Plastics Pilot Plant; biodegradable and recycled polymer blends; recycled film processing; eco-friendly product moulding.
→ Industry-Centric Technology	Casting components for oil and gas applications; POME valorisation; cosmeceutical product development; reverse engineering; automotive tools, dies and moulds; machining, fabrication and equipment design.
→ Healthcare and Life Sciences	Biomodelling and cranioplasty, which benefited 370 patients from more than 24 hospitals; chitosan-based wound management products; antimicrobial biocomposite membranes; bacterial nanocellulose for personal care products; functional food from microalgae.
→ SME-Centric Digital Solutions	Kelulut Integrated Information System, which increased <i>madu kelulut</i> yield three-fold; water treatment plant health monitoring; power failure monitoring systems for manufacturing lighting equipment.
→ Rakyat-Centric Technology	AYAQ NANO water treatment system supplying 5,000L per day and benefiting an average of 700 students, teachers and staff; solar-powered tube wells for 70 to 80 rural households; artificial reefs planted across seven locations to support marine bio-economy.
→ Frontier Technology	Carbon fibre, organ-on-chip, hydrogen storage, artificial intelligence, drone technology, gene editing and blockchain.

For more information on SIRIM's sustainability and community-based initiatives, refer to the Sustainability Statement on pages 78 to 97.

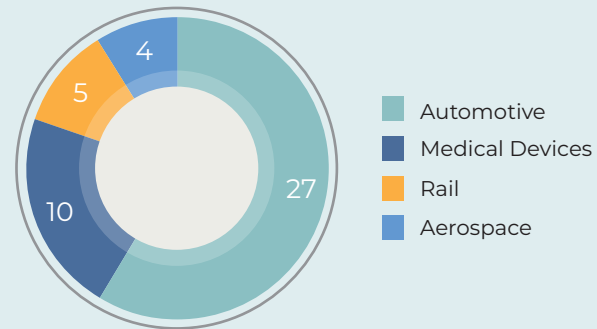
BUSINESS REVIEW

Developmental

National Precision Tooling

We continued to advance the **TDM 2.0 Project** by strengthening the capability and capacity of Bumiputera tools, dies and moulds (TDM) and machining-based engineering companies. The project supports companies across the automotive, medical devices, rail and aerospace sectors, with a focus on capability development, technology upgrading and stronger participation in higher-value industry opportunities.

Sector of Registered Beneficiary Companies in 2025



Initiatives:



Coaching and Certification Building (CCB) Programme

Delivered training, coaching, certification support, equipment calibration and external assessment services to strengthen technical competency and industry readiness.



Talent Competency Development

Delivered professional certification programmes, including the Certified Industrial Designer (CiDe) programme, alongside targeted capability-building initiatives.



Equipment Acquisition Programme (EAP)

Facilitated the acquisition of advanced machinery, precision equipment and digital manufacturing technologies, including CNC machining centres, CAD/CAM systems, automation solutions and advanced metrology equipment.

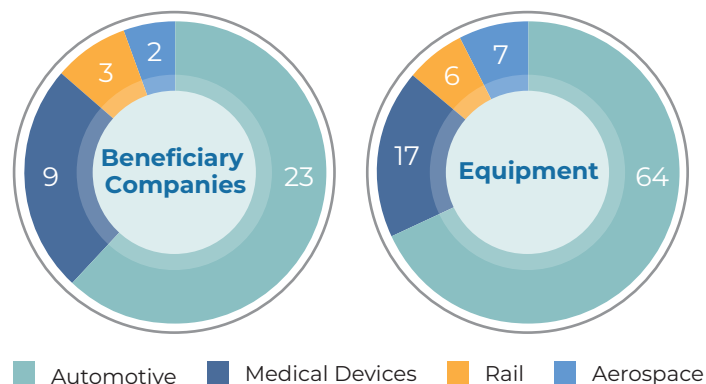
Achievements

RM3.88 million utilised, representing 98% of the RM3.96 million allocation, supporting capability development among beneficiary companies.

Strengthened the pipeline of skilled design professionals capable of driving innovation, business transformation and industry competitiveness.

Committed RM23.97 million in grant value, representing 99.9% of programme allocation, enabling beneficiaries to enhance productivity, competitiveness and advanced manufacturing capabilities.

EAP Grant Distribution by Sector





Spotlight

Strengthening Bumiputera Participation in High-Value Engineering

We established “TDM 2.0” to strengthen the capability and capacity of Bumiputera tools, dies and moulds (TDM) and machining-based engineering companies across the automotive, aerospace, medical devices and rail sectors. Through targeted coaching, certification support, equipment acquisition and design capability development, the programme enabled beneficiary companies to improve technical readiness, adopt advanced technologies and participate in higher-value supply chain opportunities.

An impact assessment by PwC found that TDM 2.0 had met its intended outcomes, with beneficiary companies recording improvements in production capacity, lead time, product innovation, market expansion, tax contribution and gross value added. Moving forward, the findings also provide a basis to further refine programme design in line with evolving national priorities, including NIMP 2030 and PUTERA35.

Background of Tools, Dies and Moulds (TDM) programme

TDM 1.0 (2009–2019) focused on the automotive sector, supporting 15 Bumiputera companies and laying the groundwork for industry participation.

TDM 2.0 (2022–2024) expanded into aerospace, medical devices and rail, with RM35 million in funding delivered through three programmes:

- ➔ Equipment Acquisition Programme (EAP)
- ➔ Coaching and Certification Building (CCB)
- ➔ Design Capability Development (DCD)

TDM 2.0 Outcomes

- ➔ Identify the number of Bumiputera companies involved in TDM and engineering based on orders in the automotive, aerospace, medical device, and rail industries
- ➔ Improve the skills of employees in beneficiary companies in both technical and non-technical fields, and subsequently obtain certification in related areas
- ➔ Increase capacity in the company's product manufacturing processes
- ➔ Increase in company productivity and sales
- ➔ Assist in meeting the company's requirements to become a new supplier to OEM or Tier-1 companies

BUSINESS REVIEW

Developmental

Beneficiary Companies' Operational Metrics¹

- 88%** Of beneficiary companies report an increase in maximum production capacity, 164% increase on average
- 77%** Of beneficiary companies report a 29% average decrease in overall lead times
- 1 in 2** Beneficiary companies report more technical workers after participating in TDM 2.0

Tax Revenue Generated²

- RM 23.9 million** Tax revenue generated by beneficiary companies between 2021 and 2024
- 27.7% YoY** Average year-on-year increase of tax revenue between 2021 and 2024
- 260k RM** Annualised average tax contribution per beneficiary company between 2021 and 2024

- 70%** Of beneficiary companies report an increase in new product lines, with an average increase of 12 new product lines
- 77%** Of beneficiary companies report an increase in the number of new customers, with 21% increase on average
- 40%** Of beneficiary companies report 33% average increase in the number of new countries served

Gross-Value Added²

- RM 292.4 million** Total gross-value added by beneficiary companies in 2024
- 8.7% YoY** Average year-on-year increase of gross-value added between 2021 and 2024
- 8.4% CAGR** Total staff costs and employee compensation compound annual growth rate from 2021 to 2024

Malaysia Design Council

As industries compete through innovation and differentiation, design has become a critical driver of growth. MRM helps turn this potential into impact by strengthening local design capabilities, elevating market visibility and encouraging wider industry adoption.

Initiatives:

Achievements



Talent Competency

Conducted capability-building programmes for designers and design practitioners.

Strengthened the pipeline of skilled design talent to support innovation and industry transformation.



Innovation and Entrepreneurship

Empowered innovative design entrepreneurs and design driven businesses in strengthening their business capabilities.

Improved commercial readiness, competitiveness and contribution to economic growth.



Design Adoption and Awareness

Engaged businesses and industry communities to promote the use of design thinking.

Expanded the adoption of design as a tool for innovation, process improvement and better user outcomes.

Initiatives:

Achievements


Market Visibility and Commercialisation

Promoted the global commercialisation of Malaysian design-driven products and services under the “Designed in Malaysia” proposition.

Strengthened Malaysia's visibility and commercialisation opportunities as a hub for local design excellence.


Design-Driven Policy

Encouraged the integration of design principles into policy and implementation processes.

Integrated design principles into governance and policy implementation to support more practical, user-centred and impactful public outcomes.

OUTLOOK

Moving forward, SIRIM's Developmental business will continue strengthening Malaysia's innovation and industrial capability ecosystem through applied research, technology commercialisation, precision tooling development, and design-led competitiveness. Building on the progress achieved in 2025, the focus will be on scaling new capabilities, deepening industry adoption, strengthening local content development and nurturing future-ready talent to support Malaysia's industrial transformation and long-term competitiveness.

Key priorities include:

- **Scaling research commercialisation:** SIRIM IR will advance the Smart Tech-Up Programme while monetising new capabilities such as the National Rechargeable Battery Testing Centre (NRBTC), ethylene oxide (ETO) capabilities, and green plastics solutions.
- **Unlocking greater scale from technical capabilities:** As selected testing capabilities mature, SIRIM will explore future alignment under conformity assessment, particularly where compliance-driven standalone testing can transition into broader testing, inspection, and certification opportunities.
- **Strengthening the Bumiputera TDM ecosystem:** Building on TDM 2.0, the proposed new TDM programme will shift beyond capital expenditure support towards broader ecosystem strengthening. The programme aims to benefit 50 Bumiputera companies, develop 250 skilled digital talents, establish a TDM Solution Centre, and raise local content by 25%.
- **Advancing national design capability:** The Malaysia Design Council (MRM) will focus on establishing a National Design Centre to elevate the visibility and impact of Malaysia Good Design products, promote certified professional designers, and drive flagship programmes including the Malaysia Good Design Awards (MGDA), Certified Industrial Designer (CiDE), and Kuala Lumpur Design Summit (KLDS).
- **Expanding design-led industry impact:** MRM will also strengthen its industrial design consultancy support, aiming to benefit 400 companies and help more businesses use design to drive product value, differentiation, and competitiveness.

Through these priorities, SIRIM will continue to position its Developmental business as a catalyst for industrial progress, supporting higher-value manufacturing, stronger local capabilities, innovation-led growth and the international competitiveness of Malaysian industries.

BUSINESS REVIEW

STATUTORY

Nation Building Through Metrology

WHO WE ARE/WHAT WE DO

The National Metrology Institute of Malaysia (NMIM) serves as the ultimate authority for measurement standards in the country. Operating as a statutory arm of SIRIM Berhad, we provide the essential foundation for Malaysia's quality infrastructure. From maintaining primary scientific standards and legal metrology to empowering the manufacturing sector with industrial precision, our mandate spans the entire measurement spectrum. Through this work, we ensure that Malaysian products and services are trusted and recognised globally.



OUR BUSINESS ENVIRONMENT

This year, the metrology landscape was defined by the intersection of sustainable development and digital transformation. As Malaysia pursued the Twelfth Malaysia Plan (RMK-12) goals, NMIM operated within an environment demanding rapid adaptation to disruptive technologies. The surge in Electric Vehicle (EV) adoption, the rise of the Internet of Things (IoT), and the global shift toward sustainable industrial processes necessitated a robust and agile traceability framework. As international trade became increasingly reliant on harmonised standards, NMIM's role as a regional leader became a strategic necessity to navigate global supply chain complexities and regulatory shifts.

OUR PROGRESS AND PERFORMANCE

Our Performance Snapshot

GROWTH HIGHLIGHTS

630 technical professionals trained in metrology skills

42 accredited metrology labs

Malaysia's ranking of CMC (global) as of 15 May 2026 is **43rd** out of **104** economies

Successfully published **13** new Calibration and Measurement Capabilities (CMC) (global) as of 15 May 2026 at the Key Comparison Database (KCDB), the International Bureau of Weights and Measures (BIPM)

AWARDS AND RECOGNITION

Malaysia is ranked **25th** for metrology out of 185 economies in the Global Quality Infrastructure Index, GQII 2025

Through NMIM, Malaysia has been **re-elected for the third consecutive time** as President and Secretariat of the Asia Pacific Legal Metrology Forum (APLMF) from 2025 to 2026

In FY2025, NMIM, advanced Malaysia's measurement infrastructure across emerging industries while strengthening its standing as a regional authority. Progress in EV metrology, digital traceability, and high-precision industrial measurement reflected growing industry demand for a robust quality foundation. Combined with Malaysia's continued stewardship of the Asia Pacific Legal Metrology Forum (APLMF), these achievements affirmed NMIM's role as the measurement authority that keeps Malaysian industry competitive, and globally trusted.

Strategic Performance Review

Building National Measurement Infrastructure

Under the RMK-12 development framework, NMIM continued strengthening Malaysia's national measurement infrastructure to support emerging industries and future economic growth. Efforts focused on expanding national verification and traceability capabilities across strategic sectors, enhancing measurement precision, and ensuring industries have access to internationally recognised standards and measurement services.

Initiatives:

Achievements



Developed national verification capabilities for Electric Vehicle (EV) charging stations.

Strengthened Malaysia's readiness to support the growing EV ecosystem and renewable energy transition.



Established new traceability capabilities for high-value Electrical & Electronics (E&E) components.

Enhanced measurement assurance and competitiveness for the semiconductor and manufacturing sectors.



Advanced Digital and IoT Metrology initiatives, including time synchronisation and traceability.

Improved measurement reliability for ICT, finance and telecommunications applications within the digital economy.



Enhanced high-temperature metrology capabilities.

Expanded support for specialised measurement requirements in the ceramic, iron and glass industries.



Upgraded length and dimensional metrology standards.

Strengthened measurement capabilities for aerospace and precision engineering applications.

We achieved a significant milestone in 2025, with 630 technical professionals trained through over 100 Metrology Skills Programme topics. These efforts were led by our internationally recognised metrologists, many of whom have been trained at prestigious institutes in Germany, Japan, and the UK, ensuring that global best practices are localised within Malaysian industry.

BUSINESS REVIEW

Statutory

Metrology Thought Leadership

As President and Secretariat of the APLMF, Malaysia continued to advance regional metrology cooperation, technical harmonisation and capability development. Through leadership in international forums and targeted knowledge-sharing initiatives, NMIM strengthened Malaysia's position as a recognised regional metrology authority.

Initiatives:

Achievements



Bandung, Indonesia

32nd APLMF Forum Meeting and Rice Moisture Measurement Programme

Convened 54 delegates from 19 economies, contributed to the development of the APLMF Strategic Roadmap 2027–2030 and promoted harmonised agricultural quality testing and fair-trade measurement practices.



Pattaya, Thailand

Petroleum Fuel Dispensers Programme

Supported the alignment of verification practices and legal compliance frameworks for retail fuel measurement across participating economies.



Bangkok, Thailand

Pre-packages (OIML R 87) Programme

Advanced standardisation of volume and quantity verification requirements for packaged consumer goods across the region.



Shanghai, China

Legal Metrology Systems (OIML D 1) Programme

Strengthened understanding and adoption of foundational legal metrology principles to support national metrology frameworks.



Suzhou, China

OIML Certification System Programme

Promoted wider regional adoption of internationally recognised legal metrology certification systems and conformity assessment practices.

Advancing Global Metrology Partnerships

NMIM continued to strengthen Malaysia's presence within the global metrology community through international collaboration, technical leadership and active participation in regional and global forums. These engagements ensure Malaysia remains aligned with international best practices while contributing to the development of global measurement standards.

Initiatives:

Achievements

 Participated in the 41st General Assembly of the Asia Pacific Metrology Programme (APMP).	Positioned Malaysia as a contributor to scientific metrology development and strengthened international collaborative networks.
 Hosted the 13th ASEAN Metrology Expert Group Meeting (EGM-13) in Kuala Lumpur.	Advanced ASEAN quality infrastructure and regional measurement harmonisation efforts.
 Chaired the Specialist Regional Bodies Forum during the Third APEC Senior Officials' Meeting (SOM3) 2025.	Facilitated regional dialogue and knowledge exchange on technical standards and conformity assessment matters.
 Hosted the APMP Focus Group Workshop and APMP/TCQM Workshop on Gas Analysis.	Strengthened international cooperation in gas metrology and supported environmental sustainability initiatives.
 Organised the ASEAN Webinar on Proficiency Testing (PT).	Enhanced regional laboratory competency and awareness of ISO/IEC 17043:2023 requirements.
 Participated in the 16th SMIIC Metrology Council Meeting.	Strengthened cooperation and standards harmonisation among Organisation of Islamic Cooperation (OIC) member countries.

OUTLOOK

The primary challenge of 2025 remained the rapid pace of technological change, which often outstrips traditional standard-setting timelines. To mitigate this, we adopted a proactive engagement strategy, chairing international working groups on digitalisation and quality measurement to influence standards at the source.

The way forward for NMIM is one of strategic evolution. As we move toward the final phase of RMK-12, our focus will shift from infrastructure development to the widespread industrial application of our new capabilities. We anticipate a heightened role in supporting Malaysia's climate goals through advanced gas metrology and environmental monitoring. We will focus on fostering a digital-first metrology ecosystem and deepening our international strategic alliances, allowing us to provide the measurement certainty required to propel Malaysia toward its high-income, technology-driven aspirations. In 2026, our priorities are focused on the operationalisation of the APLMF 2027–2030 Strategic Plan and the full execution of training modules for EVSE type approval and software evaluation, ensuring Malaysia remains at the forefront of the global metrological community.

SUSTAINABILITY STATEMENT

SIRIM plays a distinct and strategic pivotal role in Malaysia's sustainability landscape. Through our core functions in standards development, testing, certification, research and technical services, we help define benchmarks for quality and responsible practices. This positions our sustainability agenda with a dual purpose: to improve how SIRIM operates and to strengthen the broader ecosystems that enable safer, more reliable national development.

In 2025, we strengthened the institutional structure supporting this agenda. The aim was to make sustainability more focused, measurable and accountable, ensuring that sustainability priorities are effectively translated into actionable and systematically reviewed through the right governance channels.

The background of the lower half of the page is a dark, vibrant digital illustration. It features a large, glowing butterfly with wings made of green and blue dots and lines, as if composed of data or light. To the left, there are several circular icons: a globe, a leaf, and a gear. At the bottom left, there are solar panels. The overall aesthetic is futuristic and tech-oriented, with a color palette dominated by greens, blues, and oranges.

**PROTECT AND
CONSERVE THE
ENVIRONMENT**

**SAFEGUARD
STAKEHOLDERS'
INTERESTS**

**UPHOLD GOOD
GOVERNANCE**

Sustainability Highlights

In 2025, we established our ESG Tracker as a central dashboard for monitoring key ESG indicators across the Group. The tracker strengthens how we review progress, identify gaps and support evidence-based decision-making across our sustainability priorities.



PROTECT AND CONSERVE THE ENVIRONMENT

21,104 tCO₂e total GHG emissions recorded, covering Scope 1, Scope 2 and selected Scope 3 emissions

1,100 kWp cumulative solar PV capacity installed, generating **247,700 kWh** of solar energy

20 energy audits conducted across SIRIM buildings and locations

25% cumulative reduction in carbon emission intensity from 2023 baseline

Achieved **Bronze Green Building Certification** and **3-diamond LCC Shah Alam** rating

22% substitution of purchased electricity with renewable energy at installed premises

2% of water consumption was replaced with rainwater collected through an **eight-tank** harvesting system for toilet flushing and landscape irrigation

SAFEGUARD STAKEHOLDERS' INTERESTS

Employees recorded an average of **46 training hours**, including OSH and integrity-related training

632 youth benefited from CSR programmes

Recorded **0.86 LTIFR**, **zero fatalities**, **zero NOI** and **zero NOP**

Women represented **44%** of total employees, **33%** of Board members and **57%** of senior management

495 m² of built-up facilities provided for persons with disabilities

33 emergency responders trained

Women accounted for **42%** of researchers, scientists and engineers

Women represented **44%** of new hires, while youth accounted for **7%** of new hires

UPHOLD GOOD GOVERNANCE

Recorded **RM500 million** in total income, **RM56 million** EBITDA and **RM17 million** PAT

Established a **Board Risk & Sustainability Committee** to enhance oversight of risk and sustainability performance

Conducted **31 integrity programmes** and recorded **zero confirmed corruption cases**

404 vendors and suppliers assessed on ESG practices

Implemented an **ESG Tracker** to strengthen performance monitoring and evidence-based decision-making

Established new policies on **Data Governance** and **Information Security**

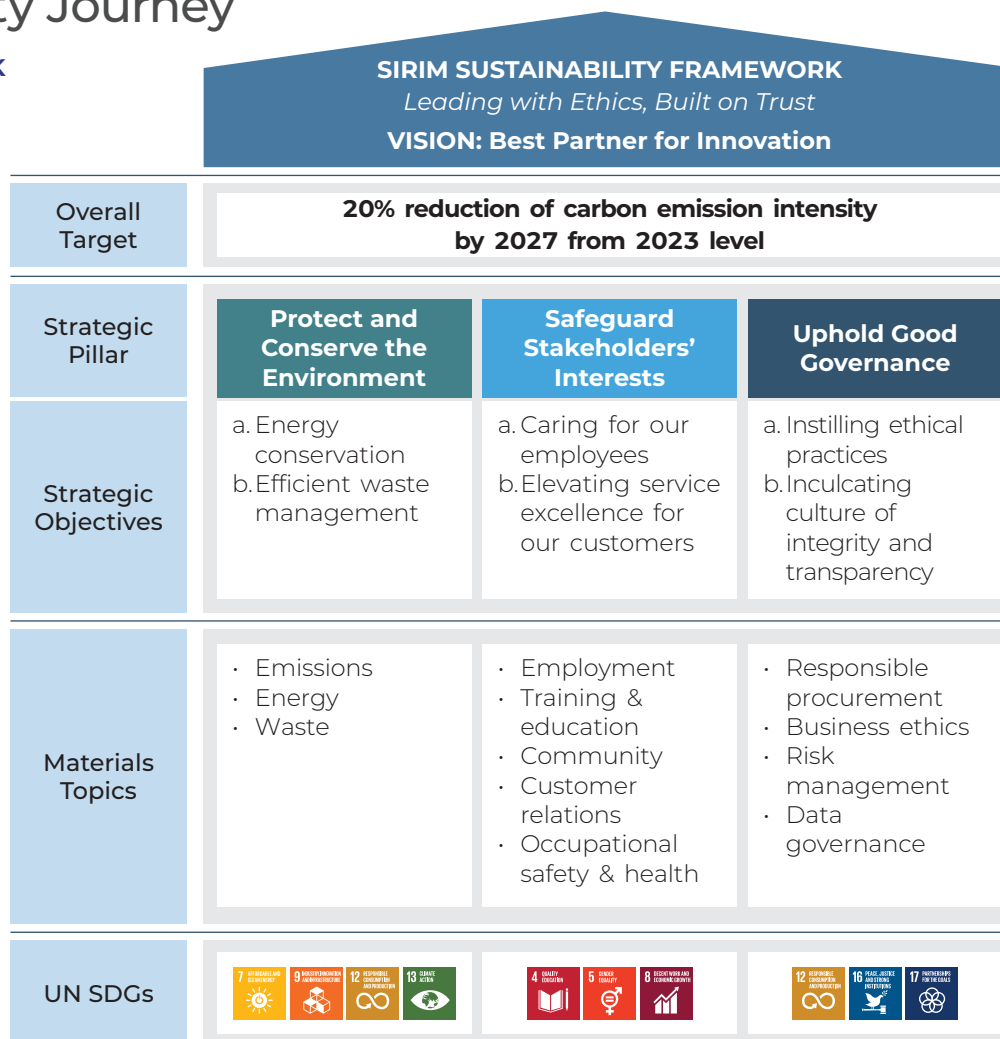
SUSTAINABILITY STATEMENT

Our Sustainability Journey

SUSTAINABILITY FRAMEWORK

The SIRIM Sustainability Framework defines the foundation of our sustainability approach. It brings together our material topics under three strategic pillars: **Protect and Conserve the Environment, Safeguard Stakeholders' Interests and Uphold Good Governance.**

These pillars reflect where SIRIM has the most direct responsibility and influence. They guide how we manage environmental performance, support our people and stakeholders, and uphold trust in the way we operate. The Framework also provides the basis for our 2027 target to reduce our carbon emission intensity by 20% from the 2023 baseline.

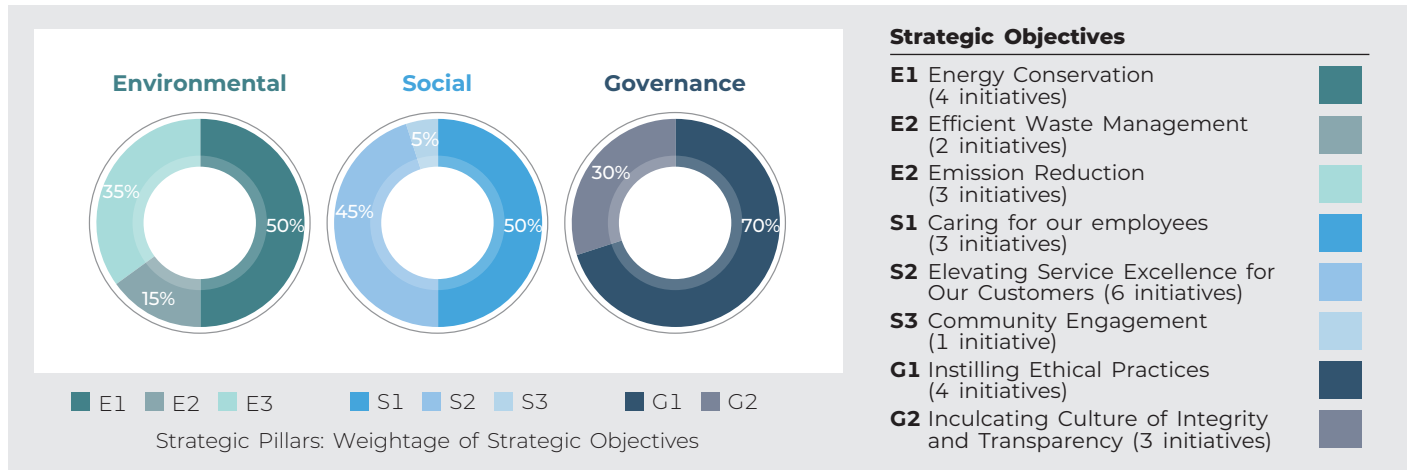


SIRIM SUSTAINABILITY ROADMAP 2024–2027

While the Framework defines our priorities, the Sustainability Roadmap 2024–2027 sets out how they will be delivered. It translates our sustainability commitments into specific initiatives, with clear focus areas for implementation and monitoring.

The Roadmap is an important milestone target because sustainability progress depends on disciplined execution. Across the three pillars, SIRIM tracks 26 initiatives covering energy conservation, waste management, emissions reduction, employee care, customer service excellence, community engagement, ethical practices and integrity culture.

Our SIRIM Governance Committee (SGC) reviews the roadmap's progress, with oversight by the Board Risk and Sustainability Committee (BRSC). This ensures that sustainability actions are monitored as part of SIRIM's broader performance and accountability structure.



Strategic Objectives

- E1** Energy Conservation (4 initiatives)
- E2** Efficient Waste Management (2 initiatives)
- E2** Emission Reduction (3 initiatives)
- S1** Caring for our employees (3 initiatives)
- S2** Elevating Service Excellence for Our Customers (6 initiatives)
- S3** Community Engagement (1 initiative)
- G1** Instilling Ethical Practices (4 initiatives)
- G2** Inculcating Culture of Integrity and Transparency (3 initiatives)

CONTRIBUTING TO THE GLOBAL AGENDA

The United Nations (UN) Sustainable Development Goals (SDGs) provide a global reference point for addressing urgent economic, social and environmental challenges. For SIRIM, this agenda is closely connected to our nation-building commitments.

Therefore, our SDG alignment is guided by relevance and impact. We are supporting nine goals where we can contribute meaningfully through the way we operate, the services we provide and the industries we support. This enables us to connect our sustainability framework to outcomes that extend beyond organisational performance.

People and Capability

Our people come first. **SDG 4: Quality Education** drives our commitment to continuous learning, technical training, and leadership development. We champion **SDG 5: Gender Equality** by ensuring fair employment practices, inclusive career pathways, and a workplace free from discrimination.



Industry and Economic Value

SIRIM contributes to **SDG 8: Decent Work and Economic Growth** by strengthening workforce capability and supporting sustainable organisational performance. Our pivotal role in **SDG 9: Industry, Innovation and Infrastructure** is reflected in the way we help industries to improve quality, meet recognised standards and access greater markets.



Environment and Climate

We support **SDG 7: Affordable and Clean Energy** through energy efficiency efforts and solar PV adoption. We contribute to **SDG 12: Responsible Consumption and Production** by improving resource efficiency within our operations and supporting better industry practices. **SDG 13: Climate Action** is reflected in our emissions monitoring, low-carbon initiatives and technical support for climate-related solutions.



Trust and Partnerships

Everything we do is grounded in **SDG 16: Peace, Justice and Strong Institutions**, promoting integrity and good governance across the industries we serve. Through **SDG 17: Partnerships for the Goals**, we work with suppliers and industry partners to build capability across the wider ecosystem, including through the Vendor Development Programme.



SUSTAINABILITY STATEMENT

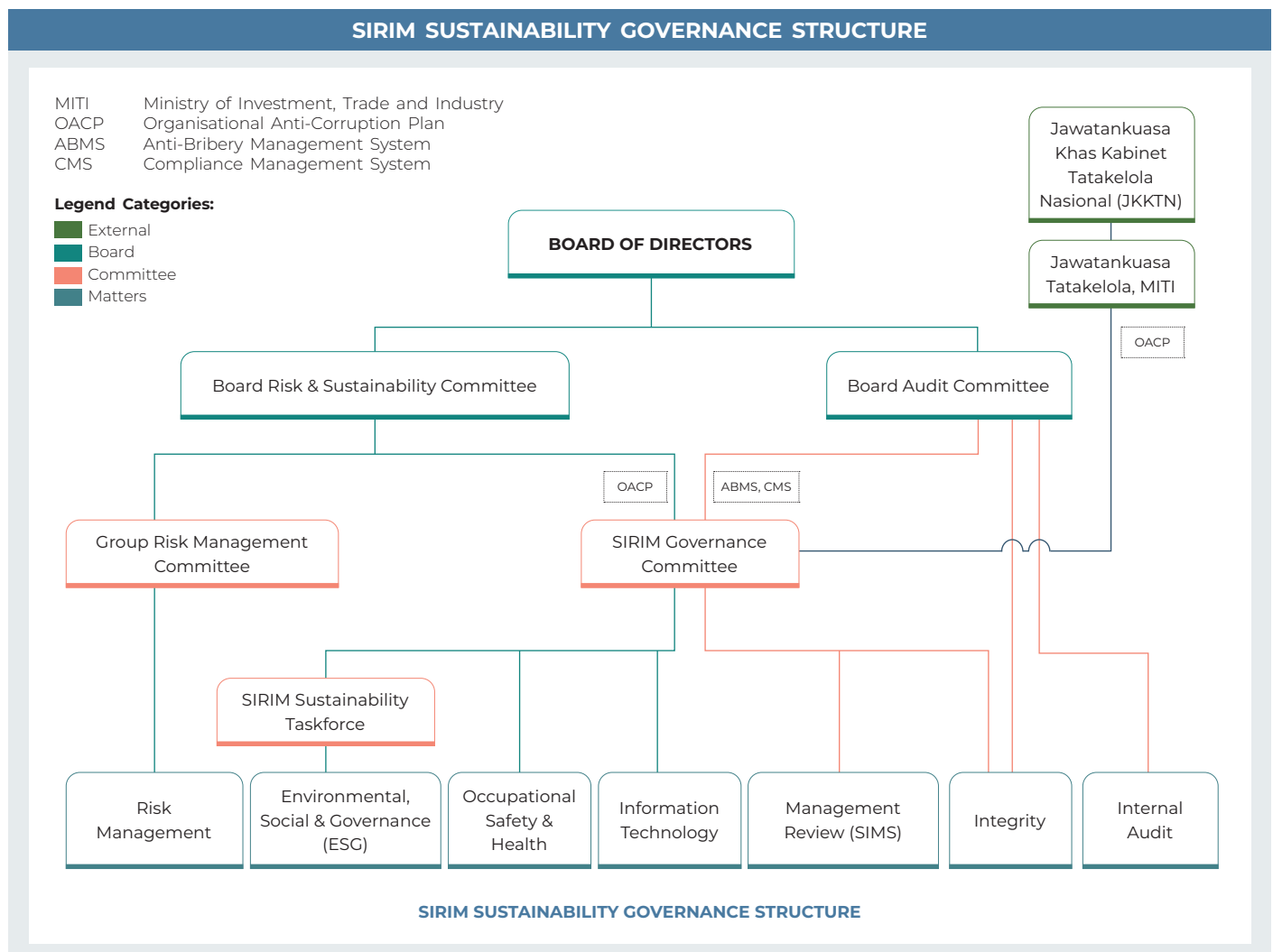
SUSTAINABILITY GOVERNANCE

Sustainability governance begins with strong Board oversight. The Board of Directors provides the highest level of accountability, supported by the Board Risk and Sustainability Committee (BRSC) and the Board Audit Committee (BAC). These committees review sustainability-related risks, performance and governance matters to ensure that sustainability remains linked to SIRIM's overall accountability framework.

At management level, the SIRIM Governance Committee (SGC) and Group Risk Management Committee (GRMC) provide strategic review. Both are chaired by the President and Group Chief Executive Officer, ensuring that sustainability matters are considered alongside enterprise risks and organisational performance.

Implementation is coordinated by the Group Sustainability, with support from the SIRIM Sustainability Taskforce (SSTF). They monitor ESG-related initiatives across business units and support the integration of sustainability into operational practices.

Our sustainability governance structure enables sustainability to move from leadership direction to implementation, with clear escalation from working level to management and Board oversight.



Our Sustainability Performance

PROTECTING AND CONSERVING THE ENVIRONMENT

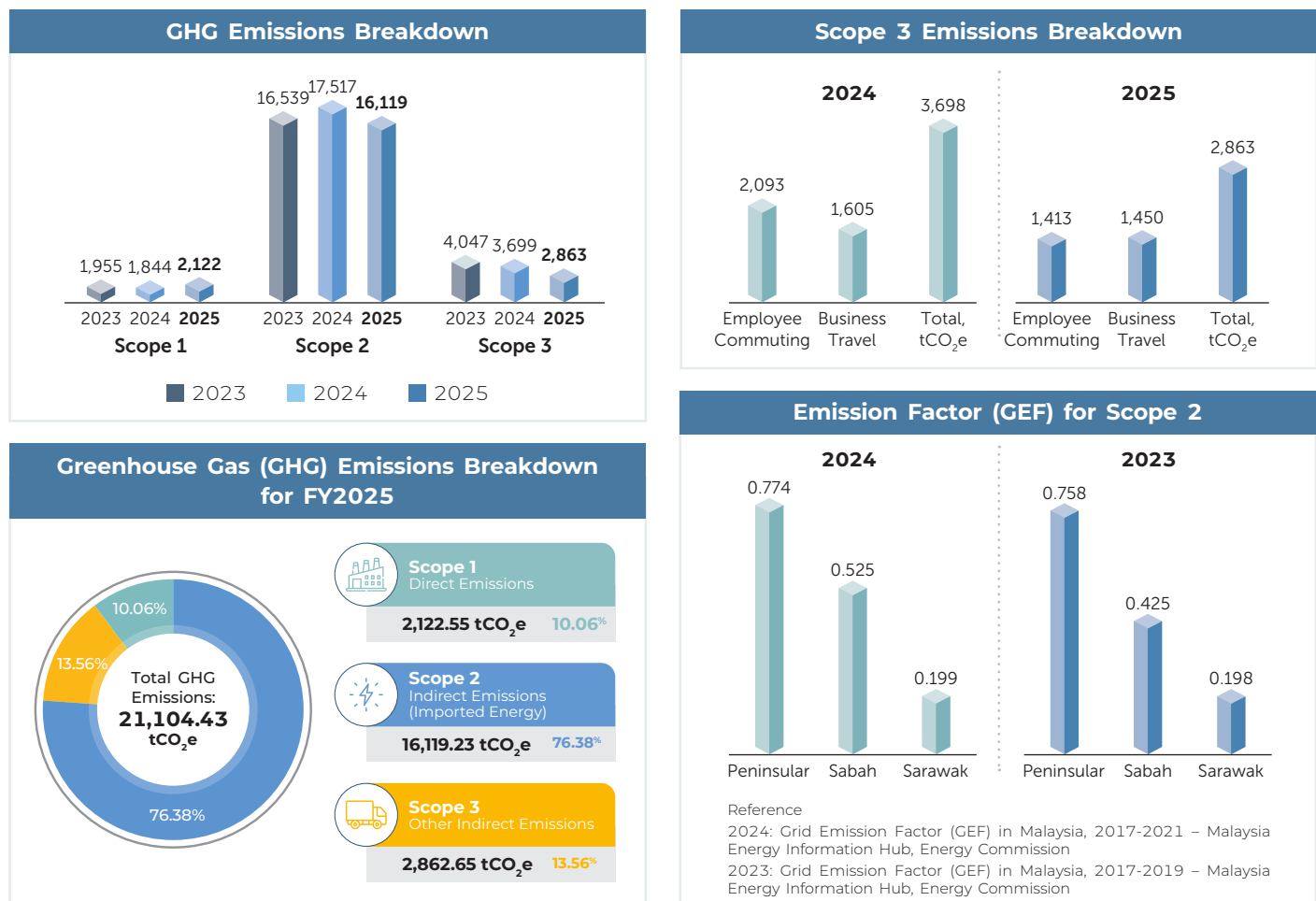
SIRIM's environmental responsibility begins with how we manage our own footprint. As an organisation that supports industry standards and technical assurance related to environmental performance, we must apply the same discipline to our own environmental practices.

In 2025, our focus was on strengthening measurement and execution. We improved the way we track environmental performance, expanded renewable energy adoption and used facility-level audits to identify where efficiency gains can be achieved.

Reducing Our Climate Impact

We continue to monitor greenhouse gas (GHG) emissions to understand the main sources of our carbon footprint and track progress against its reduction target. Using 2023 as the baseline year, SIRIM aims to achieve a 20% reduction in carbon emission intensity by 2027.

In 2025, our total GHG emissions decreased to 21,104.43 tCO₂e, representing an 8.5% reduction compared to the previous year. More significantly, SIRIM achieved a 25% cumulative reduction in carbon emission intensity from the 2023 baseline, surpassing our 2027 target two years ahead of schedule.



SUSTAINABILITY STATEMENT

Key Performance Milestone:

KEY HIGHLIGHTS



INCOME GROWTH

Total income increased by **23.40%** from 2023 to 2025.



EMISSIONS TREND

Total GHG emissions decreased by **6.41%** from 2023 to 2025.



INTENSITY IMPROVEMENT

GHG emissions intensity improved by **25.00%** from 2023 to 2025.

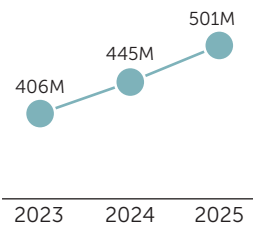


SUSTAINABILITY IMPACT

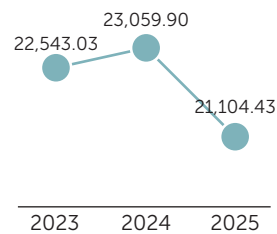
Stronger performance, lower emissions, better future.

3-YEAR TREND OVERVIEW

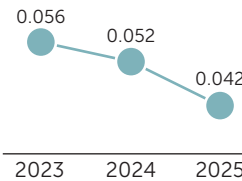
Total Income (RM)



Total GHG Emissions (tCO₂e)



GHG Emissions Intensity (kgCO₂e/RM)



PERFORMANCE REDUCTION (CO₂e)

Emission reduced by

25%
in 2025
compared to
2023

We quantify our emissions in accordance with ISO 14064-1, the GHG Protocol and IPCC Guidelines. Our GHG inventory covers direct emissions from operations, indirect emissions from purchased electricity and selected Scope 3 emissions from business travel and employee commuting.

Scope 1



Coverage

Direct emissions from SIRIM's operations

Scope 2



Coverage

Indirect emissions from purchased electricity

Scope 3



Coverage

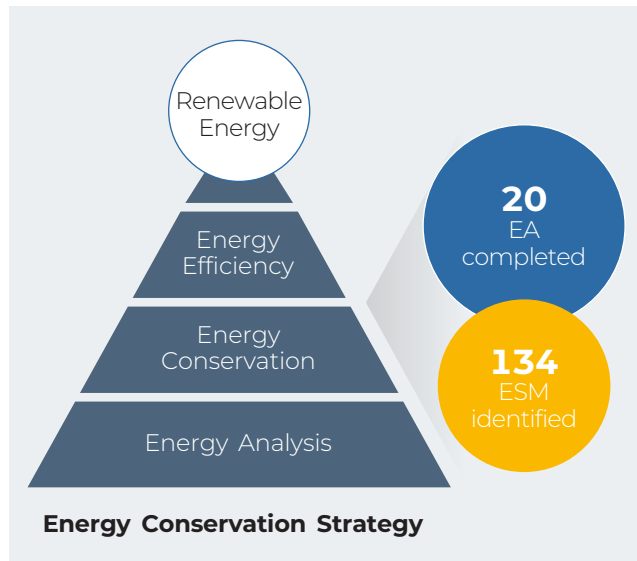
Selected indirect emissions from business travel and employee commuting

Scope 2 purchased electricity remains the main contributor of SIRIM's emissions profile. This makes energy efficiency and renewable energy adoption the most important operational levers for reducing our GHG emissions.

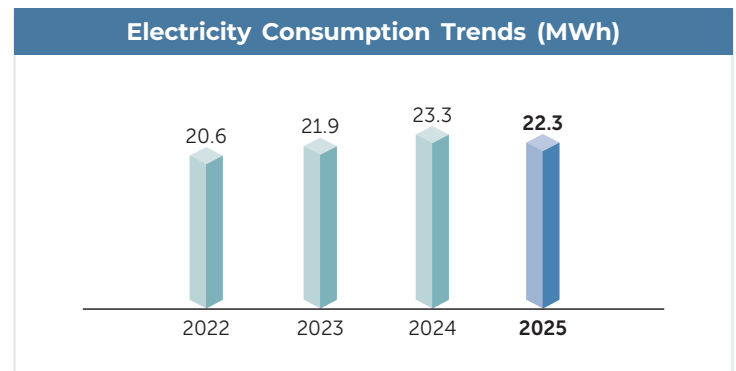
Credible emissions reduction also depends on credible data. In 2025, SIRIM enforced the use of an Online Claim System to digitalise data capture for employee commuting and business travel. This improved the reliability and auditability of Scope 3 emissions data and strengthened the overall quality of SIRIM's GHG accounting.

Strategic Energy Management

Energy performance is central to SIRIM's emissions reduction pathway. Since purchased electricity is the main source of our GHG emissions, reducing energy consumption and increasing energy efficiency directly support our carbon intensity target.



Our energy management efforts are also aligned with the **Energy Efficiency and Conservation Act 2024**, which reinforces the need for more systematic energy performance management in Malaysia. In 2025, we used the ESG Tracker and energy audit findings to guide facility-level improvements across major energy users.



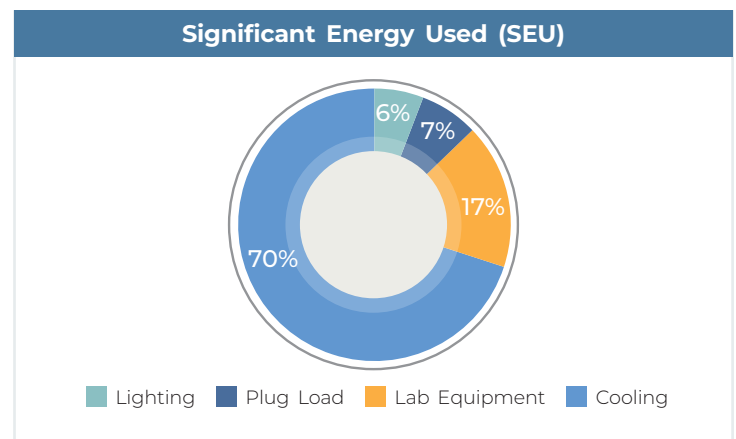
To ensure our initiatives remain dynamic and impact-driven, we continuously monitor our electricity consumption through our centralised ESG Tracker dashboard. We have mobilised dedicated internal working groups and engaged external subject matter experts to drive long-term planning activities across all operational divisions.

Programmes and Initiatives

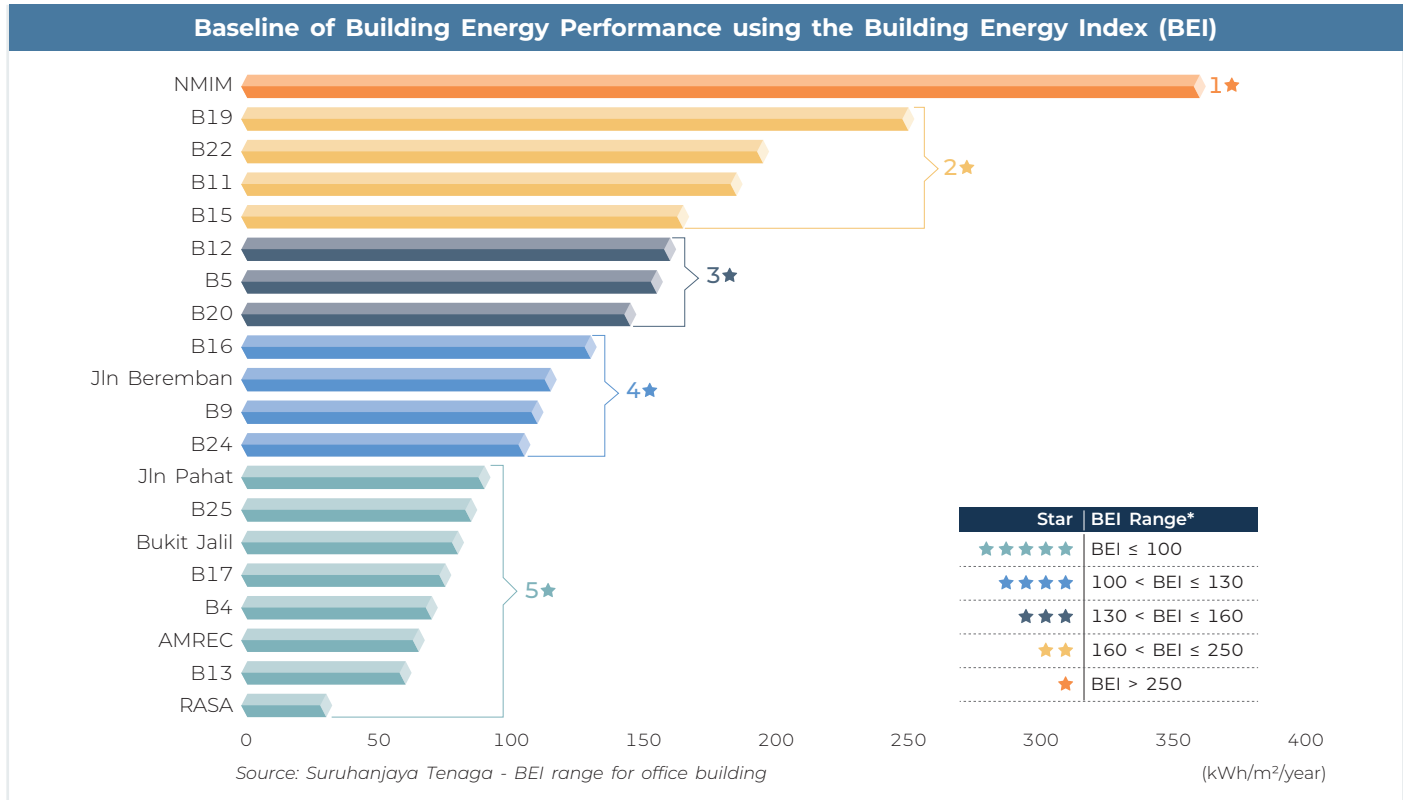
SIRIM's energy management efforts focus on reducing electricity demand while increasing the energy conservation and energy efficiency across our facilities.

1. Improving Energy Efficiency

We conducted energy audits across 20 buildings and premises identified as major energy users. Led by SIRIM's Registered Energy Auditors, the audits established facility-level energy baselines, identified Significant Energy Use (SEU) areas and assessed building performance using the Building Energy Index (BEI), in line with guidelines issued by the Energy Commission.



SUSTAINABILITY STATEMENT



Through these audits, we identified 134 Energy Saving Measures (ESMs). These findings provide a clearer basis for prioritising capital investments, planning facility upgrades and implementing targeted efficiency improvements across operations.

Based on SEU findings, our main engineering interventions focus on:

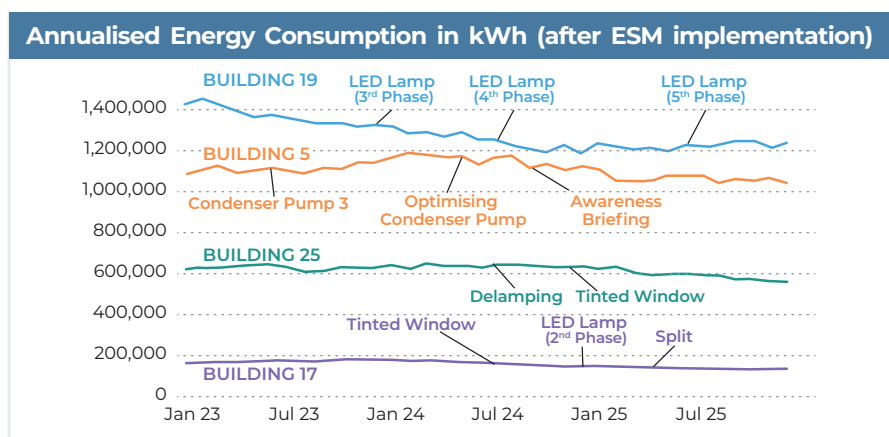
Cooling Infrastructure Upgrades

Replacing and upgrading air-conditioning and cooling systems, which account for 70% of our overall SEU.

Modernised Lighting Solutions

Progressively replacing outdated fluorescent lights with high-efficiency LED systems and implementing strategic de-lamping in over-lit areas.

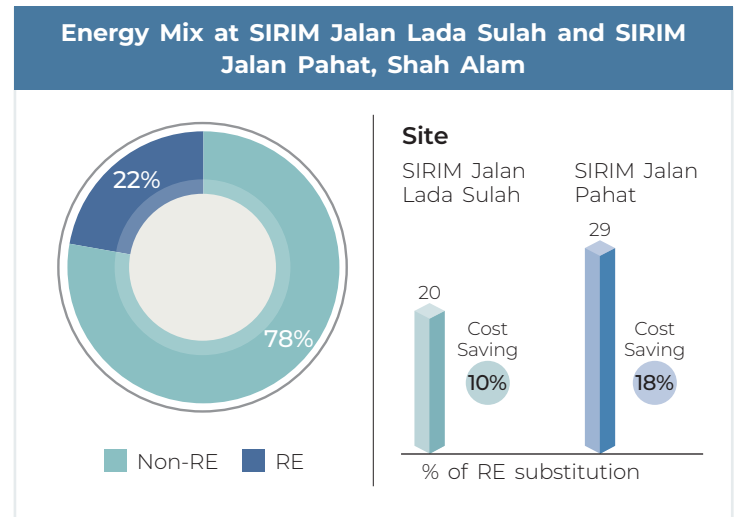
These engineering interventions were supported by internal awareness efforts to improve everyday energy practices, including switching off idle lighting and keeping air-conditioned areas properly enclosed. These collective technical upgrades and behavioural measures contributed to improved energy performance across selected buildings, as reflected in the annualised consumption trends following ESM implementation.



2. Expanding Renewable Energy

We have progressively adopted solar photovoltaic (PV) systems since 2022, beginning with installations at the Jalan Pahat and Jalan Lada Sulah facilities in Shah Alam. These installations have reduced reliance on grid electricity, with renewable energy integration reaching 20% at Jalan Lada Sulah and 29% at Jalan Pahat Shah Alam respectively.

In 2025, SIRIM expanded its solar PV portfolio with additional installations at SIRIM Headquarters in Shah Alam and the Sepang campus. With power generation commencing at the end of 2025, SIRIM's cumulative renewable energy capacity reached approximately 1,100 kWp, supporting its efforts to lower operational emissions from purchased electricity.



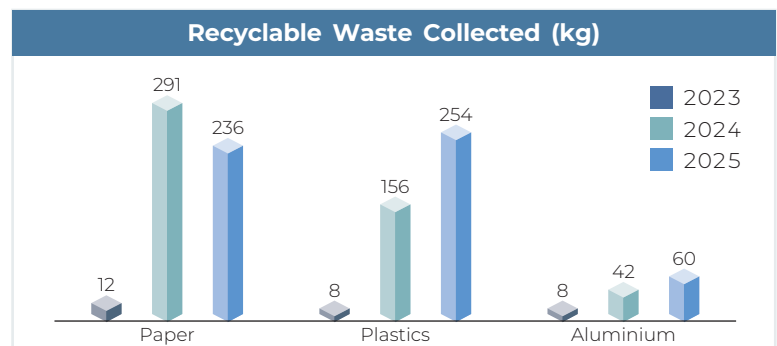
Strengthening Resource Conservation

Our resource conservation efforts focus on reducing avoidable waste and lowering reliance on treated water across its facilities. As a service-oriented organisation with laboratories, offices and campuses, our priority is to manage resources at source, improve reuse practices and strengthen facility-level controls.

Our resource conservation efforts are organised around two focus areas: **waste management** and **water management**.

1. Waste Management

Our waste profile mainly comprises general waste from offices, cafeterias and landscape maintenance. In 2025, we continued to strengthen source segregation and employee participation to support better recycling practices across our facilities.



While paper recycling reduced from 291 kg in 2024 to 236 kg in 2025, plastics increased from 156 kg to 254 kg, while aluminium increased from 42 kg to 60 kg. This reflects continued employee participation in recycling, with changing collection patterns across different waste streams.

Programmes and Initiatives

SIRIM's waste initiatives focus on keeping waste management practical and visible across daily operations. This includes strengthening data collection and monitoring, reinforcing employee habits and exploring ways to convert selected waste streams into usable resources.

Programme/Initiative	Description	Progress and Outcomes
 Source Segregation and Compliance Controls	Waste is managed at source through designated 3R infrastructure across SIRIM facilities. General waste mainly comprises office, cafeteria and landscape waste, while scheduled waste is managed through centralised storage areas and environmental compliance procedures.	No scheduled waste disposal was conducted in 2025 due to minimal volumes generated. General waste and landscape waste are disposed through appointed contractors.

SUSTAINABILITY STATEMENT

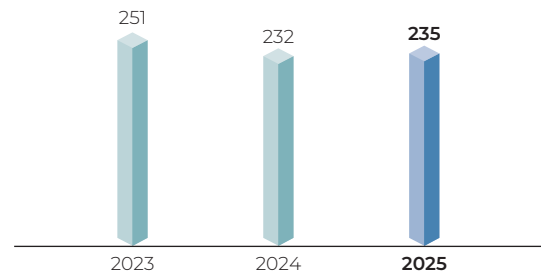
Programme/Initiative	Description	Progress and Outcomes
 Amalan Baik ESG Guide and Awareness Campaigns	The Amalan Baik ESG booklet was published and distributed to all employees through our shared network to guide employees on practical waste reduction and responsible resource use. This booklet comprises of best practices in the area of environmental, social and governance.	Two internal engagement campaigns were conducted, supported by regular communication blasts to reinforce daily sustainable practices.
 Waste to Wealth Initiative	Under the Culture Transformation Programme ALEAD Project, SIRIM launched the Waste to Wealth initiative to convert recyclable waste and organic garden waste into usable resources.	Strengthened internal circularity practices by turning selected waste streams into value-added resources.

2. Water Management

Water management remains an important part of SIRIM's resource conservation approach. The Asset Management Department monitors water consumption through monthly reporting, enabling us to track usage and identify opportunities for reduction and conservation.

SIRIM's total water consumption decreased from 251,000 cubic metres in 2023 to 232,000 cubic metres in 2024, before recording a slight increase to 235,000 cubic metres in 2025. Despite the increase in 2025, overall consumption remained below the 2023 baseline. Our improved water consumption performance reflects growing employee awareness on conservation and our ongoing efforts to identify and rectify leakages across our facilities.

Water Consumption Trends ('000 cubic metre)



Programmes and Initiatives

We successfully deployed advanced rainwater harvesting systems alongside managed a spring discharge system. This repurposed, non-potable water is strategically directed toward our high-volume operational needs, including ponding maintenance, landscape irrigation, and company vehicle washing.



On the facilities management end, harvested rainwater is channelled into eight centralised storage tanks at Building 17 within SIRIM Headquarters. The collected rainwater is used to supply toilet cisterns (greywater) and fulfil landscaping requirements. This initiative helps in reducing the water usage of Building 17, which is estimated to be 12,800 litres per day.

We have also aggressively rolled out water-efficient fittings under the Water Efficient Product Labelling Scheme (WELPS), systematically retrofitting our taps, mixers, and flushing systems to ensure absolute compliance with contemporary sustainability criteria.

Key Milestone

By combining WELPS fittings with extensive rainwater reuse, Building 17 has officially achieved **GreenRE Bronze Certification**, setting a corporate benchmark for our future facilities updates.



OUTLOOK

Looking ahead, energy efficiency and conservation will become increasingly strategic for SIRIM as Malaysia advances its policy agenda under the Energy Efficiency and Conservation Act (EECA) 2024. Within the next two years, we aim to achieve full compliance with EECA 2024 while aligning our efforts with the National Energy Transition Roadmap (NETR), with a particular focus on reducing Scope 2 emissions, which represent more than 70% of our total GHG footprint.

SAFEGUARDING STAKEHOLDERS' INTERESTS

SIRIM's ability to deliver national value depends on the people behind our work and the communities we serve. As a technical organisation with a broad public mandate, safeguarding stakeholder interests means building a capable and competent workforce, providing a safe and inclusive workplace, and applying SIRIM's expertise to address community needs.

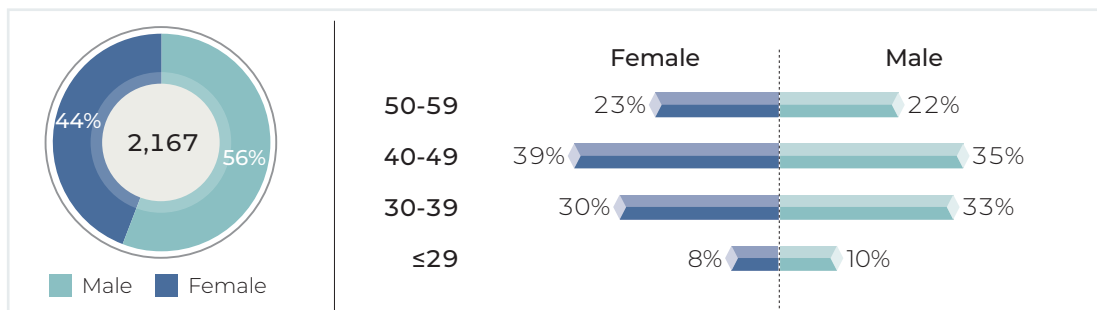
During the year, we focused on strengthening employee capability, workplace engagement, labour-management relations, occupational safety and community impact. These efforts support a more resilient organisation while ensuring that our value creation extend beyond our operations.

Our People

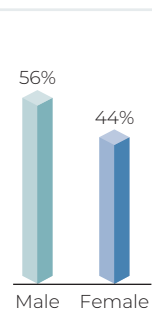
Our people are central to SIRIM's role as a standards, quality and research institution. They consist of a diverse group of talent that brings a range of competencies and perspectives to the organisation. Their technical expertise and professional judgement shape the value we deliver to customers, industries and national stakeholders.

WORKFORCE PROFILE AND INCLUSION

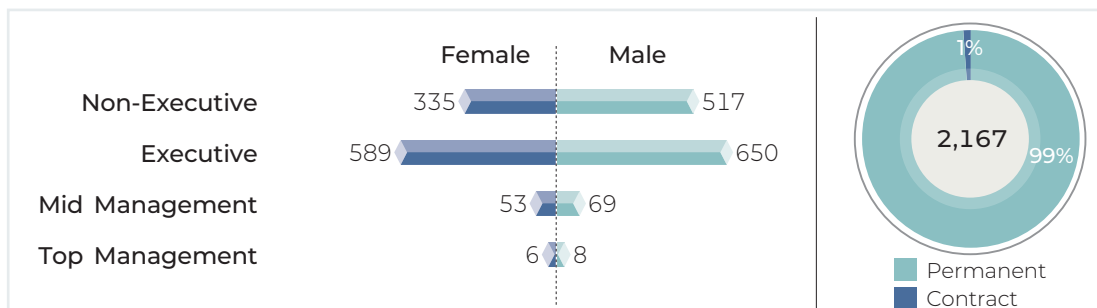
Demographic of Employees By Gender and Category of Age



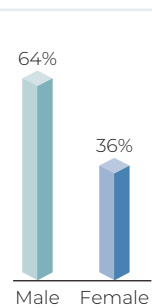
New Hire



Demographic of employee by category



Attrition



SUSTAINABILITY STATEMENT

In 2025, our total workforce stood at 2,200 employees. We are proud that women make up 44% of our workforce, and at the senior management level, women hold 57% of leadership positions. Our hiring rate of 7% outpaced our attrition rate of 5%, demonstrating our ability to attract and retain talent.

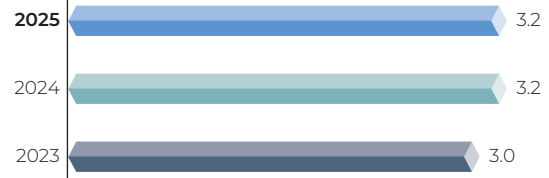
Programmes and Initiatives

We focused on developing our people through various learning programmes, engagement initiatives and stringent occupational safety and health practices.

1. Developing Future-Ready Talent

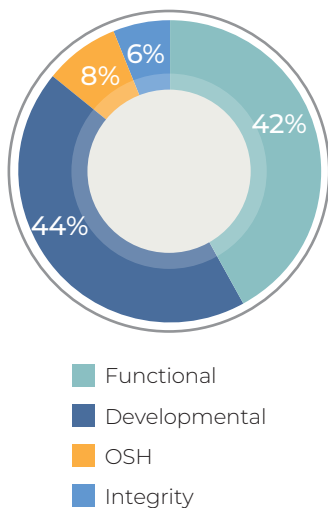
SIRIM's workforce must keep pace with changing industry needs and emerging technical expectations. Our talent development efforts therefore focus on building leadership depth, strengthening succession readiness and supporting continuous learning across the Group. Our commitment to employee development is reflected in our training investment. In 2025, we spent RM3.2 million on employee training and development.

Expenditure for training mil RM



In 2025, our employees recorded an average of **46 training hours** per person, distributed across four key areas:

Learning & Development Categories



Programme/ Initiative	Description	Progress and Outcomes
 SIRIM Talent Management Programme (STAMP)	Identifies, develops, and retains high-potential talent across the organisation, ensuring leadership continuity and building a strong pipeline of qualified successors for critical roles.	290 Talents in pipeline for STAMP enrolment
 Leadership Mentoring Programme (LMP)	Strengthens our leadership pipeline through a structured ten-month programme, LMP develops high-potential leaders in confident decision-making, effective communication, and professional networking.	Nine participants completed the programme
 Express Mentoring Programme	Complements LMP to accelerate the growth of high-potential employees at the executive to managerial levels.	Five senior leaders led focused mentoring sessions under the programme

2. Culture and Engagement

Employee engagement is strengthened when values are translated into daily behaviours and supported by visible leadership. In 2025, SIRIM continued to embed ALEAD and DUIT principles through culture programmes, employee engagement platforms and recognition initiatives.



ALEAD + DUIT Culture Transformation Programme

Through interactive training modules and facilitated programmes, we deepened employees' understanding of adaptability, leadership, and collaboration. In 2025, employees executed ALEAD projects, each designed to enhance process efficiency or advance commercialisation as part of our broader business improvement goals. These initiatives were showcased at the ALEAD Convention Day, providing a formal platform to recognise innovation and excellence from within our own ranks.

➔ Value Created in 2025

- 22 projects executed



SIRIM Sustainability Day 2025

Our annual Sustainability Day reinforced the shared responsibility of every employee to act decisively in advancing our ESG aspirations. The event featured a knowledge-sharing session by Dato' Seri Mustaffar Ali, and concluded with the recognition of award winners for the Waste Segregation Campaign, *Biar Gambar Bercerita*, and the Best Auditee Award (Departmental) under the SIRIM Integrated Management System (SIMS) Internal Audit.

➔ Value Created in 2025

- 25% staff attended the session in 2025, exposed to sustainable mindset that create high performance culture

3. HR Programmes and Employee Support

Our HR initiatives in 2025 kept our people informed and supported at every stage of their careers.

Programme/ Initiative	Description
 HR Assist	Delivered nationwide across our headquarters, branches, and regional offices, giving employees direct access to accurate advice on benefits, zakat assistance, and insurance matters.
 HR Insight Series	Led by our Group Chief People Officer, the series engaged more than 200 employees across four sessions, cultivating future-ready leadership across the organisation.
 Singgah Sekejap	Our top management conducted casual walkabouts to engage directly with employees and review on-site operations, reinforcing visible, caring leadership through Together We Excel.
 People Monthly Meeting (PMM)	With nine sessions held in 2025, PMM provided a structured two-way forum between People & Culture and strategic business units to address HR issues, performance, and succession planning.
 Pre-Retirement Workshop	Supported 55 employees in planning their career transitions and understanding their post-retirement benefits, reflecting our responsibility to our people beyond their working years.
 Employee Wellbeing	We provide our employees with comprehensive medical benefits covering outpatient care, optical and dental expenses, insurance coverage, periodic health screenings, hospitalisation, parental leave and retirement medical support. Beyond physical health, we also provide counselling services for employees who need mental health support.

SUSTAINABILITY STATEMENT

Every contribution plays a meaningful role in our success. In 2025, we honoured our people through a series of recognition initiatives celebrating dedication, loyalty, and excellence across the organisation. Long-serving employees were acknowledged through our 25-Years Service Recognition and Retirement Appreciation Day, while outstanding performance was celebrated through the Zero Medical Leave, Best Employee, and Best Green 5S awards. We also hosted our Academic Achievement Award Ceremony, recognising children of employees who excelled in their SPM examinations. We strongly believe that a culture of appreciation drives a culture of excellence.



4. Strengthening Labour-Management Relations

Our employees enjoy freedom of association and the right to collective bargaining in accordance with applicable laws. The *Kesatuan Pekerja-Pekerja SIRIM Berhad* (KEPS) represents our non-executive employees, with 53% of eligible non-executive employees holding membership and covered under Collective Agreements (CA).

Annual *Majlis Bersama Jabatan* (MBJ) forums facilitate structured dialogue between management and employee representatives from KEPS, *Koperasi Anggota SIRIM Berhad* (KASB), PEKASA, *Persatuan Kakitangan Islam SIRIM* (PERKIS), and *Persatuan Alumni SIRIM*. For employees not covered under the CA, working conditions are governed by the Employee Handbook (*Terma & Syarat Perkhidmatan SIRIM Berhad*) and the respective Letter of Offer.

Our CER CITER and whistleblowing platform give employees a safe, online channel to recognise positive contributions or raise concerns.

In 2025, we received 35 grievance reports covering matters of negligence, conflict of interest, and insubordination. Each case was investigated and addressed in accordance with our whistleblowing procedures, including corrective actions and targeted awareness programmes to prevent recurrence.



5. Enhancing Employee Facilities and Services

Our facilities are designed to support the health and wellbeing of our people, encompassing sports courts, multipurpose halls, prayer spaces, rest houses, and a cafeteria.



Childcare facilities

Our on-site childcare facility, Taska Permata SIRIM Berhad, has been serving working parents since 1995. Operated by nearly 20 dedicated staff, it provides a safe and nurturing environment for approximately 120 children annually, from infants through to kindergarten age. This longstanding initiative enables our employees to focus at work with peace of mind for the wellbeing of their dependents.

Value Created in 2025

- 120 children cared for annually via Taska Permata



PWD-inclusive facilities

With a dedicated built-up area of 495 m², we have developed accessible parking, ramps, wheelchair-friendly lift panels, and specially designed toilet facilities. Sign language interpreters are provided during training sessions, and warning beacons with flashing lights have been installed to support hearing-impaired employees during emergency evacuations.

Value Created in 2025

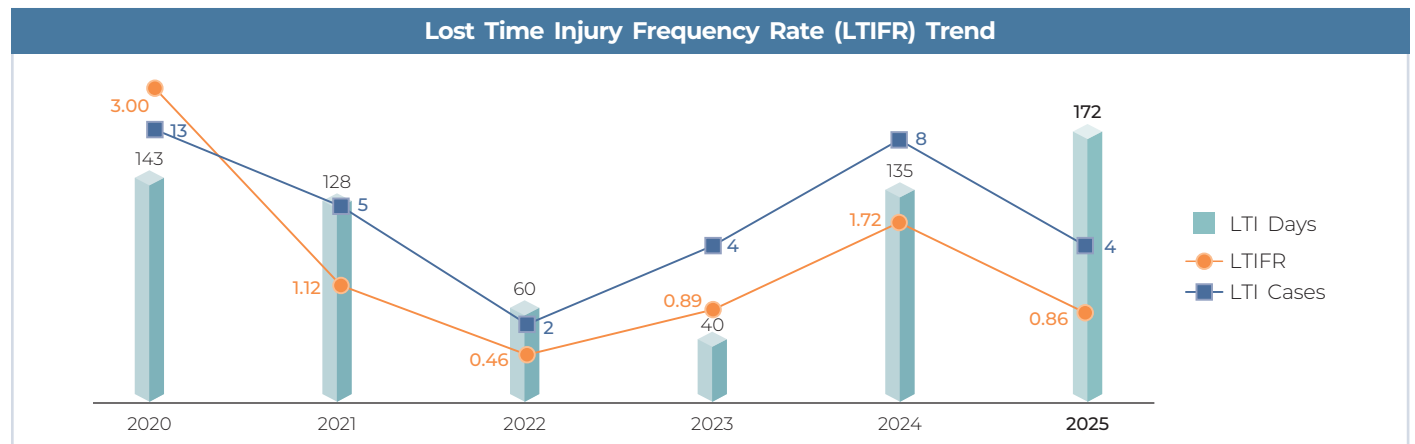
- 495 m² of dedicated PWD facilities (accessible infrastructure built-up area)

6. Reinforcing Occupational Safety and Health

Our approach to occupational safety and health is aligned with the ISO 45001:2025, which provides a structured systematic framework to identify hazards, assess risks, and implement control measures that prevent accidents and occupational injuries.

Governance of OSH is overseen by the SIRIM Governance Committee (SGC), supported by 23 departmental Safety, Health and Environment Committees (SHEC), as well as a dedicated Radiation Protection Committee. This Governance structure ensures comprehensive oversight and consistent implementation of safety practices across the organisation.

Safety performance is measured and monitored through the Lost Time Injury Frequency Rate (LTIFR), and in 2025 we recorded an LTIFR of 0.86 per 1,000,000 working hours. We remain committed to continuously reducing this rate through proactive safety management, outgoing risk mitigation efforts, and the strengthening of a safety-first culture throughout the organisation.



Beyond OSH compliance, we took deliberate steps to strengthen our safety infrastructure and care for the unique natural environment of our compound

Initiative	What We Did	Value Created
 HSE Training	HSE-related training formed 8% of total training hours in 2025, covering Chemical Handling, Radiation Safety, Ergonomics, Emergency Evacuation, and First Aid.	Builds a safety-conscious workforce equipped to identify and respond to workplace hazards.
 Emergency Response Team (ERT)	Our 38 trained responders provided medical support at key organisational events throughout the year.	Ensures rapid, professional emergency response across all major SIRIM activities.
 Fire Safety Upgrade	Replaced and upgraded to an addressable fire prevention system enabling more precise detection and monitoring.	Strengthens on-site fire safety infrastructure and early warning capability.
 Safety Vests	Reflective safety vests were distributed to all on-site employees.	Improves employee visibility and reduces accident risk in operational areas.
 Wildlife Management	Trained Asset Management personnel safely handled and handed over 20 animals captured in campus to Jabatan Perhilitan for relocation in 2025.	Protects employees while ensuring humane, responsible treatment of wildlife within our biodiversity-adjacent compound.

SUSTAINABILITY STATEMENT

OUTLOOK

Building a future-ready workforce will remain central to how SIRIM operates. Through continuous talent development, leadership cultivation, and a people-centred work environment, we will keep investing in our people's growth and wellbeing to strengthen the organisational capability that drives long-term competitiveness and sustainable value for the nation.

Our Solutions for Our Communities

SIRIM's expertise has always been most valuable when it solves problems that matter to real people. In 2025, we focused our efforts on community innovation and our corporate social responsibility (CSR) initiatives.

1. Building Local Community through Innovation

Wicking Bed System for Sustainable Urban Farming

Our Wicking Bed System is a self-watering urban farming solution that reduces water usage and improves crop yields. In 2025, we deployed over 200 units nationwide and ran training programmes for local communities and state agencies, helping households and institutions grow their own food. Closer to home, employees at SIRIM Headquarters have taken up WBS plots at Rumah Alumni, growing fresh vegetables and sharing the produce with colleagues.



Sustainable Innovation from Natural By-Products

Our waste-to-wealth research turns biomass into high-value products across cosmetics, food, and pharmaceutical applications. One of our patented innovations is a postbiotic bioactive derived from pineapple biomass, now ready for commercial-scale deployment. We have also developed biodegradable cosmetic microbeads from fermentation residues, offering a compliant, plastic-free alternative that is well-positioned for the global market.



2. Creating Impact through Corporate Social Responsibility

In 2025, our CSR reach expanded from supporting individuals to strengthening the communities around us.

Initiative/Programme	What We Did	Value Created
 Youth in Engineering Talent Programme	Since 2018, our Dermasiswa programme has provided financial support to students from low-income families pursuing diploma and degree studies. Beyond financial aid, we run motivational programmes covering life skills, financial literacy, and AI tools to prepare students for success beyond graduation.	140 students supported since 2018 32 students supported in 2025
 Digital Accessibility for Visually Impaired	We provided "eBrelle Laptop for the Blind" devices to four visually impaired students excelling in their studies. Certified by SIRIM under the supervision of MCMC, these devices meet internationally recognised standards and empower visually impaired individuals to access the digital world independently.	Enabling inclusive education for all

Initiative/Programme	What We Did	Value Created
 SIRIM QASEH Initiatives	Our SIRIM QASEH programme channelled care across multiple touchpoints in 2025. We organised a Beach Clean-Up at Pantai Batu Laut, Tanjong Sepat, where staff came together to clear waste from the shoreline. Through our Ramadhan Initiative, we reached out to single mothers in need via <i>Persatuan Wanita dan Ibu Tunggal</i> (WITUS). We also took our road safety advocacy to the public during MITI-ASEAN Day 2025 and Madani Rakyat state engagements, distributing helmets to encourage safer practices on the road.	• 240kg trash collected • 150 safety helmets distributed • 10 single mothers received financial aid
 Kongsi Kebahagiaan	We distributed meal vouchers to students from low-income families at UPM and UiTM, bringing our total to 2,000 recipients since 2022. We also contributed to the repair of a school for the Orang Asal community in Kg Minusoh, Sabah, and provided stationery for children under SUKA Society's care.	• 600 meal voucher recipients • RM20,000 contributed to Kg Minusoh

OUTLOOK

SIRIM will strengthen our CSR through execution of more sustainable innovations, partnerships, green technology adoption, and impactful social communication to enhance brand visibility while delivering measurable outcomes.

UPHOLDING GOOD GOVERNANCE

Good governance at SIRIM is the foundation upon which our credibility as a national standards body rests. In 2025, our focus was on embedding integrity more deeply into how we operate, strengthening the systems that keep us accountable, and ensuring that the trust placed in us by industry, government, and the public is well-founded.

Advancing Anti-Bribery Practices

We uphold a zero-tolerance stance towards bribery and corruption across all our operations, embedded in our Anti-Bribery Management System (ABMS) and Organisational Anti-Corruption Plan (OACP), and reinforced by our Anti-Bribery Policy, Whistleblowing Policy, Gift Policy, Procurement Guidelines, and Code of Business Conduct and Ethics.

Bribery Risk Assessments (BRA) are conducted across all subsidiaries and business units and reported quarterly to the Group Risk Management Committee (GRMC) and the Board Risk and Sustainability Committee (BRSC). Performance on anti-bribery cases and the OACP is reviewed at the SIRIM Governance Committee (SGC), with quarterly reports submitted to the BRSC, the Ministry of Investment, Trade and Industry (MITI), and the Jawatankuasa Khas Kabinet Tatakelola Nasional (JKKTN). In 2025, there were no incidents prosecuted under the MACC Act 2009.

SUSTAINABILITY STATEMENT

Our SIRIM Anti-Corruption Action Plan (OACP) 2022–2026 addresses six core areas of our business:



Programmes & Initiatives

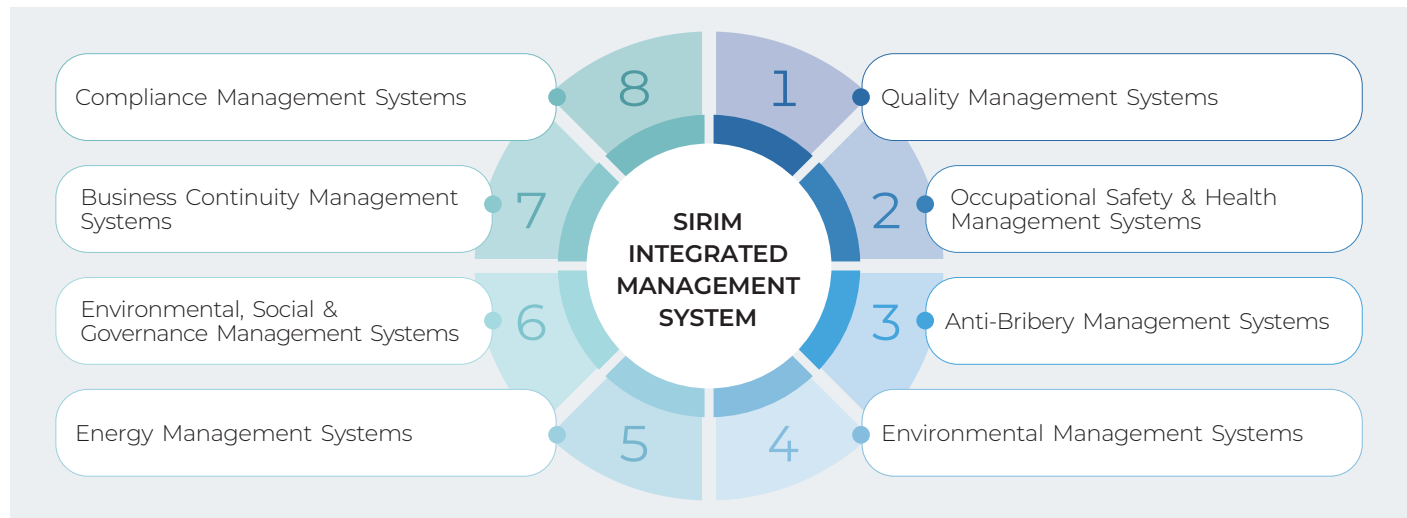
Our anti-corruption policies are communicated to all employees through dedicated communication channels, awareness campaigns, and integrity-related programmes conducted throughout the year. As of 2025, we have completed our short- and medium-term plans and are progressing on our long-term plan, with 89% of 90 initiatives completed and reported to the National Anti-Corruption Plan (NACP) committee.

Anti-Bribery Training and Awareness

In 2025, we conducted 28 integrity-related training programmes accumulating 4,968 training hours, rolled out consistently across all offices and branches nationwide. Programmes covered both employees and vendors, ensuring that our integrity standards extend throughout our supply chain and business ecosystem.



Integrating Management Systems for Excellence



SIRIM Integrated Management Systems (SIMS)

SIMS provides the unified governance backbone of our operations, bringing our quality, safety, and governance processes together into a single platform. By standardising how we work and coordinating efforts across departments, it reduces duplication and keeps us audit-ready. Internal audits conducted throughout the Group in 2025 assessed compliance, surfaced improvement opportunities, and verified system robustness.

Information Security and Data Governance

During the reporting cycle, we strengthened our information governance framework with two new policies: an Information Security Policy and a Data Governance Policy. These enhance controls over data confidentiality and protection against cybersecurity threats, bringing our practices in line with regulatory and international standards. Combined with our existing suite of organisational policies, these additions reinforce our commitment to safeguarding data integrity and maintaining stakeholder trust.

Responsible Procurement

Responsible procurement is an important extension of SIRIM's governance practices, shaping how we build long-term value with our suppliers. Through strategic sourcing, we consider cost efficiency, value optimisation and ethical business practices, while continuing to develop vendor capabilities so that our suppliers can grow alongside us and contribute to a more responsible and sustainable supply chain.

99.08%
procurement
spending on local
suppliers in 2025



Vendor Selection

As part of our vendor selection process, SIRIM uses a **Vendor Assessment** Checklist to embed ESG considerations into procurement decisions.

The checklist supports the assessment of suppliers against responsible sourcing expectations, including ethical practices, environmental responsibility and supplier accountability. These considerations are reflected through requirements such as environmentally friendly materials, local workforce participation, construction waste management and energy-efficient products, helping to ensure procurement decisions are aligned with SIRIM's sustainability agenda.

Vendor Development

To promote responsible business practices across our supply chain, we have established a structured Vendor Development Programme that strengthens supplier capabilities across key domains:



Quality & Process Management



Technical & Operational Capability



Business & Financial Management



ESG & Governance

Programmes and Initiatives



Digitalising Supply Chain and Procurement Processes

In 2025, SIRIM has fully digitalised its supply chain and procurement processes, strengthening efficiency, transparency and oversight across the procurement lifecycle.



Strengthening Vendor Capabilities

SIRIM has embarked on a Vendor Development Programme to strengthen suppliers' quality management system, technical, operational, financial, governance and integrity capabilities, and building a stronger supplier base.

OUTLOOK

Moving forward, we will strengthen our ESG oversight, integrated risk management, information security practices, and anti-corruption programmes. As part of this, we are developing the SIRIM Anti-Corruption Strategy (SACS), which will guide our integrity agenda up to 2030. These efforts will reinforce accountability, organisational resilience, and the stakeholder trust that upholds our long-term sustainability.

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GRI	Disclosure	Section	Reference Page
GRI 2: General Disclosures	2-1 Organisational details	Basis of This Report	2
	2-2 Entities included in the organisation's sustainability reporting	Basis of This Report	2
	2-3 Reporting period, frequency and contact point	Basis of This Report	2
	2-5 External assurance	Basis of This Report	2
	2-6 Activities, value chain and other business relationships	What We Do: Our Core Business	12
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	2-7 Employees	Sustainability Statement: Our People	89
	2-9 Governance structure and composition	Sustainability Governance, Corporate Information	82
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	2-10 Nomination and selection of the highest governance body	Appointment of Directors	125
	2-11 Chair of the highest governance body	Corporate Information	102
	2-12 Role of the highest governance body in overseeing the management of impacts	Principal Roles and Responsibilities of the Board	116
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Overview Statement	119 to 121
	2-14 Role of the highest governance body in sustainability reporting	Principal Roles and Responsibilities of the Board	116
	2-15 Conflicts of interest	Appointment of Directors, Integrity & Conflict of Interest Declaration	125, 142
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	2-23 Policy commitments	Upholding Good Governance Corporate Governance Overview Statement. https://www.sirim.my/eintegrity-policies	95, 97, 123 to 124
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	2-26 Mechanisms for seeking advice and raising concerns	Statement on Risk Management and Internal Control	148
	2-27 Compliance with laws and regulations	Principal Roles and Responsibilities of Board	116
	2-29 Approach to stakeholder engagement	Strategic Review – Stakeholder Engagement	32 to 35
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	Strategic Review – Our Material Matters	36 to 37
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GRI 102: Climate Change 2025	102-4 GHG emissions reduction targets and progress	Sustainability Statement – Protect and Conserve the Environment	83
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	102-6 Scope 2 GHG emissions	Sustainability Statement – Protect and Conserve the Environment	83
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GRI 303: Water and Effluents 2018	303-5 Water consumption	Sustainability Statement – Protect and Conserve the Environment	88
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Sustainability Statement – Protect and Conserve the Environment	87
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Statement – Safeguarding Stakeholders' Interests	89
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement – Safeguarding Stakeholders' Interests	91
	401-3 Parental leave	Sustainability Statement – Safeguarding Stakeholders' Interests	91

GRI	Disclosure	Section	Reference Page
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	403-2 Hazard identification, risk assessment, and incident investigation	Sustainability Statement – Safeguarding Stakeholders' Interests	89
	403-5 Worker training on occupational health and safety	Sustainability Statement – Safeguarding Stakeholders' Interests	89
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Statement – Safeguarding Stakeholders' Interests	89
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Information	102
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Sustainability Statement – Safeguarding Stakeholders' Interests	89

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK IR. (DR) KHAIROL ANUAR MOHAMAD TAWI

Chairman/Independent Non-Executive Director

DATUK OMAR SHARIFF MYDEEN

Independent Non-Executive Director

MOHD RASHID MOHD YUSOF

Independent Non-Executive Director

DATUK BAHRIA MOHD TAMIL

Non-Independent Non-Executive Director

REMA DEVI A/P V.K.PADMANABHAN

Independent Non-Executive Director

MOHAMMAD ASRI HASSAN SABRI

Independent Non-Executive Director

NOR AIDA IDRUS

Non-Independent Non-Executive Director

DATO' LAI YIT LOONG

Independent Non-Executive Director

REGISTERED OFFICE

SIRIM Berhad (367474-V)

1, Persiaran Dato' Menteri,
Section 2, 40700 Shah Alam
Selangor, Malaysia

Tel: 603-5544 6000

Email: web@sirim.my

Website: www.sirim.my

FORM OF LEGAL ENTITY

SIRIM Berhad is a company incorporated in Malaysia under the Companies Act 1965 and is wholly owned by the Government of Malaysia, with 99.99% of its shares held by the Minister of Finance Incorporated and 0.01% held by the Federal Lands Commissioner.

COMPANY SECRETARY

ZERENEWATI ZAINAL

LS0009225

SSM PC No.: 201908000969

EXTERNAL AUDITOR

KHAIRUDDIN HASYUDEEN & RAZI

B-5-7, Megan Avenue li, B-5-7, 12,
Jalan Yap Kwan Seng, 50450,
Kuala Lumpur, W.P. Kuala Lumpur,
Malaysia

Tel: 603-2710 7717

Email: khairuddin@khr.com.my

PRINCIPAL BANKERS

CIMB BANK BERHAD

Plaza Azalea Shah Alam, Persiaran
Bandaraya, Seksyen 14,
40000 Shah Alam

Tel: 603-5513 6993

BOARD COMMITTEES

BOARD AUDIT COMMITTEE (BAC)

Mohd Rashid Mohd Yusof (Chairman)

Datuk Omar Shariff Mydeen

Datuk Bahria Mohd Tamil

Nor Aida Idrus

Dato' Lai Yit Loong

BOARD NOMINATION AND REMUNERATION COMMITTEE (BNRC)

Mohammad Asri Hassan Sabri (Chairman)

Datuk Omar Shariff Mydeen

Rema Devi a/p V.K.Padmanabhan

Nor Aida Idrus

Datuk Bahria Mohd Tamil

BOARD INVESTMENT COMMITTEE (BIC)

Rema Devi a/p V.K.Padmanabhan (Chairperson)

Datuk Bahria Mohd Tamil

Nor Aida Idrus

Mohammad Asri Hassan Sabri

Dato' Lai Yit Loong

TENDER BOARD (TB)

Datuk Omar Shariff Mydeen (Chairman)

Nor Aida Idrus

Mohammad Asri Hassan Sabri

BOARD RISK AND SUSTAINABILITY COMMITTEE (BRSC)

Dato' Lai Yit Loong (Chairman)

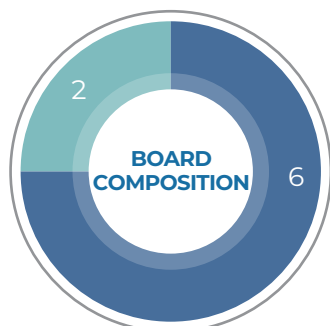
Datuk Bahria Mohd Tamil

Rema Devi a/p V.K.Padmanabhan

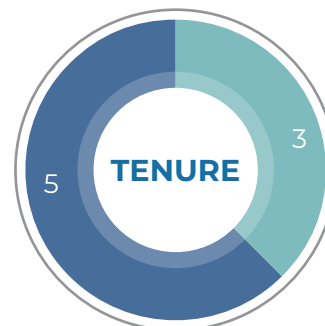
Nor Aida Idrus

Mohammad Asri Hassan Sabri

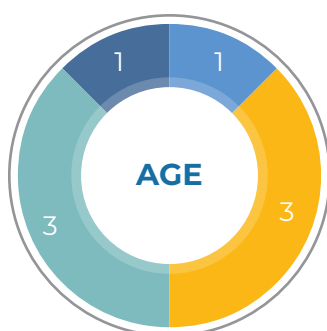
BOARD AT A GLANCE



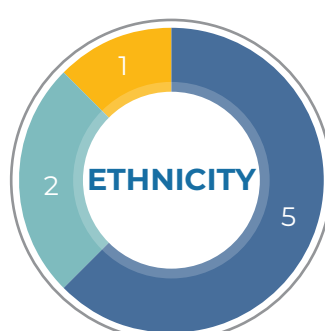
■ Independent Non-Executive Director
■ Non-Independent Non-Executive Director



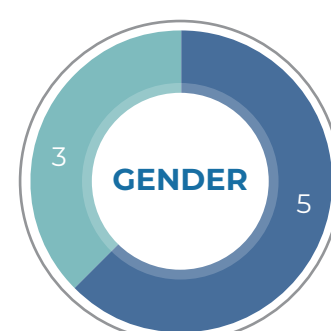
■ Less than 2 years ■ 2 to 4 years



■ 40-49 ■ 50-59
■ 60-69 ■ 70-79



■ Malay ■ Chinese ■ Indian



■ Male ■ Female

SKILLS AND EXPERTISE

Board Member	Corporate Governance	Business Management	Engineering	Strategy	Consultancy	Digital	Accounting and Audit	Banking	Human Capital Management	Legal/International Relations	Public Sector	Commercial/Marketing	Information Technology
Datuk Ir. (Dr) Khairul Anuar Mohamad Tawi	✓	✓	✓	✓	✓	✓			✓			✓	✓
Mohd Rashid Mohd Yusof	✓	✓		✓			✓	✓	✓				
Datuk Omar Shariff Mydeen	✓	✓		✓	✓	✓			✓			✓	✓
Rema Devi a/p V.K.Padmanabhan	✓	✓		✓	✓				✓	✓			
Datuk Bahria Mohd Tamil	✓	✓		✓						✓	✓		
Mohammad Asri Hassan Sabri	✓	✓		✓	✓				✓	✓		✓	
Nor Aida Idrus	✓	✓		✓							✓		✓
Dato' Lai Yit Loong	✓	✓		✓	✓	✓			✓	✓		✓	✓

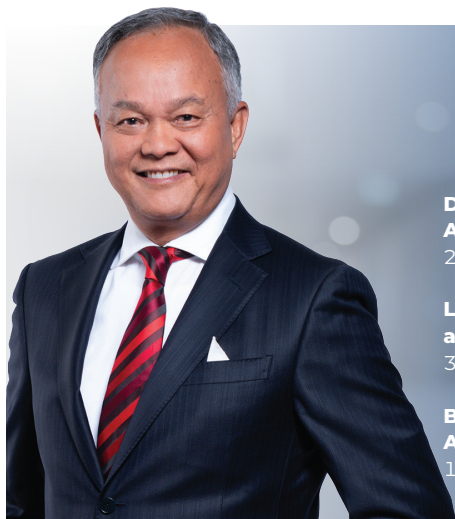
■ Corporate Governance
■ Consultancy
■ Human Capital Management
■ Public Sector

■ Business Management
■ Digital
■ Legal/International Relations
■ Commercial/Marketing

■ Engineering
■ Accounting and Audit
■ Banking
■ Information Technology

■ Strategy

BOARD OF DIRECTORS' PROFILE



Date of Appointment
20 May 2023

Length of Tenure as Chairman
3 years

Board Meeting Attendance in 2025:
18/18

DATUK Ir. (Dr) KHAIROL ANUAR TAWI
Independent Non-Executive Chairman

Nationality: Malaysian **Gender:** Male **Age:** 66

Qualifications:

- Honorary Doctorate and Fellowship, University of Swansea, United Kingdom
- Senior Management Development Programme, Harvard Business School, United States
- Executive Master in Business Administration, Cranfield School of Management, United Kingdom
- B.Sc (Hons) Electrical & Electronics Engineering, University of Swansea, United Kingdom

Skills/Working Experience:

- Over four decades of prestigious leadership experience across telecommunications infrastructure design, nation-scale digital distribution systems, entrepreneurial strategy, and corporate governance
- **Early Career (1983-1994):** Commenced his career with Jabatan Telekom Malaysia in 1983. Subsequently joined the SAPURA Group, where he was heavily involved in designing Malaysia's telecommunications architecture, including the engineering launch of the country's first card-based prepaid service, UNIPHONEKAD
- **KAT Technologies Sdn Bhd (1994-Present):** Founded the enterprise in 1994. Under his management as Executive Chairman, it scaled into one of Malaysia's premier digital solutions and prepaid distributors, setting up regional footprints inside Nepal and Bangladesh
- **Distinctions & Fellowships:** Registered Professional Engineer with the Board of Engineers Malaysia. Appointed a Fellow of the Malaysian Institute of Management. Celebrated with several national honors including the 1-InnoCERT Award for Service Innovation, the Asia Pacific ICT Award (APICTA), and multiple honors at The Star Outstanding Business Awards (SOBA)

Declarations:

Present Directorships:

- Executive Chairman, KAT Technologies Sdn Bhd
- Chairman of the Investment Panel, Lembaga Tabung Angkatan Tentera (LTAT)
- Member of the Board of Trustees, Digital Perak Corporation Berhad

Past Directorships:

- Board Member, SIRIM Berhad and its internal subsidiaries (Prior to May 2023)
- Board Member, MAIM Holdings Berhad
- Board Member, Institut Sukan Negara
- Board Member, Tabung Amanah Melaka



Membership of Board Committees:

BAC BNRC BIC
BRSC TB

Date of Appointment
1 July 2025

Length of Tenure as Director
11 months

Board Meeting Attendance in 2025:
9/9

NOR AIDA IDRUS
Non-Independent Non-Executive Director

Nationality: Malaysian **Gender:** Female **Age:** 42

Qualifications:

- Master of Engineering Business Management, Universiti Teknologi Malaysia
- Bachelor of Computer Science (majoring in Computer Systems), Universiti Putra Malaysia
- Postgraduate Diploma in Public Administration, National Institute of Public Administration (INTAN)

Skills/Working Experience:

- Specialises in public sector management, national project coordination, technology investments, and shareholder representation
- **Ministry of Finance Malaysia (MOF):** Current Assistant Secretary, Government Investment Companies Division. Actively oversees shareholder and corporate governance matters for the Minister of Finance Incorporated's (MOF Inc.) technology portfolios
- **Prime Minister's Department:** Previously served within the Implementation Coordination Unit, where she coordinated and monitored critical socioeconomic development projects under the Malaysia Plan
- **Early IT Career:** Worked as an enterprise systems developer in IT

Declarations:

Present Directorships:

- Sinergi Perdana Sdn. Bhd.
- Pembangunan Modal Penjana Sdn. Bhd.
- Malaysia Programme Office for Power Electricity Reform Corporation
- Genovasi Foundation

Legends:**BAC**

Board Audit Committee

BNRC

Board Nomination and Remuneration Committee

BIC

Board Investment Committee

BRSC

Board Risk and Sustainability Committee

TB

Tender Board



Membership of Board Committees:

BAC **BNRC** **BIC**

BRSC

Date of Appointment
20 May 2022

Length of Tenure as Director
4 years

Board Meeting Attendance in 2025:
18/18

DATUK BAHRIA MOHD TAMIL
Non-Independent Non-Executive Director

Nationality: Malaysian **Gender:** Female **Age:** 57

Qualifications:

- M.A. in International Relations, Waseda University, Japan
- L.L.B. in Business Law (Hons), Coventry University, United Kingdom

Skills/Working Experience:

- Over 30 years of experience in the Malaysian public service, specialising in investment promotion, international trade, industrial development, strategic economic planning, entrepreneurship, and regulatory reform
- **Ministry of Communications** (11 May 2026–Present): Deputy Secretary General (Strategic Communications and Creative Industry)
- **Ministry of Investment, Trade and Industry (MITI)** (Prior to 11 May 2026): Served as Deputy Secretary General (Investment and Management), where she led the formulation of the New Investment Policy (2022), the Green Investment Strategy (2024), and the 2-year review of the Industrial Coordination Act 1975. Previously served as Deputy Secretary General (International Trade), Director of the Special Task Force to Facilitate Business (PEMUDAH) Secretariat, and Director of the Entrepreneurship Development Division
- **MITI Tokyo, Japan** (2006–2009): Minister Counsellor of Economic Affairs/Minister of Economic Affairs, strengthening Malaysia's international economic and trade relations

Declarations:**Present Directorships:**

- MIDF Berhad (Non-Independent Non-Executive Director)
- Familial Relations with any Director or Major Shareholder: None disclosed
- Conflicts of Interest: None disclosed
- Convictions (if any): None



Membership of Board Committees:

TB **Chairman**

BAC **BNRC**

Date of Appointment
17 May 2023

Length of Tenure as Director
3 years

Board Meeting Attendance in 2025:
17/18

DATUK OMAR SHARIFF MYDEEN
Independent Non-Executive Director

Nationality: Malaysian **Gender:** Male **Age:** 53

Qualifications:

- Executive Master in Business Administration (First Class), Universiti Teknologi MARA, Shah Alam
- Bachelor of Corporate Administration with Honours (Company Secretary) (First Class), Universiti Teknologi MARA, Shah Alam
- Diploma in Public Administration (Best Student UiTM 1994), Universiti Teknologi MARA, Melaka

Skills/Working Experience:

- Over 30 years of leadership with extensive expertise in strategic planning, crisis management, property development, graduate employability initiatives, and organisational transformation across the public and private sectors
- **My-Partners Group of Companies** (2002–Present): Group Executive Director, overseeing multiple companies across technology, surveillance, video solutions, and property development
- **Perbadanan Perwira Niaga Malaysia (PERNAMA)** (2024–Present): Deputy Chairman, leading organisational growth initiatives and long-term strategic investment planning
- **Skills Johor Sdn Bhd** (2015–Present): Executive Director and key strategist behind the development of the 35-acre international vocational training hub and the MyCareerMyFuture initiative, benefiting more than 6,000 graduates
- Held leadership and board positions with organisations including **Manipal Education Malaysia Sdn Bhd**, **Universiti Teknologi MARA**, **Universiti Teknikal Malaysia Melaka (UTeM)**, **MYREN Network Sdn Bhd**, and the **Malaysian Research Institute for Vocational Education & Training (MyRIVET)**

Declarations:**Present Directorships:**

- Deputy Chairman, Perbadanan Perwira Niaga Malaysia (PERNAMA)
- Executive Director, Skills Johor Sdn Bhd
- Director, Vivid Delight Sdn Bhd
- Director, Pernama Network Sdn Bhd
- Managing Director, Ideaville Sdn Bhd

Past Directorship:

- SIRIM Academy Sdn. Bhd.
- Universiti Teknologi MARA
- UiTM Holdings Sdn. Bhd.
- UiTM Private Specialist Centre
- MYREN Network Sdn Bhd
- Universiti Teknikal Malaysia Melaka (UTeM)

BOARD OF DIRECTORS' PROFILE



Membership of Board Committees:

BAC Chairman

Date of Appointment
17 August 2021

Length of Tenure as Director
4 years 9 months

Board Meeting Attendance in 2025:
17/18

MOHD RASHID MOHD YUSOF
Independent Non-Executive Director

Nationality: Malaysian **Gender:** Male **Age:** 71

Qualifications:

- Fellow of the Association of Chartered Certified Accountants (ACCA), Chartered Association of Certified Accountants, UK
- Member of the Malaysian Institute of Accountants (MIA)
- Advanced Management Programme, Wharton Business School, University of Pennsylvania

Skills/Working Experience:

- Extensive financial, energy sector, supply chain management, and corporate board governance experience spanning over four decades.
- **PETRONAS (1980–2016):** Held highly senior corporate finance tracking roles including Head of Group Accounting, Head of Group Treasury, and Head of Group Internal Audit. Progressed to general management roles as CEO of MITCO Sdn Bhd and ultimately retire in July 2016 as Vice President of Supply Chain & Risk Management.
- **Engen Limited (South Africa):** Served as Finance Director and later as Managing Director/Chief Executive Officer. Concurrently served a term as the Chairman of the South African Petroleum Industry Association (SAPIA).
- **Past Corporate Group Directorships:** Served as a Director on several internal and affiliate boards including Putrajaya Holdings Berhad, KLCC Holdings Berhad, Energas Insurance (Labuan) Limited, and Chairman of Petronas ICT

Declarations:

Present Directorships:

- Independent Director, Standard Chartered Bank Malaysia Berhad
- Independent Director, Worldwide Holdings Berhad

Past Directorships:

- Director/Chairman, Velesto Energy Berhad
- Director, Scicom (MSC) Berhad
- Director, Media Prima Berhad



Membership of Board Committees:

BIC Chairperson
BNRC **BRSC**

Date of Appointment
29 May 2023

Length of Tenure as Director
3 years

Board Meeting Attendance in 2025:
17/18

REMA DEVI A/P V.K PADMANABHAN
Independent Non-Executive Director

Nationality: Malaysian **Gender:** Female **Age:** 66

Qualifications:

- Master of Philosophy (MPhil) in Human Development, Institute of Advanced Studies, Universiti Malaya, Kuala Lumpur
- Bachelor of Arts (Hons), Universiti Malaya, Kuala Lumpur
- Certified Master Performance Coach

Skills/Working Experience:

- Over 30 years of experience in corporate planning, regulatory management, market entry and corporate transformation across ASEAN and South Asia
- **Axiata Group Berhad & Subsidiaries:** Served as Head of Group Regulatory Affairs. Established and led their international regulatory management function. Later acted as Advisor to the CEO of edotco Group (retiring March 2021), serving as non-independent director on subsidiary boards across Malaysia, Myanmar, Bangladesh, and Sri Lanka
- **MCMC:** Joined the newly established Malaysian Communications and Multimedia Commission in 1998
- **Telekom Malaysia Berhad:** Commenced career in corporate planning and strategy in 1990
- **National Committees & Industry Bodies:** Appointed to the MyDIGITAL Legal and Regulatory Framework Committee for Digital Economy and 4IR (May–July 2021). Served four terms (2008–2012) on the Chief Regulatory Officers Group (CROG) of the GSM Association (GSMA)

Declarations:

Present Directorships:

- SIRIM Academy Sdn. Bhd. (Chairperson)
- SIRIM Tech Venture Sdn. Bhd. (Chairperson)
- SIRIM QAS International Sdn. Bhd.

Legends:**BAC**

Board Audit Committee

BNRC

Board Nomination and Remuneration Committee

BIC

Board Investment Committee

BRSC

Board Risk and Sustainability Committee

TB

Tender Board



Membership of Board Committees:

BNRC Chairman
BIC **BRSC** **TB**

Date of Appointment
9 September 2024

Length of Tenure as Director
1 year 8 months

Board Meeting Attendance in 2025:
17/18

MOHAMMAD ASRI HASSAN SABRI
Independent Non-Executive Director

Nationality: Malaysian **Gender:** Male **Age:** 60

Qualifications:

- Bachelor of Commerce, Newcastle University, Australia
- Executive Programmes at Harvard Business School, INSEAD, and IMD

Skills/Working Experience:

- Over 35 years of experience across technology, telecommunications, and advisory roles spanning ASEAN and South Asia, with a focus on regulatory and stakeholder management, investment oversight, and technology and digital transformation. Brings extensive exposure to public-private partnerships, regulated industries, and regional operations.
- **Axiata Group Berhad:** Former Chief Executive Officer of Axiata Enterprise and Group Chief Corporate Officer of Axiata Group Berhad. Served as a board member of the Group's mobile subsidiary in Nepal and of Edotco Group, a regional telecommunications infrastructure company. Chaired the Axiata Digital Investment Fund and served as a Board Trustee of Yayasan Axiata.
- **Multinational Executive Roles:** Country President for Motorola in Malaysia, with earlier leadership and regional roles at global companies including Digital Equipment Corporation and Nokia.
- **Industry Advisory & Advocacy:** Chaired the Global Mobile Operator Association (GSMA) Asia Pacific Policy Group for two terms, as well as a member of the GSMA Global Policy Group. Provided infrastructure expansion and advisory services to major Indonesian telecom firms.

Declarations:**Present Directorships:**

- Chairman, SIRIM Calibration Sdn. Bhd.
- Chairman, National Precision Tooling Sdn. Bhd.
- Chairman, Axiata Digital Ecode Sdn. Bhd

Past Directorships:

- Damansara Realty Berhad (Independent Non-Executive Director)
- Motorola Technology Sdn Bhd



Membership of Board Committees:

BRSC Chairman
BAC **BIC**

Date of Appointment
26 November 2025

Length of Tenure as Director
6 months

Board Meeting Attendance in 2025:
1/1

DATO' LAI YIT LOONG
Independent Non-Executive Director

Nationality: Malaysian **Gender:** Male **Age:** 62

Qualifications:

- B.Sc. (Computer Science), National University of Singapore
- ASEAN Scholar, Hwa Chong Junior College, Singapore

Skills/Working Experience:

- Over 35 years of international executive leadership spanning strategy, operations, sales, marketing, and programme management across the semiconductor, artificial intelligence (AI), and digital infrastructure sectors
- Expert in industrial development, technology policy, national competitiveness, and orchestrating ecosystem collaborations between governments, MNCs, and start-ups
- **Current Advisory Roles:** Advises governments, electronics manufacturing services (EMS) companies, OSAT providers, and fabless IC design firms on semiconductor and AI strategy. Also serves as Industry Advisor to the Selangor Information Technology and Digital Economy Corporation (SIDEIC)
- **Foxconn Semiconductor Business Group (Taiwan, 2022–2024):** Associate Vice President, leading overseas manufacturing initiatives and government-backed joint ventures
- **SilTerra Malaysia (2007–2021):** Executive Vice President of Worldwide Sales and Marketing, expanding commercial growth with top Taiwanese IC design houses and forging strategic foundry collaborations
- **NVIDIA Taiwan (2006–2007):** Vice President of Sales
- **Intel Corporation (2003–2006):** Served as Country Manager for Intel China and Director for Intel South East Asia. Recipient of the Intel Achievement Award for leading the worldwide Government PC / Intel World Ahead Programme alongside top global OEMs (Lenovo, Dell, HP, IBM)
- **Past Academic Advisory:** Industry Advisor to Universiti Tunku Abdul Rahman (2013–2020)

Declarations:**Present Directorships:** * Board Member, SIRIM Berhad (Appointed November 2025)

- Chairman, Board Risk and Sustainability Committee
- Member, Board Investment Committee
- Member, Board Audit Committee

Past Directorships:

- Director, Green Packet Berhad
- Director, KeyASIC Berhad

MANAGEMENT COMMITTEE'S PROFILE

1



NIK SAZALI NIK HUSSIN

President & Group Chief Executive Officer



Age 54

Male

Date of Appointment:

1 April 2026

Qualifications:

- Chartered Accountant (Member), Malaysian Institute of Accountant (MIA)
- Master of Business Administration (Business Management), Open University Malaysia
- Bachelor of Accountancy (Accounting), Universiti Utara Malaysia

Skills/Working Experience:

- A Chartered Accountant and MBA holder with over 25 years of leadership experience spanning banking, management consulting, government-linked organisations (GLCs), and higher education institutions. He has served as Chief Executive Officer in four organisations, where he led corporate transformation, business turnaround, governance enhancement, and strategic growth initiatives. He brings extensive expertise in corporate strategy, finance, organisational transformation, stakeholder management, and business development, with a consistent track record of strengthening governance, building high-performing teams, and delivering sustainable organisational performance

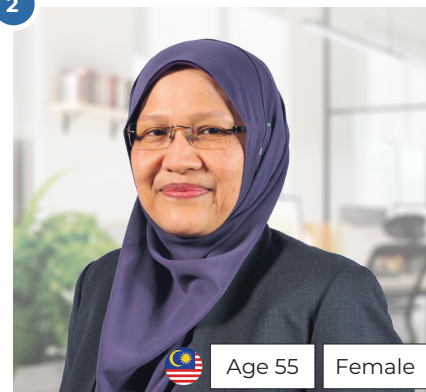
Declarations:

- None

Notes/Clarifications:

- Information is as at 5 June 2026

2



KHAIRUL MUPHINORA MAHIZAN

Chief Financial Officer



Age 55

Female

Date of Appointment:

15 September 2023

Qualifications:

- Bachelor in Accounting, Universiti Malaysia

Skills/Working Experience:

- Multi-disciplinary executive with financial management, corporate accounting, human resources, and people development background
- SIRIM Berhad:** Started as Accounts Manager in 2005. Advanced to Head of Group Finance (2010), Senior General Manager of Corporate Services (2016), Group Chief People Officer (2023), and transitioned laterally to Group Chief Financial Officer later that year. Currently serves as Chief Financial Officer
- Cagamas Berhad:** Progressed from Executive to Senior Executive, Assistant Manager, and ultimately Manager of the Accounts Department (1994–2005)

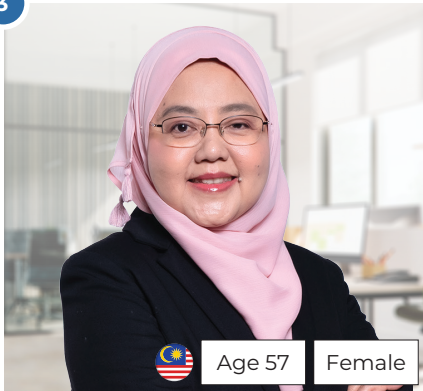
Declarations:

- None

Notes/Clarifications:

- Information is as at 5 June 2026

3



Age 57

Female

RAFIDAH MOKHDAR
Chief Strategy Officer

Date of Appointment:
1 August 2023

➔ **Qualifications:**

- B.Sc. in Biochemistry (Hons), Universiti Kebangsaan Malaysia

➔ **Skills/Working Experience**

- A long-serving veteran with over 30 years of corporate planning, technology dissemination, and strategic leadership experience at SIRIM
- **SIRIM Berhad:** Started as a Research Officer in 1993. Progressed through senior executive and head roles in Group Planning and Marketing. Promoted to Chief Executive Officer of the Packaging and Security Design Centre (2020), Group Chief Strategy Officer (2023), and currently serves as Chief Strategy Officer

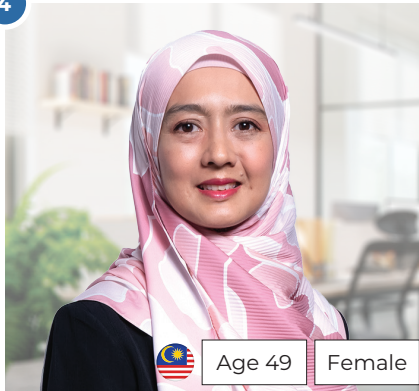
➔ **Declarations:**

- None

➔ **Notes/Clarifications:**

- Information is as at 5 June 2026

4



Age 49

Female

SABARINA HARUN
Chief Operations Officer

Date of Appointment:
1 March 2023

➔ **Qualifications:**

- Bachelor of Commerce, Faculty of Law and Management, Universiti Islam Antarabangsa

➔ **Skills/Working Experience:**

- Extensive experience in corporate finance, auditing, and business operations
- **SIRIM Berhad:** Progressed from Vice President (2016) to Group Chief Financial Officer (2022), Group Chief Operating Officer (2023), and currently serving as Chief Operations Officer
- **Inai Kiara Sdn Bhd:** Group Financial Controller (2006–2015)
- **AMS Sdn Bhd Ampang:** Finance Manager (2005)
- **Jamil Ahan Construction Sdn Bhd:** Accountant & QMS (2000–2004)
- **KPMG Penang:** Audit Assistant (1998–2000)

➔ **Declarations:**

- None

➔ **Notes/Clarifications:**

- Information is as at 5 June 2026

5



Age 41

Male

IR DR MUHAMMAD IZZAL ISMAIL
Chief Technology Officer

Date of Appointment:
2 January 2024

➔ **Qualifications:**

- Ph.D. in Mechanical Engineering, Imperial College London
- B.A. in Mechanical Engineering, Tokai University

➔ **Skills/Working Experience:**

- Highly specialised expert in powertrain design & analysis, product innovation and commercial industrial research
- **SIRIM Berhad:** Appointed directly as Chief Technology Officer for SIRIM Industrial Research in January 2024
- **UMW Innovation and R&D Centre:** Head of Product Innovation (2019–2023)
- **Imperial College London:** Research Associate (2018–2019)
- **Perusahaan Otomobil Nasional Sdn Bhd (PROTON):** Lead Powertrain Analysis Engineer (2007–2013)

➔ **Declarations:**

- None

➔ **Notes/Clarifications:**

- Information is as at 5 June 2026

MANAGEMENT COMMITTEE'S PROFILE

6



Age 54

Female

DR FARIDAH HUSSAIN

Chief Metrologist
(National Metrology Institute of Malaysia)

Date of Appointment:
13 May 2024

Qualifications:

- Ph.D. in Physics, Universiti Kebangsaan Malaysia
- M.Sc. in Industrial Measurement System, Brunel University
- B.Sc. in Physics, Universiti Kebangsaan Malaysia

Skills/Working Experience:

- Accomplished scientific expert in thermophysical metrology, standard measurement systems, and technical calibration compliance
- **SIRIM Berhad:** Joined as a Researcher in the Measurement Standards Group in 1996. Promoted to Senior Metrologist (2007), Head of Thermophysical Metrology Group (2018), Director/CEO of SIRIM Cal (2021–2023), and appointed Chief Metrologist of the National Metrology Institute of Malaysia (NMIM) in 2024

Declarations:

- None

Notes/Clarifications:

- Information is as at 5 June 2026

7



Age 55

Male

TS. MD ADHA RAHMAT

Chief Executive Officer
(SIRIM QAS International Sdn Bhd)

Date of Appointment:
1 August 2025

Qualifications:

- B.Sc. in Mechanical Engineering, The University of Arizona, Tucson, Arizona, USA
- Professional Technologist (ME), Malaysia Board of Technologists (MBOT)
- Elite Fellow, Universiti Malaya
- Completed the Transformational Leadership Programme, Asia School of Business in collaboration with MIT Sloan Management

Skills/Working Experience:

- Over 30 years of leadership experience within the SIRIM Group, specialising in Testing, Inspection and Certification (TIC), conformity assessment, quality infrastructure, and engineering services with a track record in driving digital transformation, artificial intelligence adoption, automation initiatives, and ESG-related certification frameworks
- **SIRIM QAS International Sdn. Bhd.** (February 2025–Present): Chief Executive Officer, providing strategic leadership to strengthen the organisation's position as a regional TIC provider while advancing digitalisation, sustainability services, and operational excellence
- **SIRIM QAS International Sdn. Bhd.** (2024–2025): Senior General Manager, Management System Certification, leading cross-business collaboration, expanding emerging certification schemes, and strengthening auditor capabilities
- **SIRIM QAS International Sdn. Bhd.** (2018–2023): Held successive leadership roles in Product Certification, overseeing industrial, consumer, chemical, eco-labelling, fire protection, mechanical and civil certification portfolios while introducing technology-driven process improvements
- **SIRIM QAS International Sdn. Bhd.** (1998–2018): Served as Lead Auditor and Group Leader in Product Certification, contributing to certification, inspection, and conformity assessment services across multiple sectors
- **SIRIM Berhad** (1995–1998): Researcher at the Industrial Automation Centre, designing customised industrial automation, packaging, and assembly systems

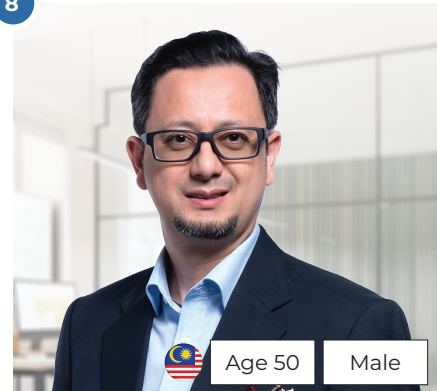
Declarations:

- **Present Position:** Chief Executive Officer, SIRIM QAS International Sdn. Bhd.

Notes/Clarifications:

- Information is as at 5 June 2026

8



Age 50

Male

NAGYB SHAH ABDUL RAHIM SHAH

Chief Executive Officer
(SIRIM Calibration Sdn Bhd)

Date of Appointment:
13 February 2026

Qualifications:

- Master of Business Administration with Merit, University of Exeter
- Bachelor of Arts (Hons) in Accounting and Finance, Lancaster University

Skills/Working Experience:

- Strong background in financial management, governance, corporate operations, and technical management
- **SIRIM Berhad:** Appointed as Head of Finance in 2018. Promoted to General Manager of Technical and Operations (2024), Acting CEO of SIRIM Cal (2025), and officially designated as Chief Executive Officer of the SIRIM Calibration in 2026
- **Suria Pembekal Umum Sdn Bhd:** Manager (2003–2018)
- **Securities Commission:** Executive (2000–2003)

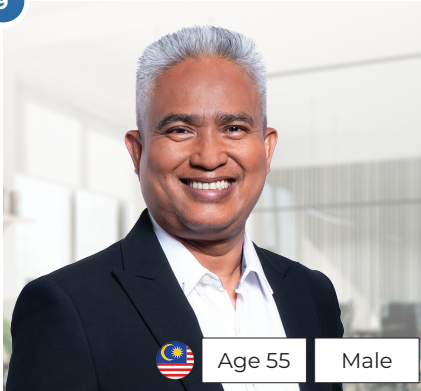
Declarations:

- None

Notes/Clarifications:

- Information is as at 5 June 2026

9



Age 55

Male

DR MOHD BAKRI JALI

Covering Chief Executive Officer
(SIRIM Academy Sdn Bhd)

Date of Appointment:
1 January 2024

Qualifications:

- Doctor of Philosophy (Food Science), Universiti Kebangsaan Malaysia
- M.Sc. in Bioreactor System (Sains), University of Manchester Institute of Science and Technology (UMIST)
- B.Sc. in Microbiology (Sains), Universiti Kebangsaan Malaysia

Skills/Working Experience:

- Nearly 30 years of extensive experience within the SIRIM group, specialising in technical advisory, quality management systems, training, and corporate operations
- **SIRIM Berhad/SIRIM Academy:** Began as a Research Officer in 1996. Progressed to Consultant (2006), Senior Consultant (2010), and Principal Consultant within SIRIM Training Services (2013). Appointed as Director of Operations (2024) and transitioned to General Manager of Operations in 2026

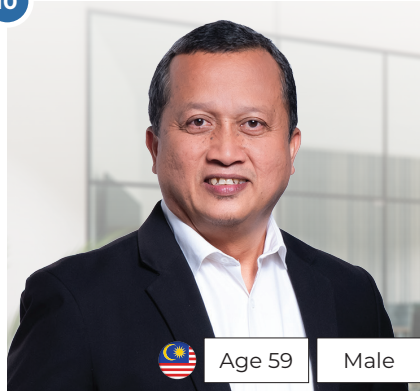
Declarations:

- None

Notes/Clarifications:

- Information is as at 9 June 2026

10



Age 59

Male

MOHD FAUZI ISMAIL

Chief Executive Officer
(National Precision Tooling Sdn. Bhd.)

Date of Appointment:
1 January 2023

Qualifications:

- Master of Business Administration, Universiti Teknologi MARA
- M.Sc. in Materials, University of Manchester Institute of Science and Technology (UMIST)
- B.Sc. in Mechanical Engineering, University of Southern California

Skills/Working Experience:

- Operational expertise spanning close to 40 years in mechanical engineering testing, civil construction materials, asset management, and corporate leadership
- **SIRIM Berhad:** Commenced career as a Research Officer (Pegawai Penyelidik) in 1989. Promoted to Manager of Civil and Construction Testing (1996), General Manager of SIRIM Sarawak/Asset Management (2011), and seconded as Director/CEO of National Precision Tooling (NPT) since 2022

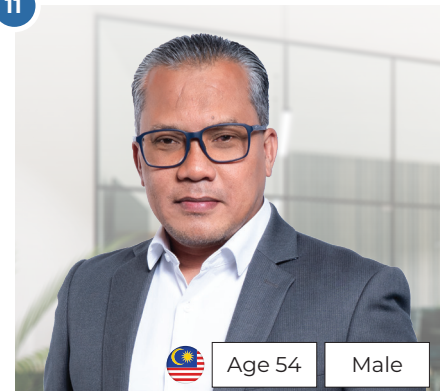
Declarations:

- None

Notes/Clarifications:

- Information is as at 5 June 2026

11



Age 54

Male

ISMAIL ROSDI

Director
(Malaysia Design Council Secretariat)

Date of Appointment:
1 May 2026

Qualifications:

- Master of Art and Design, Universiti Teknologi MARA
- B.A. in Art and Design, Institut Teknologi MARA

Skills/Working Experience:

- Over 29 years of experience in industrial design strategy, corporate consultancy, and creative sector leadership within the Malaysia Design Council framework
- SIRIM Berhad: Hired as an Executive for Malaysia Design Council (MRM) in 1996. Progressed to Senior Executive (2003), Consultant (2015), and Senior Consultant (2021). Formally appointed as Director of the Malaysia Design Council Secretariat Office in May 2026

Declarations:

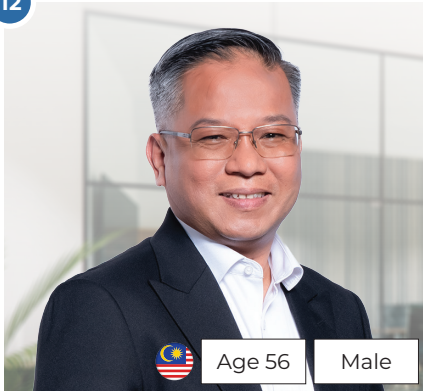
- None

Notes/Clarifications:

- Information is as at 9 June 2026

MANAGEMENT COMMITTEE'S PROFILE

12



AZLAN ADNAN
Chief Internal Auditor

Date of Appointment:
15 March 2018

Qualifications:

- M.Sc. in Manufacturing Systems Engineering, University of Warwick
- B.Sc. in Industrial Engineering, Mississippi State University

Skills/Working Experience:

- Possesses over 31 years of comprehensive experience in conformity assessment, with extensive expertise spanning product certification, management systems certification, sales and marketing, strategic and corporate planning, governance, risk management, and internal audit
- **SIRIM Berhad:** Joined in 1994 as a Research Officer under the Inspectorate Unit. Transitioned to SIRIM QAS International Sdn. Bhd. in 1996 as a Certification Executive and subsequently advanced to the position of Senior Certification Executive. In 2007, was appointed Head of Sales. Over the years, successfully led several key functions within SIRIM QAS International Sdn. Bhd., including Corporate Affairs, Marketing and Business Development, Strategic Planning, and Sales, Marketing and Business Development. Since 2017, has been serving as Chief Internal Auditor of SIRIM Berhad
- **Perusahaan Otomobil Nasional (PROTON):** Joined as an Executive Officer in 1993

Declarations:

- None

Notes/Clarifications:

- Information is as at 9 June 2026

13



ZERENUWATI ZAINAL
Chief Legal Officer &
Company Secretary

Date of Appointment:
1 October 2022

Qualifications:

- Company Secretary License, Suruhanjaya Syarikat Malaysia
- Bachelor of Law (Hons), University of Leeds

Skills/Working Experience:

- Highly experienced legal counsel and corporate secretarial practitioner with over 30 years across top-tier law firms, regulatory bodies, and corporate governance chambers
- **SIRIM Berhad:** Joined as a Senior Executive in Legal & Company Secretary in 2003. Rose to Counsel (2006), Senior Counsel (2011), and Head of Company Secretarial Section (2015). Promoted to Senior General Manager (2022), Group Chief Legal Officer & Company Secretarial (2023), and serves as Chief Legal Officer & Company Secretary
- **Suruhanjaya Komunikasi & Multimedia Malaysia (MCMC):** Legal Executive (2002–2003)
- **Abdul Aziz Rahim & Co:** Lawyer (1996–2002)
- **Zaid Ibrahim & Co:** Lawyer (1995–1996)

Declarations:

- None

Notes/Clarifications:

- Information is as at 9 June 2026



**SIRIM
BERHAD**

COMMERCIAL

- SIRIM QAS INTERNATIONAL SDN. BHD.
- SIRIM CALIBRATION SDN. BHD.
- SIRIM ACADEMY SDN. BHD.
- PACKAGING AND SECURITY DESIGN CENTRE



PROCUREMENT DEPARTMENT

CORPORATE RELATIONS DEPARTMENT

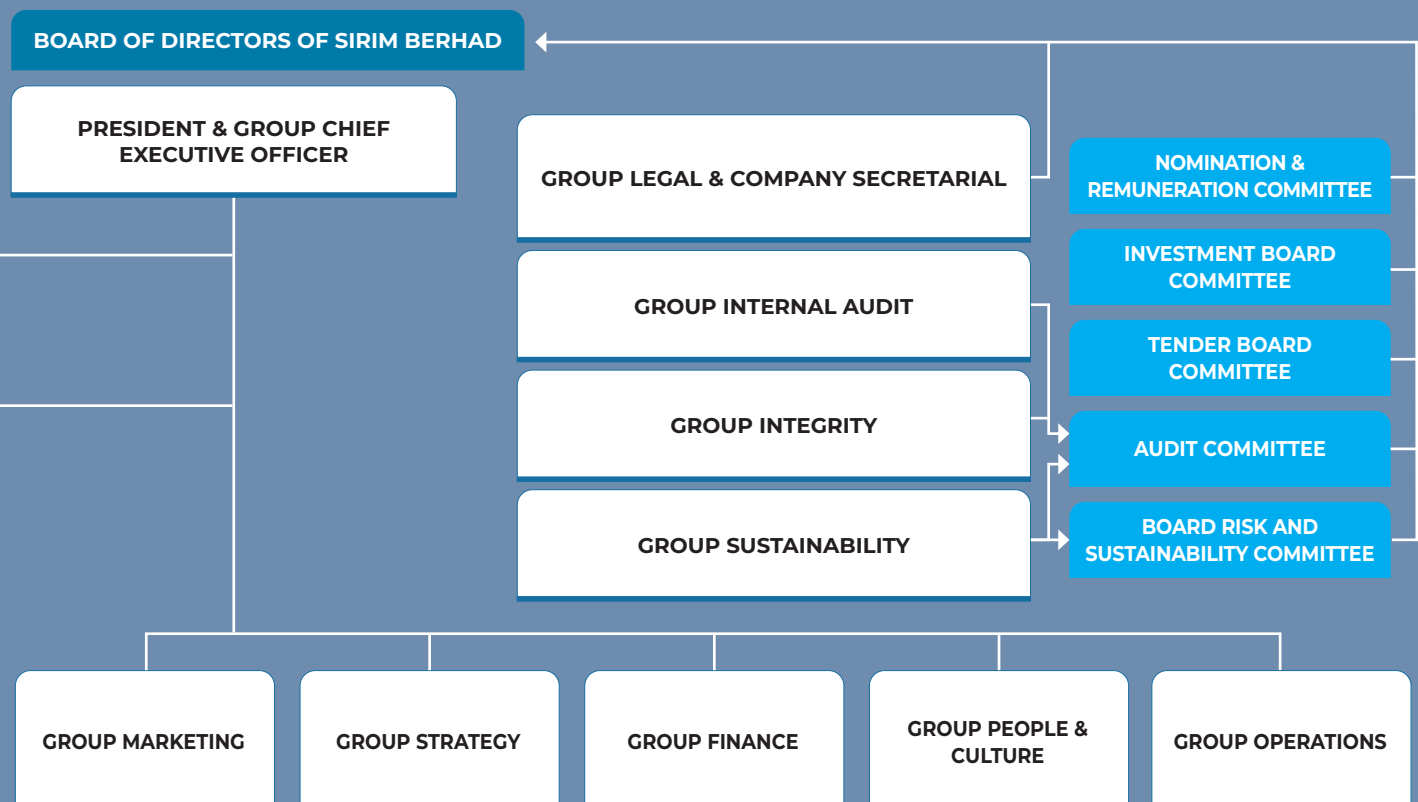
GROUP CORPORATE STRUCTURE

SHAREHOLDER: MINISTER OF FINANCE INCORPORATED



ORGANISATION STRUCTURE

As at 1 December 2025



CORPORATE GOVERNANCE OVERVIEW STATEMENT

At SIRIM Berhad (SIRIM or the Company or the Group), we are committed to upholding the best standards of corporate governance across the organisation. This commitment is key to implementing effective practices while maintaining professionalism, integrity and accountability in the conduct of our business and in all aspects of our operations.

Corporate governance plays a fundamental role in SIRIM's ability to create sustainable value, preserve stakeholder trust and fulfil our strategic mandate as the country's leading organisation for industrial research, technology standards and quality advancement. For SIRIM, corporate governance is therefore key to our efforts to create long-term economic value and business excellence.

The Board of Directors (the Board) recognises that sound governance practices are integral not only to effective oversight and accountability, but also to strengthening organisational resilience, supporting long-term growth and maintaining public confidence in the Group's stewardship. The Board is guided by principles of integrity, transparency, accountability and responsible decision-making and continues to uphold a governance framework that promotes ethical conduct, prudent risk management and effective internal controls.

The Board believes in setting an appropriate tone from the top to ensure that ethical standards of behaviour permeate throughout the Group at all levels. This approach underscores SIRIM's commitment to accountability, integrity and sound governance, ensuring it continues to protect and enhance the interests of our shareholders and stakeholders.

During the financial year under review, the Group's corporate governance practices were consistent with and conformed to the following statutory and regulatory requirements, guidelines and best practices:

- (a) Companies Act 2016;
- (b) Malaysian Code on Corporate Governance 2021 (MCCG 2021);
- (c) *Garispanduan Ahli Lembaga Pengarah Lantikan Menteri Kewangan (Diperbadankan)*; and
- (d) Corporate Governance Guide 4th Edition (CG Guide) published by Bursa Malaysia Berhad.

Although SIRIM is not a listed issuer and therefore not bound by the requirements of MCCG 2021, we recognise that strong governance practices are fundamental to building trust, safeguarding stakeholders' interests and driving sustainable performance.

Accordingly, we have chosen to adopt and apply, as far as practicable, the following three key principles of the

MCCG 2021 that are set out in this Corporate Governance Overview Statement during the financial year ended 31 December 2025:

- (a) Board Leadership and Effectiveness;
- (b) Effective Audit and Risk Management; and
- (c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

OUR GOVERNANCE STRUCTURE

As a company driven by its responsibility to shareholders and a broader group of stakeholders, SIRIM's pursuit of good governance is imperative to ensure sustained long-term performance, while fostering the unceasing creation of economic value and growth for the Group. The Board embraces transparency and accountability in the boardroom and promotes these critical components of governance throughout the Group.

Good governance practices are integrated across the Group. The Group's governance structure and practices create value for its stakeholders by:

- (a) accentuating greater transparency, accountability and responsibility;
- (b) building cogency through principled leadership; and
- (c) promoting the Group's future through sound sustainable practices.

The Board is resolute in ensuring that this governance system, which is in place to support and facilitate the successful execution of its strategy, is effective, and the Board is fully cognisant that the delegated authority framework enhances standards of accountability and responsibility in decision-making. The Board retains ultimate accountability and responsibility for the performance and affairs of the Company and ensures that the Group adheres to high standards of ethical behaviour.

The Group's governance structure has been established on a foundation of trust, integrity and accountability. It illustrates the oversight role of the Board and the various components of governance which facilitate interaction and flow between the Board and Management. Designed to define primarily the right balance of authority, empowerment and accountability between the Board and Management, the structure supports the Board's aim of achieving

sustainable value, and at the same time, imbibing a culture that values ethical behaviour, integrity and accountability.

The governance structure and processes are built upon the Terms of Reference (TOR) of the Board Committees, which are complemented by Limits of Authority and supported by the various Management committees, policies and procedures.

The structure ensures role clarity by clearly demarcating roles and areas of accountability and recognises the independent roles and duties to effectively govern the Company, with specific powers of the Board delegated to the relevant Board Committees and the President and Group Chief Executive Officer of SIRIM (PGCEO). When the responsibilities between the Board and Management are clearly defined and functioning well, the organisation is

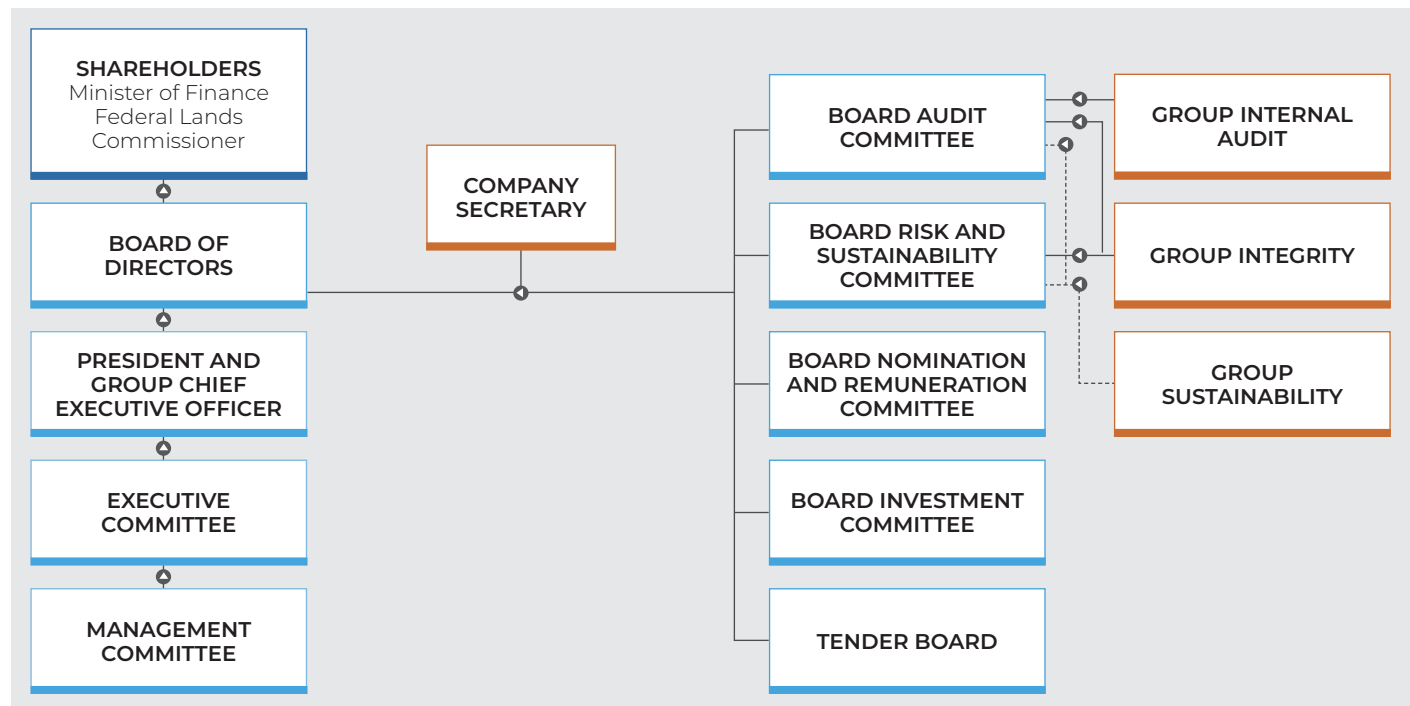
better positioned to meet stakeholder expectations, deliver quality initiatives and comply with laws and regulations.

Supported by established policies, delegated authorities and internal control mechanisms, the Board provides leadership and direction while maintaining appropriate oversight of the Group's operations, financial performance, sustainability agenda and stakeholder interests.

The Group's governance structure enables SIRIM to operate with integrity, transparency and accountability while delivering long-term value to our stakeholders.

The Group's governance structure further illustrates interconnected components of governance which facilitate the interaction and information flow between the Board and Management.

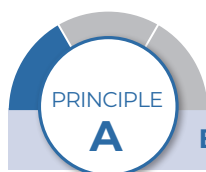
The diagram below describes SIRIM's governance structure, an overview of the powers delegated to the Board Committees, PGCEO and Management:



This Corporate Governance Overview Statement provides an overview of the Group's application of the following three key principles of corporate governance as set out in the MCCG 2021:



CORPORATE GOVERNANCE OVERVIEW STATEMENT



BOARD LEADERSHIP AND EFFECTIVENESS

(A) BOARD LEADERSHIP

The Board provides effective leadership and strategic oversight in guiding the Group towards the achievement of its mandate and long-term objectives. Through a robust governance framework, the Board sets the strategic direction of the Group, oversees performance, promotes ethical conduct and ensures that risks and opportunities are appropriately managed.

The Board plays a key role in fostering a culture of innovation, accountability and sustainability, supporting SIRIM's mission to advance quality, technology and industrial development. Working closely with Management, the Board ensures that strategic initiatives remain aligned with national priorities, stakeholder expectations and the Group's commitment to delivering sustainable value.

Through informed decision-making, constructive challenge and collective leadership, the Board continues to strengthen SIRIM's resilience, competitiveness and contribution to Malaysia's economic development.

The Board has primary responsibility for the governance and management of the Company and fiduciary responsibility for the financial and organisational health of the Company.

In exercising its leadership role, the Board promotes a culture of accountability, professionalism and ethical conduct. It provides independent and objective oversight of Management, ensures that risks are well managed and that decisions are made in the best interests of our shareholders and stakeholders. Through active engagement, strategic guidance and rigorous monitoring, the Board remains firmly committed to delivering sustainable long-term value and maintaining public trust in SIRIM.

The Board employs rigorous and effective controls to assess and manage risks and opportunities, ensuring long-term sustainable development and growth.

A pivotal responsibility of the Board is to ensure that it balances the interests of the Group, the shareholders and a wide range of stakeholders, such as government agencies, regulatory authorities, the community at large and employees.

Sound and effective corporate governance practices are fundamental to the smooth and transparent operation of the Group and its ability to reap shareholder confidence, protect the rights of shareholders and unleash shareholder value. Together with Management, the Board fosters a culture of good corporate governance within the Group, characterised by ethical leadership, professional conduct and prudent decision-making in all aspects of its activities.

The Board exercises diligent oversight, establishes a robust system of governance and imbues a culture of integrity at all levels of the organisation.

The Board commits itself and its Directors to ethical business practices and lawful conduct, including proper use of authority and appropriate decorum. The Directors exercise their powers for a proper purpose and are bound by duty to act in good faith in the best interest of the Company with reasonable care, skill and diligence.

The Board ensures that key transactions or critical decisions are thoroughly deliberated and decided in meetings, with rationale, including any dissenting views, properly minuted and documented.

(B) PRINCIPAL ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for setting the Group's long-term direction and strategy, by focusing on creating value for shareholders, governance and compliance in all aspects of its operations.

In providing strategic leadership to the Group, the Board ensures that the Group operates within a framework of prudent and effective controls which enable emerging risks and opportunities to be appropriately identified, assessed and managed.

The Board is collectively responsible for the long-term success of the Group and the delivery of sustainable value to the stakeholders. It plays a critical role in formulating and reviewing key policies and charting the Group's strategic direction.

The Directors recognise their collective and individual responsibilities to shareholders with regard to the management, control and operation of the Group.

The Board, through the Board Audit Committee, Board Risk and Sustainability Committee and Board Investment Committee, provides effective oversight of the Management's performance, risk assessment and controls over business operations and compliance with regulatory requirements. In delegating its authority to Board Committees, the Board does not abdicate its responsibilities. The Board further ensures that such delegation does not impede its ability to discharge its core responsibilities. In this regard, the Board clearly sets out the division of responsibilities in the respective TOR of the Board Committees.

Working seamlessly with Management, the Board initiates and leads the development of robust strategies, strengthened by unwavering governance and sound financial practices.

In providing strategic guidance and direction to the Group, the Board ensures alignment with long-term goals and objectives.

The Board's pursuit to cultivate and deliver long-term sustainable value is underpinned by its discerning leadership and oversight on Management as well as continuous monitoring of the Group's business performance.

The Board assumes responsibility for safeguarding stakeholder value-creation. The Board ensures the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental, social, and governance (ESG) considerations, thereby strengthening the integration of sustainability in the Group's operations.

The Board has delegated the day-to-day management of the Group to the PGCEO. The PGCEO manages the Group in accordance with the strategies and policies approved by the Board. The PGCEO is supported by key Senior Management in the day-to-day management of the business and operations of the Group by ensuring that effective systems, controls and resources are in place to execute the business strategies and plans entrusted to them.

During the financial year 2025, Dato' Indera Ir. Dr. Ahmad Sabirin Arshad (Dato' Indera Ir. Dr. Ahmad Sabirin), served as the PGCEO until his resignation on 31 July 2025. Dato' Indera Ir. Dr. Ahmad Sabirin was responsible during his term of office, for the overall leadership and management of the Group's

business operations, including the implementation of policies, strategic plans and decisions approved by the Board.

Following the resignation of Dato' Indera Ir. Dr. Ahmad Sabirin as PGCEO to assume a new role as the Group Chief Executive Officer of Boustead Holdings Berhad, effective 1 August 2025, Nik Sazali Nik Hussin (Nik Sazali), who was then serving as the Chief Executive Officer of SIRIM Academy Sdn. Bhd., was appointed as the Acting PGCEO, effective 1 August 2025. The appointment of Nik Sazali as Acting PGCEO of SIRIM aligned to a continuity plan that would ensure a smooth transition of leadership and the continued stability of the Group's operations and strategic initiatives.

In undertaking his responsibilities as Acting PGCEO, Nik Sazali assumed oversight of the Group's overall business and operational matters, while continuing to work closely with the Board to advance the Group's strategic priorities, maintain operational resilience and uphold the Group's corporate objectives and governance standards.

Accordingly, where applicable, any reference to the term 'PGCEO' in this Corporate Governance Overview Statement shall include and be construed as a reference to the Acting PGCEO appointed by the Board during the financial year under review following the resignation of Dato' Indera Ir. Dr. Ahmad Sabirin as PGCEO.

(C) BOARD BALANCE AND COMPOSITION

For the financial year ended 31 December 2025, the Board comprised eight Non-Executive Directors as follows:

- (i) One Non-Independent Non-Executive Director (NINED) representing the Minister of Finance Incorporated (MOF Inc.), being the substantial shareholder of SIRIM with 99.99% shareholding;
- (ii) One NINED representing the Ministry of Investment, Trade and Industry (MITI); and
- (iii) Six Independent Non-Executive Directors (INED).

None of the Directors had served for a cumulative term of more than nine years on the Board, in line with Practice 5.3 of the MCCC 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board regularly reviews its composition and that of the Board Committees to ensure an appropriate balance and the presence of the required skills, knowledge, expertise and experience at all times. During the financial year under review, the Board saw some changes and new appointments to its composition.

Mohd Nizam Mohd Khir, who represented MOF Inc. on the Board, retired on 19 June 2025 following his appointment as Setiausaha Bahagian, Bahagian Industri Pertahanan, Kementerian Pertahanan Malaysia.

Dato' Ir. Lim Yew Soon and Norlin Abdul Samad completed their six-year tenure on the Board on 4 September 2025.

The Board wishes to record its appreciation and gratitude to Mohd Nizam Mohd Khir, Dato' Ir. Lim Yew Soon and Norlin Abdul Samad, for their significant contributions and commitment during their tenure as members of the Board.

The Board also welcomed Nor Aida Idrus as a NINED representing MOF Inc. and Dato' Lai Yit Loong as an INED effective 1 July 2025 and 26 November 2025, respectively.

In discharging its responsibilities, the Board also ensures that the purpose, involvement, participation, harmony and sense of responsibility of the Directors are not jeopardised and that it achieves the correct balance to realise the Company's strategic objectives.

The Board's present composition is testament that a board make-up should support objective and independent deliberation, review and decision-making to allow for a more effective oversight of Management. It reflects a balanced blend of skills, experience and knowledge, promotes effective dialogue, supports constructive deliberation and facilitates sound decision-making, ensuring robust stewardship and management.

The Board further believes that the current overall composition is adequate in terms of size, skills, experience, and diversity of age and gender to ensure inclusiveness of views and facilitate effective decision-making and constructive deliberations during meetings.

The size and composition of the Board are fundamental to its success in providing strong and effective leadership. The balance on the Board with the presence of Non-Executive Directors ensures that no individual or small group of Directors are able to dominate the decision-making process and that the interests of the shareholders are protected.

(D) BOARD INDEPENDENCE

The Board predominantly comprises Independent Non-Executive Directors.

The Board recognises that independence is essential to effective governance, objective decision-making and the discharge of its fiduciary responsibilities. An appropriate balance of INEDs and NINEDs enables the Board to exercise impartial judgement, provide constructive challenge and ensure that decisions are made in the best interests of the Group and its stakeholders.

The Board benefits from the diverse experience and perspectives of its Directors, which support robust deliberations on matters relating to strategy, risk management, innovation, sustainability and organisational performance.

INEDs play a vital role in enhancing accountability, strengthening oversight and promoting transparency across the Group's operations. Their views carry substantial weight in the Board's decision-making process. They also ensure that the interests of shareholders are protected, thereby fulfilling their roles as guardians of good corporate governance.

Through regular assessments and governance reviews, the Board strives to ensure that its Directors remain independent in character and judgement, free from any relationships or circumstances that could compromise their ability to act objectively. This commitment to Board independence strengthens stakeholder confidence and supports SIRIM's mission of advancing quality, technology and innovation for national development.

The Board takes the view that the INEDs have maintained their independence throughout their tenure and have not, in any circumstances, compromised their ability to exercise independent and unfettered judgement.

(E) BOARD DIVERSITY

The Board recognises the importance of diversity and the value it brings to the Board. Diversity promotes the inclusion of different perspectives, raising the standards of good practice in Board leadership and enhancing valuable insights in business judgement. Diversity is also important to ensure that the Company remains relevant, resilient and sustainable in the rapidly transforming and evolving business environment.

While it is important to promote diversity, the primary criteria for the selection of Directors remain focused on an effective blend of competencies, skills and experience and knowledge in areas identified by the Board to carry out its functions and duties effectively.

The Board supports the government's aim of achieving 30% representation of women Directors. During the financial year under review, there were three women directors on the Board of SIRIM out of a total of eight Directors, representing 37.5% of the Board composition as of 31 December 2025. This aligns with Practice 5.9 of the MCCG 2021, which recommends that boards include at least 30% women directors.

(F) SEPARATE ROLES OF THE CHAIRMAN AND PRESIDENT AND GROUP CHIEF EXECUTIVE OFFICER

An effective Board is crucial to the long-term prospects and strategic aims of the Company. This is achieved through strong and open working relationships between the Directors.

In addition, the Board practices a clear demarcation of duties and responsibilities between the Chairman and PGCEO, cultivating an optimal balance that results in heightened accountability and enriched decision-making efficacy. The hierarchical structure and division of responsibilities ensure a balanced distribution of authority, promote accountability and nurture independent decision-making, such that no one individual can influence the Board's discussions with unfettered powers of decision-making.

The Chairman is primarily responsible for the stewardship and smooth functioning of the Board, whilst the PGCEO is responsible for the overall operations of the business, organisational effectiveness and the implementation of the Group's strategies and policies in line with the Board's direction.

In upholding the principle of independence, the Chairman is not a member of any Committee of the Board.

The separation in the role of the Chairman and PGCEO is imperative as both roles have different expectations and serve distinct primary audiences.

As prescribed by MOF Inc., the PGCEO is not a member of the Board.

(G) HOW THE BOARD FUNCTIONS

The Board meets at least quarterly with additional meetings convened as and when circumstances dictate. All Board and Board Committee meetings for each financial year are scheduled prior to the start of the financial year with additional meetings convened as special Board meetings, as and when necessary. The schedule for Board meetings is shared with the Directors before the beginning of the new financial year to ensure the Directors' time commitment.

During the financial year under review, the Board held a Board Retreat to deliberate on the long-term strategic direction of the Group. The session provided Management with guidance on strategic priorities and measures aimed at strengthening the Group's market competitiveness, while reinforcing its commitment to delivering sustainable value to stakeholders.

The Directors' full commitment towards their duties and responsibilities was evidenced by their attendance at Board meetings held during the financial year. For the financial year under review, the Board met 18 times, five of which were scheduled meetings and 13 were special meetings. The meetings were conducted through both physical and virtual platforms, with the majority of meetings conducted physically. All Directors demonstrated strong commitment and active participation throughout the financial year, with most Directors having full attendance. The calculation of the percentage of attendance is based on each Director's date of appointment. A Director who is unable to attend any Board meeting will notify the Chairman and/or the Company Secretary prior to the meeting date.

The Board is satisfied with the level of commitment given by all Directors towards fulfilling their roles and responsibilities as Directors of SIRIM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Matters deliberated by the Board are primarily focused on strategic matters, particularly on the Group's strategic initiatives and plans, current business challenges, potential growth opportunities, business plan and budget, performance on quarterly basis, digitalisation project, realignment of SIRIM's organisational structure and succession planning for the Board and Senior Management.

The PGCEO attends Board meetings at the invitation of the Board. Other members of the Senior Management also attend Board meetings by invitation of the Board to present and brief the Board on matters pertinent to their respective areas of responsibility as and when required.

The Board practices active and open discussions at its meetings so as to ensure that opportunities are given to all Directors to participate and contribute to the decision-making process. Robust discussions and vigorous deliberations at Board meetings facilitate a constructive, effective and healthy dialogue.

Updates from Board Committees are provided at each Board meeting by their respective Chairpersons, ensuring alignment and oversight.

Deliberations and decisions at Board and Board Committee meetings are well documented in the minutes of the respective meetings (Minutes). All proceedings of Board and Board Committee meetings are duly confirmed and signed. Minutes of each Meeting accurately reflect the deliberations and decisions of the Board and Board Committees, including dissenting views and if any Director had abstained from voting or deliberating on any particular matter. Minutes of the Board and Board Committee meetings are properly kept by the Company Secretary.

The Company Secretary will communicate the decisions of the Board and Board Committees to the relevant members of the Management for appropriate actions to be taken. The Company Secretary will also follow up with the Management on the status of actions taken and action items will stay as matters arising until they are resolved.

Key decisions are always made in a properly convened Board meeting, while Directors' Circular Resolutions (DCRs) are usually confined to non-contentious matters and will be accompanied by working papers in the same prescribed format. However, DCRs are

not intended as substitutes for Board resolutions, which require extensive presentations by the Management or discussion amongst the Directors. All DCRs are tabled for notation at the subsequent Board meeting after their issuance.

The quality of information provided to the Board is critical as it enables sound decision-making. In the course of discharging its duties, the Board has full and unrestricted access to timely and accurate information with materials for Board meetings (Board pack) distributed to the Directors in advance of meetings, via a secured collaborative software. This ensures that all Directors have sufficient time to review the materials, seek clarification where necessary, and prepare for informed and constructive discussions. This practice supports efficient decision-making and reinforces good governance. The Board pack includes minutes of the previous Board meeting(s), minutes of meetings of all Board Committees, minutes of meetings of SIRIM Management Committee and working papers/reports relevant to issues to be deliberated at the meeting such as strategy, financial, risk management, investment, information technology, operational and human resource matters.

The Board and its Committees have unimpeded access to the advice and services of Management and unrestricted access to any information relating to the Group including the Group's auditors and consultants. When exercising their right to access information and Management, Directors must exercise judgment to ensure that such access does not disrupt the Group's operations.

The PGCEO also keeps the Board informed, on a timely basis, of all material matters affecting the Group's performance and major developments within the Group.

The Directors are entitled, whether collectively as a Board or in their individual capacity, seek external and independent professional advice from experts on any matter in furtherance of their duties and fulfilling their obligations as Directors as they may deem necessary and appropriate, at the expense of the Company. This provision enables Directors to make independent and informed decisions. During the financial year under review, there were no Directors who exercised this entitlement.

(H) MATTERS RESERVED FOR DECISION OF THE BOARD

A clear schedule of matters reserved for the Board is set out at each Board meeting. Below are matters reserved for the Board:

- (i) Group strategy, plan and budgets.
- (ii) Acquisition, disposal and transaction exceeding the authority limit of the PGCEO.
- (iii) Changes to the Board and executive leadership of the Group.
- (iv) Establishment of policies.

(I) THE BOARD'S 2025 KEY FOCUS AREAS AND PRIORITIES

The diagram illustrated on the right shows the key areas of focus for the Board which appeared as items on the Board's agenda at meetings held during the financial year under review:

BOARD'S 2025 KEY FOCUS AREAS AND PRIORITIES



(J) BOARD ACTIVITIES AND DISCUSSIONS IN 2025

Directors' attendance at the Board meetings held during the financial year under review is as follows:

2025 Attendance List		Board ¹	BAC	BNRC	BIC	BRSC	Tender
1	Datuk Ir. (Dr) Khairul Anuar Mohamad Tawi <i>Chairman/Independent Non-Executive Director</i>	18/18	–	–	–	–	–
2	Datuk Omar Shariff Mydeen <i>Independent Non-Executive Director</i>	17/18	7/8	11/11	–	–	10/10 ²
3	Mohd Rashid Mohd Yusof <i>Independent Non-Executive Director</i>	17/18	8/8	–	2/2 ¹¹	2/2 ¹¹	–
4	Datuk Bahria Mohd Tamil <i>Non-Independent Non-Executive Director</i>	18/18	8/8	1/1 ³	4/4	4/4	–
5	Rema Devi A/P V.K.Padmanabhan <i>Independent Non-Executive Director</i>	17/18	–	11/11	4/4	4/4	–
6	Mohammad Asri Hassan Sabri <i>Independent Non-Executive Director</i>	17/18	–	–	2/2 ⁴	2/2 ⁵	3/3 ⁶
7	Nor Aida Idrus⁷ <i>Non-Independent Non-Executive Director</i>	9/9	5/5	8/8	2/2	2/2	4/4
8	Dato' Lai Yit Loong⁸ <i>Independent Non-Executive Director</i>	1/1	–	–	–	–	–
9	Mohd Nizam Mohd Khir⁹ <i>Non-Independent Non-Executive Director</i>	8/9	2/3	2/3	1/2	1/2	4/5
10	Dato' Ir. Lim Yew Soon¹⁰ <i>Independent Non-Executive Director</i>	12/12	–	–	–	3/3	7/7
11	Norlin Abdul Samad¹⁰ <i>Independent Non-Executive Director</i>	12/12	4/4	5/5	–	–	7/7
12	Dato' Indera Ir. Dr. Ahmad Sabirin Arshad¹² <i>Former President and Chief Executive Officer of SIRIM Berhad</i>	–	–	–	–	–	5/6

	Chairman of Board Committee
BAC	Board Audit Committee
BNRC	Board Nomination and Remuneration Committee
BIC	Board Investment Committee
BRSC	Board Risk and Sustainability Committee
Tender	Tender Board Committee

Notes:

- ¹ There were 5 scheduled Board meetings and 13 Special Board meetings in 2025
- ² Redesignated as Tender Board Chairman w.e.f. 5 September 2025
- ³ Appointed as BNRC Member w.e.f. 26 November 2025
- ⁴ Appointed as BIC Member w.e.f. 6 May 2025
- ⁵ Appointed as BRSC Chairman w.e.f. 6 May 2025
- ⁶ Appointed as Tender Board Member w.e.f. 1 October 2025
- ⁷ Appointed w.e.f. 1 July 2025
- ⁸ Appointed w.e.f. 26 November 2025
- ⁹ Ceased w.e.f. 19 June 2025
- ¹⁰ Ceased w.e.f. 5 September 2025
- ¹¹ Resigned w.e.f. 6 May 2025
- ¹² Resigned w.e.f. 1 August 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(K) CORPORATE INTEGRITY, CORE VALUES AND CODE OF BUSINESS ETHICS

The Board acknowledges its role in establishing a healthy corporate culture that embeds ethical conduct within the Group. The Board is committed to promoting ethical business conduct, maintaining a robust corporate culture that propagates integrity, accountability and transparency as well as being responsible for setting the tone and standards of the Group through the various policies that have been established and are in place.

The Group's core values, Customer Focus, Integrity, and Teamwork, form the foundation of its ethical culture and guide the behaviour of employees across all levels of the organisation. These values are further reinforced through the active practice of the Group's Cultural Beliefs, encapsulated in the acronym ALEAD: **A**chieve Sustainability, **L**ead Innovation, **E**ngage Teamwork, **A**ct Fast and **D**eliver Excellence. These guiding principles are embedded into the Group's daily operations, promoting a unified, values-driven culture that supports ethical decision-making and organisational excellence.

To formalise these expectations, the Group Code of Business Ethics (the Code) sets out the standards of professional conduct and principles of ethical behaviour that all employees are expected to uphold. It serves as a key governance document in fostering integrity and accountability. All employees are required to comply with the provisions of the Code and must disclose any actual or potential conflict of interest, thereby supporting transparency and reinforcing trust in the Group's operations.

We are committed to upholding the highest standards of integrity, ethical conduct, governance and professionalism in all aspects of our business. We ensure that all our business activities and business strategies decisions, and policies formulated align with best practices in governance, compliance and ethical principles.

As we strive for sustainable growth, we recognise that integrity, ethics and accountability are not just values, but cornerstones of our success. Our corporate culture emphasises doing the right thing, and we actively foster an environment where ethical behaviour is valued and expected.

Compliance with laws, zero tolerance for corruption, fraud and unethical practices form the foundation of our operations.

The key policies and procedures in upholding SIRIM's integrity and ethics, inter alia, encompass the following:

(i) Anti-Bribery Management System (ABMS)

In safeguarding the Board and the Management against Section 7A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), commonly referred to as the Corporate Liability provision, the Group has established, documented, implemented, maintained, continually reviewed and where necessary, improved the Anti-Bribery Management System based on the requirements of the MS ISO 37001 standard. Compliance with the requirements of this standard provides evidence that the Group has put in place adequate procedures based on the T.R.U.S.T principles to prevent, detect and respond to the occurrence of corrupt practices in relation to its business activities. The T.R.U.S.T principles are as follows:

Principle 1

Top level commitment.

Principle 2

Risk assessment.

Principle 3

Undertake control measures.

Principle 4

Systematic review, monitoring and enforcement.

Principle 5

Training and communication.

A comprehensive range of programmes and activities was undertaken by Group Integrity, including collaboration with Group People and Culture, subsidiaries and strategic business units, aimed at reinforcing a culture of integrity and sustaining the highest standards of corporate governance across all levels of the Group's operations. These initiatives were further strengthened through engagements with the Malaysian Anti-Corruption Commission (MACC), and internal as well as external subject matter experts, culminating in a total of 28 programmes conducted during the year 2025.

(ii) Organisational Anti-Corruption Plan (OACP)

The Group continues to progress steadily in delivering the initiatives outlined in the SIRIM OACP 2022-2026. By the end of the fourth year of implementation, all 12 short-term initiatives and 16 medium-term initiatives have been successfully completed. In respect of the long-term initiatives, 54 out of 62 initiatives or 87% have been completed with the remaining eight or 13% scheduled for completion by the end of 2026. Overall, 82 out of 90 initiatives, or 91% have been completed. This steady progress underscores the commitment of the Board, the Management, and all employees to uphold the highest ethical standards and integrity across the Group.

(iii) Bribery Risk Assessment

Bribery risk assessments are performed by all strategic business units (SBUs), subsidiaries and corporate divisions in line with the requirements set out in the ISO 37001 ABMS and SIRIM OACP Plan 2022 - 2026. The bribery risk profiles are reviewed and reported to the Group Risk Management Committee and Board Risk and Sustainability Committee on a quarterly basis to ensure any governance and corruption risks are identified at the earliest stage and appropriate controls are put in place to mitigate the risks.

(iv) Levels of Authority Manual

The Levels of Authority (LOA) Manual has been established to facilitate timely and effective business decision-making across the Group through a clear delineation of authority and accountability at different levels. Appropriate approval processes and authority limits are in place on procurement transactions covering both capital and revenue expenditure items, acquisition and disposal of assets and other major business transactions. Specific measures were taken to ensure a proper balance between the need for timely and effective business decision-making and appropriate management control. The LOA, as an authority framework, requires proper execution of instruments of delegation and provision of guidelines and procedures for executing decisions throughout the Group.

During the financial year under review, the Group undertook a comprehensive review of the LOA Manual to ensure that it remains relevant and aligned with the Group's evolving organisational structure, operational requirements, business complexities and governance expectations. The review was also carried out to enhance the clarity of delegated authorities, ensure the appropriateness of approval thresholds and strengthen the overall effectiveness of the Group's internal control and decision-making framework.

(v) Environmental, Social and Governance (ESG) Policy

The Group is committed to building environmental sustainability, social responsibility and effective corporate governance in all aspects of our businesses.

We are committed to building a culture of ethical business behaviour and responsible corporate practices. We believe strong corporate governance is the foundation to delivering on our commitments. We integrate sustainability and integrity in our decision-making process across the Group to ensure transparency and accountability as well as preserve our core values for our stakeholders. Our corporate governance practices encompass compliance with applicable legal requirements, standards, policies and guidelines.

(vi) Anti-Bribery Policy (ABP)

The Board and the Management are committed to implementing and enforcing effective policies and procedures throughout SIRIM for the prevention, monitoring and elimination of any form of bribery and corrupt practice amongst all employees and within its activities, which include relationships with stakeholders, towards the delivery of efficient services with integrity, in line with SIRIM's Vision and Mission, and national aspirations.

The ABP sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(vii) Whistleblowing Policy (WP)

The Group is committed to developing a culture of openness and honesty where a person who is aware of any potential malpractice or misconduct is encouraged to report such matters, in good faith, without fear of retaliation.

The WP provides a framework for responsible and secure reporting of concerns about irregularities within the Group's operations. Whistleblowing can act as an early warning system to avert possible risks of loss or reputational damage to the Group.

(viii) Gift Policy (GP)

The Group is committed to conducting its business to the highest standard of integrity and governance. The GP is established to ensure that the Board, the Management, and the employees (referred to as SIRIM Citizens) stringently comply with the Group Code of Business Ethics in giving, receiving or accepting gifts both within and outside of the work premises.

The GP requires SIRIM Citizens to demonstrate the highest standard of ethics and conduct in all matters when dealing with third parties, to maintain ethical work and business relationships and to avoid conflicts of interest or the appearance of a conflict of interest.

(ix) Information Security Policy

The Group is committed to maintaining a robust information security framework to safeguard the confidentiality, integrity and availability of its information assets. The Group recognises that effective information security practices are critical to preserving the trust and confidence of customers, employees and stakeholders, ensuring compliance with applicable laws and regulatory requirements, supporting a secure and resilient business environment, and mitigating potential reputational and operational risks.

(x) Data Governance Policy

The Group recognises that data is a valuable business asset and the availability of accurate, reliable and quality data is essential in driving

operational effectiveness, supporting innovation and maintaining the confidence and trust of stakeholders.

The Group remains committed to managing and governing data in a responsible, secure and effective manner to support sound and informed decision-making.

(xi) Procurement Policies and Procedures

Procurement policies and procedures are established to control and manage procurement activities within the Group. The authority to approve any requisition against budget or unbudgeted expenditures shall be in accordance with the LOA. The key controls in procurement have been integrated into the MyeP system through the digitalisation of the procurement process.

(x) Group Human Resource Policies and Procedures

Human Resource policies and procedures are in place to provide clarity in all aspects of human capital management within the Group which include talent recruitment and development, performance and consequence management, termination of service, resignation and retirement. Disciplinary procedures are also established to ensure all disciplinary cases are handled in a structured manner to comply with the prevailing labour laws and employment regulations.

The Consequence Management Guidelines (CMG), a structured disciplinary framework that defines categories of misconduct, ranging from minor to serious offences. The CMG specifies the appropriate disciplinary actions for first-time and repeat violations, fostering a culture of accountability and reinforcing the Group's commitment to integrity and ethical conduct.

(xi) Statement on Integrity

It is the Group's policy to conduct all of its businesses in an honest and ethical manner and to avoid acts that might reflect adversely upon the integrity and reputation of the Group.

Accordingly, the Chairman of a meeting of the Board or Board Committee is required to read

the Statement on Integrity at the start of the meeting, to convey to the members thereof that the meeting is conducted in the spirit of good governance and integrity. Each Director/Board Committee member shall, following the Statement of Integrity read by the Chairman of the meeting, make a declaration in relation to any transaction, arrangement or contract that the Company or any company in the Group proposes to enter into or has entered, to which he/she, directly or indirectly, is interested and declare the nature of his/her interest including making a declaration that no interest exists if that is the case. The Director/Board Committee member must recuse himself/herself from participating in the deliberations and voting on the matter to allow for unbiased and free discussion and decision-making.

(L) COMPANY SECRETARY

Each Director has full access to the services of the Company Secretary, who plays an advisory role to the Board by providing guidance on corporate governance, ethical business practices, compliance to the Company's Constitution, policies and procedures and the relevant regulatory requirements, guidelines and legislation.

The Company Secretary of SIRIM is qualified to act as a secretary pursuant to Section 235(2) of the Companies Act 2016 and holds a Company Secretary Licence and Practising Certificate issued by the Companies Commission of Malaysia.

The Company Secretary acts as an important link between the Board and the Management. Through effective communication, the Company Secretary provides Management with the understanding on the expectations of, and value brought by the Board.

The Company Secretary ensures that deliberations and decisions at the Board and Board Committee meetings are properly documented and communicated to the Management for appropriate actions.

The Board is also updated from time to time by the Company Secretary on the requirements and updates issued by MOF Inc. affecting the Group.

The Company Secretary constantly keeps herself abreast of the evolving regulatory changes and developments in corporate governance through continuous training.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging their functions during the financial year under review.

(M) APPOINTMENT OF DIRECTORS

The selection, nomination and appointment of suitable candidates to the Board are considered and evaluated by the Board Nomination and Remuneration Committee (BNRC) in a formal and transparent process.

The BNRC, in making its recommendation, will consider the following criteria in the selection of candidates:

- (i) Probity, integrity and reputation.
- (ii) The candidate's skills, knowledge, competencies, experience and expertise that will complement and strengthen the current Board composition, taking into account the current and anticipated business needs of the Company and the Group.
- (iii) Relevant experience at a senior level in related business, academic, government or a profession, or a strong track record as a Chief Executive Officer, Managing Director, Chief Operating Officer, Chief Financial Officer, Partner and/or Chair of a large company, organisation or professional practice.
- (iv) Ability of the candidate to devote the necessary time and commitment to the role.
- (v) Diversity and inclusivity of Board composition such as age, gender, ethnicity and cultural background.
- (vi) Any actual, perceived or potential conflict of interest between the Board candidate and the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The process flow for the appointment of new Directors is as follows:



(N) RE-ELECTION OF DIRECTORS

In accordance with Article 116 of the Constitution of the Company, one-third (1/3) of the Directors or if their number is not a multiple of three, the number nearest to but not exceeding one-third (1/3), shall retire by rotation at an annual general meeting of the Company (AGM) and be eligible for re-election by the shareholders at the AGM. A retiring Director shall remain in office until the close of the AGM at which he/she retires.

Article 111 of the Constitution provides that Directors who are appointed by the Board during the financial period before an AGM are subject to retirement and shall be eligible for re-election by the shareholders at the AGM to be held following the new Directors' appointment.

At the Twenty-Ninth (29th) AGM of the Company held on 19 June 2025, the following Directors of the Company who retired pursuant to the Constitution of the Company, were duly re-elected:

Article 111

- Mohammad Asri Hassan Sabri

Article 116

- Datuk Bahria Mohd Tamil
- Mohd Nizam Mohd Khir

(O) BOARD EFFECTIVENESS EVALUATION

Board Effectiveness Evaluation (comprising Collective Board Assessment and Director Peer Evaluation and collectively, the BEE) is carried out annually, with the assistance of the Company Secretary, by way of questionnaires sent out to every Director of the Company. The questionnaires consist of evaluations by the Board, Board Committees and individual Directors which were developed to maximise the effectiveness and performance of the Board in the best interests of SIRIM. The Company Secretary compiles the responses received from the Directors and submits the results of the BEE to the Chairman of the Board and Chairman of the BNRC. MOF Inc. also requires the BEE results to be submitted to it, which will be taken into consideration when evaluating proposals for the extension of the Directors' tenure on the Board.

(P) BOARD REMUNERATION

The monthly fee and meeting attendance allowance for the Board are payable only to the Non-Executive Directors of the Company (i.e. Directors who are non-employees of the Group).

The monthly fee and meeting attendance allowance rates are based on the range (minimum and maximum range) as prescribed by MOF Inc. in their letter dated 13 June 2019, the approval of the Board on 18 June 2019 and the approval of the Shareholders at the 2019 AGM of SIRIM held on 26 June 2019.

The monthly fee and meeting attendance allowance rates, which took effect on 1 July 2019, are as follows:

Description	Amount	
Monthly Fixed Allowance/Fee	Chairman of the Board	RM8,000 per month
	Other Members of the Board	RM2,400 per month
Meeting Attendance Allowance Meeting Attendance Allowance (Payment of the meeting attendance allowance up to a maximum of 18 meetings per calendar year for each respective Board and Board Committees)	Board	
	Chairman of the Board	RM2,400 per attendance
	Other Members of the Board	RM1,600 per attendance
	Board Committee	
	Chairman of the Board Committee	RM1,040 per attendance
	Other Members of the Board Committee	RM800 per attendance

(Q) OUR COMMITMENT TO SUSTAINABILITY

Sustainability remains integral to SIRIM's purpose of advancing industry, innovation and national competitiveness. As a technology and quality solutions organisation, SIRIM recognises its responsibility to support sustainable development by fostering innovation, promoting resource efficiency and enabling industries to adopt responsible and future-ready practices.

Sustainability is the guiding principle in all our business decisions and commitment towards environmental stewardship, social responsibility and economic prosperity.

Our journey towards sustainability is an ongoing commitment with continuous dedication, collaboration, and collective actions.

Throughout 2025, we continued to embed sustainability considerations across our operations, research and development activities and stakeholder engagements. Through our work in standards development, conformity assessment, technology commercialisation and industry support programmes, we contribute towards strengthening environmental stewardship, enhancing economic resilience and creating positive social outcomes.

Guided by our commitment to responsible governance, we remain focused on delivering sustainable value to our stakeholders while supporting Malaysia's aspirations for inclusive growth, industrial transformation and a low-carbon future. We will continue to leverage on our technical

expertise and innovation capabilities to drive sustainable progress and contribute meaningfully to the nation's development agenda.

We have embedded sustainability principles into our business strategies, operations and decision-making processes, recognising that long-term value creation must be balanced with environmental stewardship, social responsibility and sound governance practices.

As an organisation that plays a key role in advancing industrial development, innovation and quality standards, we continue to support sustainable growth initiatives that contribute to national development priorities and broader stakeholder interests.

We continue to focus on innovation and efficiency as well as responsible consumption. The value system we have created supports growth and prosperity of our stakeholders, as well as compliance with relevant acts and regulations. Accordingly, activities are executed in accordance with ethical business practices and adhering to the code of governance as stipulated in the relevant management systems. We support the government's policies and initiatives in ensuring that our industry is on the right track to sustainability and providing various environmental, social and governance (ESG) related services to our customers.

The SIRIM Sustainability Roadmap 2024–2027 sets out the Group's strategic direction and approach in addressing material ESG-related matters through focused and targeted initiatives, measurable priorities and structured implementation plans.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Central to the SIRIM Sustainability Roadmap 2024–2027 is the SIRIM Sustainability Framework, which is anchored on three strategic pillars that form the foundation of the Group's sustainability agenda and guide the integration of sustainable practices across the organisation:

- (i) Protect and Conserve the Environment (Environment);
- (ii) Safeguard Stakeholders' Interests (Society); and
- (iii) Uphold Good Governance (Governance).

(R) BOARD INDUCTION AND TRAINING OF DIRECTORS

The Board recognises the importance of ensuring that new Directors have a complete introduction to the Group's business so they can make a full and meaningful contribution to the Board. The Board induction programme comprises a blend of technical briefings on key operational areas, office and site visits and introductory meetings ensuring that each new Director receives a comprehensive induction upon his/her appointment to the Board.

Beyond the induction phase SIRIM ensures its Directors continue to develop their skills and expertise through ongoing access to professional development programmes that address key areas relevant to the Group's operations and governance responsibilities.

For the Board, the importance of continuing education for its Directors must be acknowledged to make certain they are equipped with the necessary skills and knowledge to effectively discharge their duties on the Board and Board Committees and meet specific industry challenges.

The list of training programmes, conferences and seminars attended by the Directors during the financial year under review is as follows:

Director	Particulars of Conference, Seminar, Training Programme etc.	Event Date (2025)	Organiser
Datuk Ir. (Dr) Khairol Anuar Mohamad Tawi	1. SIRIM Board Onboarding Programme	23 January and 17 February	SIRIM Berhad
	2. International Conference on Quality & Innovation (ICQI), 2025 Opening Ceremony	18 November	SIRIM Academy Sdn. Bhd. (SIRIM Academy)
	3. Board Training: Future Ready Boards: Crisis Leadership & AI Oversight	17 December	SIRIM Academy
Datuk Omar Shariff Mydeen	1. International Conference on Quality & Innovation (ICQI), 2025 Opening Ceremony	17 December	SIRIM Berhad
	2. Board Training: Future Ready Boards: Crisis Leadership & AI Oversight	17 February	SIRIM Berhad
Mohd Rashid Mohd Yusof	1. SIRIM Board Onboarding Programme	17 February	SIRIM Berhad
	2. MIA Accountants Conference	26 – 27 May	Malaysian Institute of Accountants
	3. BNM Symposium	16 – 17 June	Bank Negara Malaysia
	4. PNB Knowledge Forum	21 October	Permodalan Nasional Berhad
	5. Board Training: Future Ready Boards: Crisis Leadership & AI Oversight	17 December	SIRIM Academy

Director	Particulars of Conference, Seminar, Training Programme etc.	Event Date (2025)	Organiser
Mohammad Asri Hassan Sabri	1. SIRIM Board Onboarding Programme	23 January and 17 February	SIRIM Berhad
	2. Integrity Day by MACC	18 June	Axiata Group Berhad
	3. Khazanah Mega Trend	6 October	Khazanah Nasional Berhad
	4. International Conference on Quality & Innovation (ICQI), 2025 Opening Ceremony	18 November	SIRIM Academy
	5. Board Training: Future Ready Boards: Crisis Leadership & AI Oversight	17 December	SIRIM Academy
	6. Conflict of Interest	18 December	Axiata Group Berhad
Rema Devi a/p V.K.Padmanabhan	1. BNRC Dialogues: Future Ready Boards: Implementing Strategies with Skills Matrix	8 July	ICDM, Russel Reynolds
	2. AI Supercharging Women's Leadership Growth	14 August	Lead Women: Virtual Hour
	3. Board Conversations: Strengthen Governance on NGO & Corporate Board	21 August	Lead Women
	4. International Conference on Quality & Innovation (ICQI), 2025 Opening Ceremony	18 November	SIRIM Academy
	5. Board Training: Future Ready Boards: Crisis Leadership & AI Oversight	17 December	SIRIM Academy
Nor Aida Idrus	1. Talk on Corruption Offence under the Malaysian Anti-Corruption Commission (MACC) Act	18 June	Minister of Finance
	2. Bid Rigging in Procurement Workshop	10 July	Minister of Finance
	3. Briefing for the Ministry of Finance Representative on the Procurement Board (Do's & Don't, Tips & Tricks)	19 August	Minister of Finance
	4. Board Training: Future Ready Boards: Crisis Leadership & AI Oversight	17 December	SIRIM Academy

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Particulars of Conference, Seminar, Training Programme etc.	Event Date (2025)	Organiser
Datuk Bahria Mohd Tamil	1. ASEAN Economic Opinion Leaders Conference: Outlook For 2025	8 January	ASEAN Division, Ministry of Investment, Trade and Industry (MITI)
	2. Sesi Libat Urus Akta Iltizam Kecekapan Perkhidmatan Kerajaan (Iltizam) Dengan Kementerian/Jabatan/Agensi Peringkat Persekutuan	16 January	Jabatan Perkhidmatan Awam (JPA), Putrajaya
	3. Panel Forum Bagi "Good Governance Conference (GGC) 2025"	24 February	Suruhanjaya Pencegahan Rasuah Malaysia
	4. Sesi Libat Urus Penyelarasan Sektor Ekonomi Inisiatif Digital Kerajaan	11 March	MITI
	5. Sesi Dialog Industri Bersama YB Menteri Pelaburan, Perdagangan Dan Industri	8 April	MITI
	6. Engagement Session with YB MITI Minister: Navigating US Tariffs – Building Trade and Investment Resilience	11 April	MITI
	7. Seminar Perakaunan Pengurusan Tahun 2025	6 May	Jabatan Akauntan Negara
	8. Bengkel Sinergi EAP-ECRL: Memperkasakan Strategi Promosi	8 May	MIDA
	9. In-House Training CRR 2/2025: "Navigating Board Effectiveness: Tackling Governance and Ethics Challenges"	23 Jun	EXIM BANK
	10. Roundtable Discussion (RTD) with the Chambers of Commerce on Corruption Perception Index (CPI) Sunway Putra Hotel, Kuala Lumpur	4 July	MITI
	11. Sesi Taklimat Berkaitan Pengenaan Tarif Timbalbalas Ke Atas Malaysia	19 August	MITI
	12. Sesi Dialog Belanjawan Bersama Pihak Industri	12 September	MITI
	13. Forum on "Unleashing the Power of Women in ASEAN: Trade and Industry Across Borders"	8 October	MITI
	14. Sesi Forum 1 – 3 Konvensyen Nasional Reformasi Perkhidmatan Awam Tahun 2025	6 December	JPA
	15. Sesi Forum 4 – 5 Konvensyen Nasional Reformasi Perkhidmatan Awam Tahun 2025	7 December	JPA
	16. INTAN Mind Share 2025 – Kerjasama Awam Swasta: Memacu Ekonomi Madani	8 December	INTAN

(S) BOARD COMMITTEES

The Board has established a structured schedule setting out certain matters that are designated exclusively for its approval.

The Board has concurrently delegated specific responsibilities to five Board Committees established to provide it with support in the discharge of its oversight function, each with well-defined duties and responsibilities outlined in their respective TOR. This delegation allows the Board to devote greater focus on strategic and high priority matters. These Committees are tasked with focusing on specific areas of oversight and ensure appropriate checks and balances are in place when dealing with specific functions or areas.

The Board Committees assigned with delegated responsibilities to oversee the Group's affairs and authorised to act on behalf of the Board in accordance with their respective TOR are as follows:

- (i) Board Nomination and Remuneration Committee;
- (ii) Board Audit Committee;
- (iii) Board Risk and Sustainability Committee;
- (iv) Board Investment Committee and
- (v) Board Tender Committee.

The Chairman of the Board is not Chairman nor a member of any Board Committee.

All Committees are composed solely of Non-Executive Directors.

The Board Committees primarily function in a review or advisory capacity. Their deliberations are reported to the Board which retains ultimate decision-making authority except in matters where specific powers have been delegated to a Committee. The report on the deliberations and outcome of each Committee meeting is conveyed through updates by the Chairman of the respective Committees during Board meetings as well as through the minutes of the Committee meetings.

The Board maintains collective oversight and remains fully responsible for the Company's effective control. Each Committee is supported by the Company Secretary and has access to independent advice as needed to fulfil its duties.

(T) BOARD NOMINATION AND REMUNERATION COMMITTEE REPORT

The Board Nomination and Remuneration Committee (BNRC) comprises four Non-Executive Directors, two of whom are INEDs. The BNRC is chaired by Datuk Omar Shariff Mydeen. The BNRC held four regular and seven special meetings in 2025.

MEMBERS	ATTENDANCE
Datuk Omar Shariff Mydeen (Chairman)	11 / 11
Rema Devi A/P V.K.Padmanabhan	11 / 11
Nor Aida Idrus (Appointed w.e.f. 1 July 2025)	8 / 8
Datuk Bahria Mohd Tamil (Appointed w.e.f. 26 November 2025)	1 / 1
Mohd Nizam Mohd Khir (Ceased w.e.f. 19 June 2025)	2 / 3
Norlin Abdul Samad (Ceased w.e.f. 5 September 2025)	5 / 5

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The primary objectives of the BNRC are as follows:

(i) Nomination Function

- Nominate new candidates for the Board, Board Committees and Key Senior Management.
- Appraise each of the Directors based on their individual experience, knowledge, credibility and credentials. Evaluate their effectiveness and contributions in fulfilling their roles and responsibilities, and recommend suitable candidate(s) for appointment to the Board and Board Committees.
- Evaluate the effectiveness, optimal size and composition of the Board and Board Committees.
- Address succession planning sufficiently and prioritise human capital development strategically.
- Identify relevant training opportunities for SIRIM Board.

(ii) Remuneration Function

- Review and recommend to the Board the Group's terms of employment, salary and reward structures, staff benefits, and annual salary increments.
- Review the remuneration package of Key Senior Management.

The key activities deliberated by the BNRC in 2025 included the following:

Nomination Function

- Extension of Tenure of Directors of SIRIM and its Subsidiaries.
- Nomination of New Directors of SIRIM and its Subsidiaries.
- Succession Planning Framework.
- Group People and Culture Strategic HR Initiative.
- Appointment of C-Suites and other Senior Management Executives of SIRIM.
- Interim Leadership and Exit Management Measures Following the Departure of PGCEO.
- Assessment of potential candidates for the PGCEO position.
- KPI for Acting PGCEO.
- Staff Declaration of External Directorship or Board Membership.
- SIRIM New Organisational Structure.
- Appointment and Alignment of Job Titles for Senior Management Roles under SIRIM Transformation 3.0.

Remuneration Function

- Staff Annual Salary Increment for the year 2025.
- Performance-Based Bonus for the Financial Year Ended 31 December 2024.
- Proposed Enhancement of Inpatient Medical Benefits (Group Hospitalisation & Surgical) for Staff under SIRIM Berhad Remuneration Option 1 Scheme.
- Salary Adjustments for Senior Management.

(U) BOARD AUDIT COMMITTEE REPORT

The Board Audit Committee (BAC) comprises four Non-Executive Directors, two of whom are INEDs. The BAC is chaired by Mohd Rashid Mohd Yusof, a member of the Chartered Association of Certified Accountants (UK) as well as the Malaysian Institute of Accountants. The BAC held four regular and four special meetings in 2025.

MEMBERS	ATTENDANCE
Mohd Rashid Mohd Yusof (Chairman)	8 / 8
Datuk Omar Shariff Mydeen	7 / 8
Datuk Bahria Mohd Tamil	8 / 8
Nor Aida Idrus (Appointed w.e.f. 1 July 2025)	5 / 5
Mohd Nizam Mohd Khir (Ceased w.e.f. 19 June 2025)	2 / 3
Norlin Abdul Samad (Ceased w.e.f. 5 September 2025)	4 / 4

The primary objective of the BAC is to provide oversight over the Group's internal control and to assist the Board in fulfilling its fiduciary responsibility in relation to the corporate accounting, financial reporting process and compliance with laws and regulations.

All members of the BAC are financially literate and able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the BAC.

The key activities deliberated by the BAC in 2025 included the following:

Financial Reporting

- Reviewed the quarterly and year-end financial performance reports of the Company and the Group prior to the approval by the Board. The review and discussions were undertaken in consultation with the PGCEO and Group Chief Financial Officer of SIRIM.
- Reviewed the quarterly and year-end financial performance reports of the Company and the Group prior to the approval by the Board. The review and discussions were undertaken in consultation with the PGCEO and Group Chief Financial Officer of SIRIM.
- Reviewed and deliberated key matters affecting the Group's financial performance and endorsed recommendations made by the Management.

Internal Audit

- Reviewed the Audit Plan 2025 proposed by the Head of Group Internal Audit to ensure, among others, the adequacy of the scope.
- Reviewed and assessed Internal Audit's findings and Management's responses thereto to ensure any lapses/deficiencies identified are being dealt with adequately and promptly.

Internal Audit

- Reviewed and approved the External Auditors' audit plan for the Group, outlining their scope of work.
- Reviewed the proposed fees for the statutory audit services. The BAC endorsed the proposed audit fees, which were subsequently approved by the Board.
- Reviewed and deliberated the External Auditors' reports and the recommendations relating to opportunities for improvement based on the observations made by the External Auditors in the course of interim and final audits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

External Audit

- Reviewed and endorsed the External Auditors' audit plan for the Group, outlining their scope of work.
- Reviewed the proposed fees for the statutory audit services. The BAC endorsed the proposed audit fees, which were subsequently approved by the Board.
- Reviewed and deliberated the External Auditors' reports and the recommendations relating to opportunities for improvement based on the observations made by the External Auditors in the course of interim and final audits.

Internal Control

- Reviewed and discussed all internal audit reports issued by the Group Internal Audit which highlighted key internal control issues/weaknesses and the corresponding management responses and actions thereof.
- Reviewed and assessed the adequacy and effectiveness of the Group's system of internal controls and compliance control within the Group.
- Reviewed and deliberated the Levels of Authority (LOA) Framework for SIRIM Group.

Integrity, governance and anti-corruption

- Reviewed Group Bribery Risk report of the Group.
- Reviewed the Whistleblowing incidents/cases of the Group.
- Reviewed the Statement on Risk Management and Internal Control and made recommendations for the Board's approval.
- Reviewed the Implementation Status of SIRIM Organisational Anti-Corruption Plan (OACP) 2022-2026.
- Reviewed Integrity Section Activity Report.

(V) BOARD RISK AND SUSTAINABILITY COMMITTEE REPORT

The Board Risk and Sustainability Committee (BRSC) continued to assist the Board in fulfilling its responsibilities by overseeing the robustness and effective implementation of the Group's risk management framework, policy, strategy and initiatives to achieve business objectives. The BRSC is chaired by Mohammad Asri Hassan Sabri. BRSC comprises four members, two of whom are INEDs. The BRSC held four regular meetings in 2025.

MEMBERS	ATTENDANCE
Mohammad Asri Hassan Sabri (Chairman) (Appointed w.e.f. 6 May 2025)	2 / 2
Rema Devi A/P V.K.Padmanabhan	4 / 4
Datuk Bahria Mohd Tamil	4 / 4
Nor Aida Idrus (Appointed w.e.f. 1 July 2025)	2 / 2
Mohd Rashid Mohd Yusof (Resigned w.e.f. 6 May 2025)	2 / 2
Mohd Nizam Mohd Khir (Ceased w.e.f. 19 June 2025)	1 / 2
Dato' Ir. Lim Yew Soon (Ceased w.e.f. 5 September 2025)	3 / 3

The BRSC continued to play a key role in assisting the Board to fulfil its oversight responsibilities during the financial year under review including the following:

- Reviewed and deliberated SIRIM Sustainability Framework and SIRIM Sustainability Roadmap 2024-2027.
- Reviewed and deliberated SIRIM Group Consolidated Risk Profile.
- Reviewed and recommended for approval the Statement on Risk Management and Internal Control for SIRIM Group
- Evaluated emerging risks arising from internal and external environments that may significantly impact the achievement of the Group's strategic and business objectives.
- Reviewed and recommended for approval SIRIM Policies on information Security and Data Governance.

(W) BOARD INVESTMENT COMMITTEE REPORT

The Board Investment Committee (BIC) comprises four Non-Executive Directors of whom two are INEDs. The BIC is chaired by Rema Devi A/P V.K.Padmanabhan. The BIC held four regular meetings in 2025.

MEMBERS	ATTENDANCE
Rema Devi A/P V.K.Padmanabhan (Chairperson) _____	4 / 4
Datuk Bahria Mohd Tamil _____	4 / 4
Mohammad Asri Hassan Sabri _____ (Appointed w.e.f. 6 May 2025)	2 / 2
Nor Aida Idrus _____ (Appointed w.e.f. 1 July 2025)	2 / 2
Mohd Rashid Mohd Yusof _____ (Resigned w.e.f. 6 May 2025)	2 / 2
Mohd Nizam Mohd Khir _____ (Ceased w.e.f. 19 June 2025)	1 / 2
Dato' Ir. Lim Yew Soon _____ (Ceased w.e.f. 5 September 2025)	3 / 3

The BIC continued to play a key role to review, monitor and recommend to the Board matters related to existing and potential investments of the Group in companies, land and properties, commercialisation of technology, joint ventures, as well as mergers and acquisitions of companies, in accordance with the LOA and Investment Policy.

The key activities undertaken/matters deliberated by the BIC during the financial year under review included the following:

- Review of the performance of SIRIM Group's investments.
- Progress updates on SIRIM's lands and buildings.
- Proposed development of SIRIM Keratong Land.
- Proposed SIRIM land monetisation strategy.
- Proposed SIRIM Group's fund investment strategy.
- Proposed termination of a joint venture arrangement at the subsidiary level.

(X) BOARD TENDER COMMITTEE REPORT

The Tender Board Committee (TB) comprises three INEDs and is chaired by Datuk Omar Shariff Mydeen. The TB convened eight regular and two special meetings in 2025.

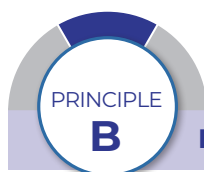
CORPORATE GOVERNANCE OVERVIEW STATEMENT

MEMBERS	ATTENDANCE
Datuk Omar Shariff Mydeen (Chairman) (Redesignated as Tender Board Chairman w.e.f. 5 September 2025)	10 / 10
Nor Aida Idrus (Appointed w.e.f. 1 July 2025)	4 / 4
Mohammad Asri Hassan Sabri (Appointed w.e.f. 1 October 2025)	3 / 3
Mohd Nizam Mohd Khir (Ceased w.e.f. 19 June 2025)	4 / 5
Dato' Indera Dr. Ahmad Sabirin Arshad (Resigned as PGCEO w.e.f. 1 August 2025)	5 / 6
Norlin Abdul Samad (Ceased w.e.f. 5 September 2025)	7 / 7
Dato' Ir. Lim Yew Soon (Ceased w.e.f. 5 September 2025)	7 / 7

The TB continued to review and approve procurement proposals in accordance with the LOA and the delegation of powers by the Board. In discharging its responsibilities, the TB ensured that all decisions were made in the best interests of the Company and the Group, with due regard to transparency, fairness and the preservation of shareholder value.

The key activities undertaken/matters deliberated by the TB during the financial year under review included the following:

- Oversee tender process and ensure adherence to the LOA.
- Reinforce corporate governance, integrity and transparency in the procurement process and contract management.
- Review of the status of procurements approved by the TB.



EFFECTIVE AUDIT AND RISK MANAGEMENT

(A) FINANCIAL REPORTING

The Board is committed to provide a fair and objective assessment of the financial position and prospects of the Group in the annual financial statements and all other reports or statements to shareholders and relevant regulatory authorities.

All financial results and financial statements are reviewed by the BAC prior to being recommended to the Board for approval.

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements is set out on page 155 of this Integrated Annual Report.

(B) RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibilities in maintaining a good system of risk management and internal controls which includes determining the Group's levels of risk tolerance, establishing an appropriate internal control environment and framework, and reviewing the effectiveness and adequacy of these systems to safeguard shareholders' investment and the Group's assets.

The Board defines and endorses the Group ERM Policy which includes commitment to comply with applicable legal requirements, policies and procedures in ensuring the achievement of the Group's business objectives. The system of risk management and internal control

covers not only financial control but also operational and compliance control. As part of its review, the Board will continue taking necessary measures to strengthen its risk management and internal control system to address any weaknesses identified.

The BAC and BRSC are primarily responsible for risk management and internal control oversight of the Group. Both the Board Committees are entrusted with their respective functions which are aimed at supporting the Board's oversight roles of proper implementation of corporate governance practices, audit, risk management and internal control systems.

(C) INTERNAL AUDIT

The Group has an in-house internal audit function carried out by the Group Internal Audit (GIA) which provides independent and objective assurance on the adequacy of risk management, internal control and governance system to add value and improve the Group's operations. It helps the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and internal control processes.

The internal audit function is independent of the activities or operations of other operating units in the Group. The Chief Internal Auditor reports functionally to the BAC, and administratively to the PGCEO to maintain the independence and impartiality of the internal audit function from the operations of the Group.

GIA activities are governed by the Internal Audit Charter, which clearly defines its purpose, authority and responsibilities. The Internal Audit Charter is approved by BAC and is reviewed periodically to ensure its continued relevance. GIA adopts a risk-based approach to determine the priorities of the internal audit activities, consistent with the strategies of the Group as defined in its Strategic Plan. The annual audit plan is approved by the BAC and is developed based on risk profiles of the respective business units and subsidiaries, and feedback from the Management and the Board. Audit engagements are guided by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) principles and in conformance with the International Standards for the Professional Practice of Internal

Auditing Standards (Standard) issued by The Institute of Internal Auditors.

GIA has unrestricted access to information and is provided with sufficient resources to complete all required audits.

On a quarterly basis, GIA presents to the BAC the updates on its activities comprising key highlights of areas reviewed, status of outstanding issues, progress of the financial year's Annual Audit Plan and any other ad hoc assignments. In 2025, GIA presented internal audit reports to the BAC four times. The reports highlighted gaps in corporate governance, risk management and controls practices, while providing recommendations for improvement.

(D) RISK MANAGEMENT FUNCTION

Group Sustainability oversees the risk management activities at the Group level, guided by the SIRIM Risk Management Framework approved by the Board. Group Sustainability continuously reviews and enhances the Group's risk management processes to ensure alignment with industry practices and evolving standards.

During the financial year under review, Group Sustainability carried out the following activities:

- 1 Quarterly Group Risk Management Committee meetings.
- 2 Memorandum of Agreement/Memorandum of Understanding/Joint Venture/Partnership risk advisory and independent review on Consolidated Risk Profiles.
- 3 Quarterly risk verification sessions with selected divisions, SBUs and subsidiaries.
- 4 Quarterly Board Risk Management Committee meetings.
- 5 Targeted Training Programmes and Workshops with divisions, strategic business units and subsidiaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(E) Details of the risk management framework and internal control system of the Group are set out in the Statement on Risk Management and Internal Control on pages 143 to 149 of this Integrated Annual Report.



INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(A) COMMUNICATION WITH STAKEHOLDERS

SIRIM is committed to upholding the highest standards of integrity, transparency and accountability in its corporate reporting. The Board strives to ensure that the Group's disclosures provide a balanced, clear and meaningful assessment of its performance, governance practices, strategic priorities and sustainability initiatives, enabling stakeholders to make informed decisions.

Recognising the importance of stakeholder engagement, SIRIM maintains open and constructive communication with its stakeholders, including customers, industry partners, government agencies and the wider community. SIRIM-Industry Engagement programmes for example, comprise strategic outreach and collaboration initiatives designed to help Malaysian enterprises navigate digital transformation, ESG compliance and smart manufacturing. Through this ongoing engagement and collaboration, SIRIM endeavours to better understand stakeholder expectations, strengthen relationships and support its mission of advancing quality, innovation and sustainable development for the benefit of the nation.

The Board is also kept continually apprised of the insights and feedback received from the stakeholders. The Annual Report of SIRIM also serves as a key channel of communication with the shareholders and various stakeholders. Information on the Group is also accessible via the Company's website at www.sirim.com.my.

Matters related to ESG have gained notable traction amongst industry players and the wider corporate sector. Accordingly, the Board is able to provide the appropriate guidance and oversight to the Senior Management team as they work towards developing a more robust sustainability agenda for the Group. The Group Sustainability Statement is made available in this Integrated Annual Report at pages 78 to 97.

(B) ANNUAL GENERAL MEETING

The annual general meeting of the Company is held once in every calendar year and is an important event for transparency, management accountability and shareholder engagement.

COMPLIANCE STATEMENT

This Corporate Governance Overview Statement has been approved by the Board on 23 June 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of SIRIM Berhad (the Board) is pleased to present the **Statement on Risk Management and Internal Control** which describes the nature and scope of risk management and internal controls of SIRIM Berhad Group of Companies (the Group) for the **financial year ended 31 December 2025**.

RESPONSIBILITIES AND ACCOUNTABILITIES

The Group adopts an integrated and proactive approach to risk management by embedding risk considerations into its business planning, investment decisions, internal controls, and day to day operations. This approach strengthens accountability across all levels and enhances the Group's ability to respond effectively to a dynamic and evolving business environment.

The Board retains ultimate responsibility for the governance and oversight of the Group's risk management and internal control systems. In fulfilling this role, the Board has established a structured enterprise-wide risk management that supports the systematic identification, assessment, and management of risks aligned with the Group's strategic objectives.

Serving at the apex of the Group's risk governance structure, the Board sets the overall direction on risk management strategy and ensures the effectiveness of the supporting framework and processes. This includes overseeing the consistent application of risk management practices across all business entities within the Group.

Through this robust governance framework, the Board ensures that the Group's risk management and internal control systems remain sound, responsive, and aligned with the shareholders' expectations.

A. The Board

The Board reaffirms its commitment to maintaining sound and effective systems of risk management and internal control, and acknowledges its ultimate responsibility for reviewing the adequacy, integrity, and effectiveness of the Group's overall risk management and control framework. These systems are designed to manage, rather than eliminate, the risk of non-achievement of business objectives and therefore can provide only reasonable, not absolute assurance against the occurrence of material misstatements, fraud, or losses, taking into account the cost of controls relative to their expected benefits.

Risk management is recognised by the Board as a cornerstone of good corporate governance and a key enabler of sustainable business performance. The Group's risk management practices are guided by the SIRIM Risk Management Manual, which provides a structured framework for identifying, assessing, mitigating and monitoring strategic, operational, financial and compliance risks across the Group.

The Board views risk management and internal control as a continuous and evolving process requiring active participation at all levels of the organisation. To support its oversight responsibilities, the Board is assisted by several Board Committees, including the Board Risk and Sustainability Committee, Board Audit Committee, Nomination and Remuneration Committee, Investment Committee and Tender Board Committee, each operating under clearly defined mandates and Terms of Reference.

The two oversight Board Committees with clearly defined roles to support the Board's oversight of the Group's risk management and internal control systems are:

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Board Risk and Sustainability Committee

The Board Risk and Sustainability Committee (BRSC) is tasked to assist the Board in fulfilling its oversight responsibilities with respect to the Group's risk management and sustainability. The BRSC ensures that a structured, comprehensive, and robust risk management and sustainability framework is in place and effectively implemented across the Group. The Committee monitors the identification, evaluation, and mitigation of top risks, and ensures that risk management and sustainability practices are aligned with the Group's strategic objectives.

Board Audit Committee

The Board Audit Committee (BAC) plays a critical role in providing independent oversight over the adequacy and effectiveness of the Group's internal control systems. The Committee supports the Board in fulfilling its fiduciary responsibilities by overseeing the integrity of financial reporting, the effectiveness of internal and external audit functions, and the Group's compliance with applicable laws, regulations, and internal policies.

B. The Management

The Management is responsible for the effective implementation and day-to-day operation of the Group's risk management and internal control systems. This includes identifying, assessing and monitoring risks that may impact the achievement of the Group's objectives, implementing and evaluating appropriate mitigation measures, ensuring compliance with applicable laws, regulations and internal policies, and embedding a risk-aware and ethical culture across the organisation. The Management ensures that risk management practices remain aligned with the Group's strategic objectives and reports the Group Risk Profile and the status of key mitigation actions to the Board quarterly.

C. Internal Audit Function

The internal audit function is performed by the Group Internal Audit (GIA), an independent in-house function headed by the Chief Internal Auditor, who reports functionally to the Board Audit Committee (BAC) and administratively to the President and Group Chief Executive Officer. GIA operates independently of Management and is free from operational responsibilities to ensure objectivity and impartiality in the discharge of its duties.

GIA operates in accordance with an approved Internal Audit Charter, which defines its authority, scope and responsibilities and is reviewed periodically by the BAC. Using a risk-based audit approach, the annual audit plan is developed taking into account the Group's risk profiles, emerging risks and stakeholders' input, and is approved by the BAC to ensure audit coverage focuses on areas of higher risk and materiality.

Audit engagements are guided by comprehensive work programmes, which are structured based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework, with adherence to the International Standards for the Professional Practice of Internal Auditing (Standards) issued by The Institute of Internal Auditors (IIA). GIA reports audit results to the BAC quarterly, highlighting key findings, recommendations and agreed Management action plans, and provides regular updates on outstanding issues, audit plan progress and special assignments. Through these activities, GIA continues to play a critical role in strengthening the Group's governance, risk management and internal control environment.

D. Risk Management Function

The risk management function, undertaken by Group Sustainability (GSu), plays a pivotal role in ensuring that the Group maintains a sound and effective system of risk management and internal control. Its responsibilities are guided by the SIRIM Risk Management Framework and are integral to supporting the Group's strategic objectives.

As part of its mandate, GSu continuously reviews and enhances the Group's risk management processes to ensure alignment with industry best practices, regulatory requirements and evolving standards. A key focus of the function is to cultivate and sustain a strong risk-aware culture across all levels of the organisation. This is achieved through structured engagement initiatives, including targeted training programmes, workshops, and risk awareness campaigns designed to foster collective ownership, shared accountability and deeper understanding of risk.

GSu plays a central role in the identification, assessment and monitoring of key risks across the Group. This includes conducting quarterly risk assessments and facilitating regular engagement with designated risk champions, risk owners and risk representatives from various divisions, departments, subsidiaries and strategic business units. These engagements support the continual enhancement of control measures and mitigation strategies, ensuring they remain robust, relevant and effective in addressing the Group's risk exposures within a dynamic and evolving business landscape.

Quarterly, GSu reports the Group Risk Profile to the Group Risk Management Committee (GRMC) and the Board Risk and Sustainability Committee (BRSC) and provides notation to the Board. In addition, GSu facilitates, reviews, and verifies risk related assessments associated with business expansion activities, including joint ventures, Memoranda of Understanding (MoU), and Memoranda of Agreement (MoA) between SIRIM and potential business partners. This ensures that all strategic initiatives are undertaken with due consideration of their associated risks and are aligned with the Group's appetite, values, and long term objectives.

E. Integrity Function

Group Integrity, which leads the integrity function, is entrusted with the responsibility of planning, executing, coordinating, and monitoring initiatives that promote ethical conduct across the Group. These efforts are guided by the Group's policies, procedures, and Code of Business Ethics, with the overarching aim of fostering a culture of integrity and accountability at all levels of the organisation.

The core functions of Group Integrity are as follows:

- a. **Complaints management** – To receive, manage and address all complaints and disclosures related to misconduct, corruption, abuse of power, malpractice and breaches of the Group's Code of Business Ethics.
- b. **Detection and verification** – To detect, verify and investigate any alleged misconduct or violations of the Group's Code of Business Ethics.
- c. **Integrity strengthening** – To drive efforts to embed and institutionalise a strong culture of ethics and integrity across the Group.
- d. **Governance** – To reinforce good governance practices by addressing integrity-related risks, particularly those associated with corruption, abuse of power, and malpractice.

Group Integrity submits biannual reports on the execution of its activities and initiatives based on the four functions to *Bahagian Pengurusan Integriti Agensi (BPIA)* of Malaysian Anti-Corruption Commission (MACC) as well as providing updates to the *Jawatankuasa Tatakelola* of the Ministry of Investment, Trade and Industry (MITI) three times a year. Internally, Group Integrity provides quarterly updates to the SIRIM Governance Committee, Board Audit Committee and Board Risk and Sustainability Committee. These reporting platforms ensure sustained transparency, accountability, and effective oversight at the highest levels of governance.

INTEGRITY GOVERNANCE FRAMEWORK

The Group is dedicated to upholding the highest standards of ethical conduct and integrity across all its business endeavours. The Integrity Governance Framework provides a framework of reference for the Group's integrity governance and how the integrated internal control system works as part of its comprehensive approach to shaping integrity and compliance throughout the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

A. Anti-Bribery Management System (ABMS)

The Board and the Management have established, documented, implemented, maintained, continually reviewed and where necessary, improved the Anti-Bribery Management System based on the requirements of the MS ISO 37001 standard to address the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), commonly referred to as the Corporate Liability provision. The Group's compliance with the requirements of this standard demonstrates that the Group has put in place adequate procedures to prevent, detect and respond to the occurrence of corrupt practices related to its business activities.

A comprehensive range of programmes and activities was undertaken by Group Integrity, including collaboration with Group People and Culture, subsidiaries and strategic business units, aimed at reinforcing a culture of integrity and sustaining the highest standards of corporate governance across all levels of the Group's operations. These initiatives were further strengthened through engagements with the Malaysian Anti-Corruption Commission (MACC), and internal as well as external subject matter experts, culminating in a total of 28 programmes conducted during the year 2025.

B. Organisational Anti-Corruption Plan (OACP)

The Group continues to demonstrate steady progress in implementing the initiatives outlined in the SIRIM OACP 2022 – 2026. By the end of the fourth year of implementation, all 12 short-term and 16 medium-term initiatives have been successfully completed. In addition, 54 of the 62 long-term initiatives have been fully executed, with the remaining 8 scheduled for completion by the end of 2026. In total, 82 out of 90 initiatives have been implemented, representing a 91% completion. This steady progress reaffirms the continued commitment of the Board, Management, and employees to upholding the highest standards of ethics, integrity, and accountability across the Group, and reflects meaningful advancement towards achieving the OACP strategic objectives.

C. Bribery Risk Assessment

In line with the requirements of ISO 37001 Anti-Bribery Management System (ABMS) and the SIRIM Organisational Anti-Corruption Plan (OACP) 2022–2026, all divisions, subsidiaries, and strategic business units undertake regular bribery risk assessments. These assessments form the basis of the Group's bribery risk profiles, which are reviewed quarterly and reported to both the Group Risk Management Committee and the Board Risk and Sustainability Committee. This structured and proactive approach enables early detection of integrity, governance, and corruption-related risks, ensuring timely intervention and reinforcing the Group's commitment to strong governance, ethical conduct, and accountability across all levels of the organisation.

D. Integrity and Conflict of Interest Declaration

The Group is firmly committed to conducting its business with honesty, integrity, and in full compliance with ethical standards. It is the Group's policy to avoid any conduct that could compromise its integrity or reputation. In line with this commitment, it is a longstanding practice for the Chairman of meetings, including the Chairman of the Board, Board Committees, Executive Committee, Management Committee, and Procurement Committees, to recite an integrity pledge at the outset of meetings, reaffirming that proceedings are conducted in the spirit of good governance and ethical conduct. Additionally, each member of the meetings is required to declare any actual or potential conflicts of interest to uphold transparency and accountability.

RISK MANAGEMENT

Risk management throughout the Group is governed by the risk management principles and framework as stipulated in ISO 31000: 2018 Risk Management – Guidelines, which provide a structured and systematic approach to managing risks across the organisation.

A. Risk Management Principles

The Group applies the risk management principles to the corporate culture, governance and accountability, performance review, business transformation and improvement processes, as the foundation for managing risks to improve performance, encourage innovation and support the achievement of objectives. The risk management principles, as stipulated in ISO 31000, are as in **Figure 1**.

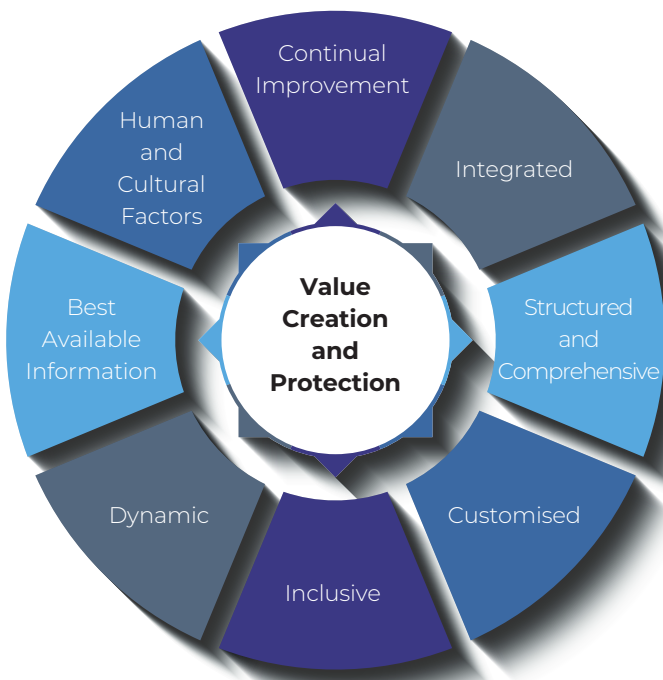


Figure 1: Risk Management Principles

B. Risk Management Framework

The risk management framework provides a structured and consistent approach for risk management implementation across the Group. The Group adopts the risk management framework in ISO 31000 as depicted in **Figure 2**, to integrate effective risk management into significant activities and functions.

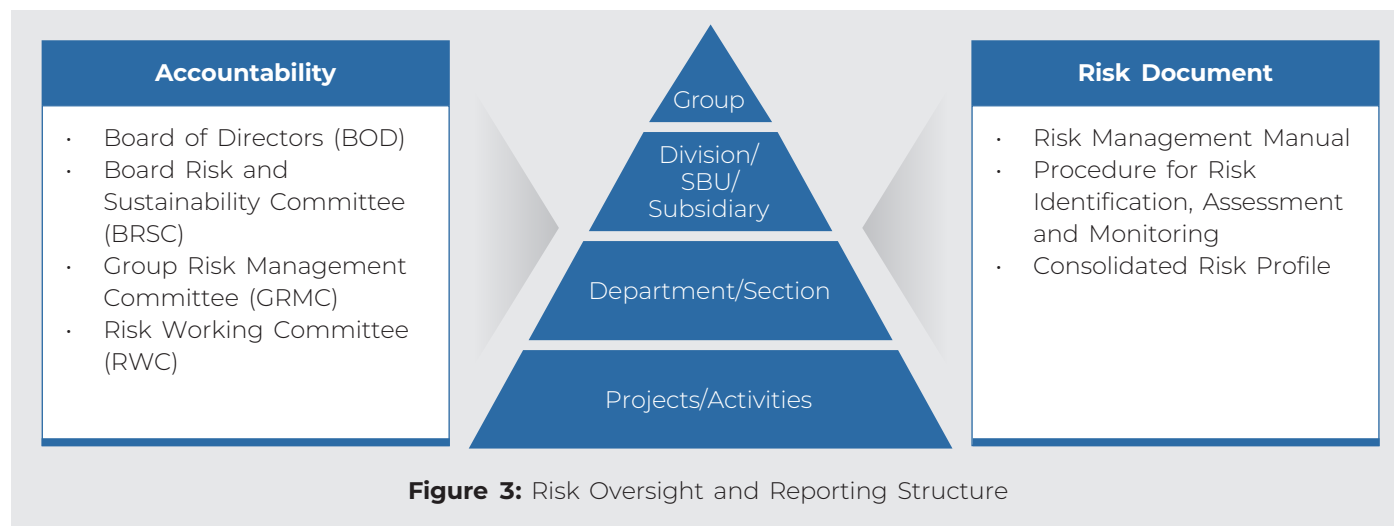


Figure 2: Risk Management Framework

C. Risk Oversight and Reporting Structure

The Group's risk management oversight and reporting structure, as shown in **Figure 3**, demonstrates the leadership and commitment of the Board and Management in the escalation and cascading of risk information across all levels.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



Board Risk and Sustainability Committee

The Board Risk and Sustainability Committee (BRSC) conducts quarterly reviews of the Group's Consolidated Risk Profile to assess the nature and acceptability of the Group's risk exposures, the likelihood and impact of risks, the effectiveness of risk mitigation strategies and controls, and the implications of risk-related decisions. The Committee reviews Management's quarterly risk updates with particular focus on key risk drivers, existing controls, residual impact and the status of action plans to address the Group's top risks.

Group Risk Management Committee

The BRSC is supported by Management through the Group Risk Management Committee (GRMC), chaired by the President and Group Chief Executive Officer. The GRMC reviews and approves the Group Consolidated Risk Profile before BRSC submission, ensures escalation of HIGH and SIGNIFICANT risks, and oversees the integration of risk management into management structures and decision-making. The Committee meets quarterly to assess strategic and operational risks, monitor mitigation action plans, and ensure that the Group's risk exposures remain within the acceptable tolerance as determined by the Board.

Risk Working Committee (RWC)

RWCs are established at the divisional, subsidiary and strategic business unit levels and are chaired by the respective Heads. RWCs are responsible for identifying, assessing and managing risks in line with business objectives, reviewing quarterly Consolidated Risk Profiles,

and monitoring the effectiveness of risk controls. Approved risk profiles are escalated to Group Sustainability, the Group Risk Management Committee and subsidiary Boards, where applicable, in accordance with established timelines.

INTERNAL CONTROL SYSTEMS

A. Organisation Structure

A well-structured organisation is fundamental to the Group's success, as it enhances operational efficiency, strengthens cross-functional collaboration, and supports the achievement of strategic objectives. To this end, the Board has established a clearly defined organisational structure with distinct lines of responsibility, authority, and accountability. This structure enables the Group to respond swiftly to the evolving business landscape while ensuring effective oversight of operations and robust internal control mechanisms.

To further strengthen governance and decision-making, the Executive Committee has been established to oversee the day-to-day conduct of the Group's business and to facilitate timely and informed decision-making. Chaired by the President and Group Chief Executive Officer and comprising members of Senior Management, the Executive Committee ensures that operational and strategic decisions are made with due regard to the Group's long-term interests and sustainability priorities.

SIRIM Governance Committee (SGC) was established in 2024 to strengthen oversight and coordination across key functional areas that are critical to sustainable and responsible business operations. The scope of the Committee encompasses Occupational Safety and Health, SIRIM Integrated Management System (SIMS), Sustainability, and Integrity. In 2025, Information Technology (IT) was formally incorporated into the SIRIM Governance Committee's remit to ensure comprehensive governance coverage in line with the Group's digital transformation priorities.

B. Sustainability Management

Sustainability is a core principle that informs the Group's business decisions and reflects its commitment to environmental stewardship, social responsibility, and economic resilience. The Group's sustainability journey is an ongoing pursuit driven by continuous dedication, collaboration, and collective action across the organisation.

The SIRIM Sustainability Roadmap 2024 – 2027 serves as a strategic guide in realising the Group's long-term sustainability aspirations. It outlines SIRIM's approach to addressing ESG material topics through targeted initiatives and structured implementation.

At the heart of the roadmap is the SIRIM Sustainability Framework, built on three strategic pillars that anchor the Group's sustainability agenda:

- 1 Protect and Conserve the Environment
- 2 Safeguard Stakeholders' Interests
- 3 Uphold Good Governance

The Group's prioritised material topics reinforce this framework and guide the development and execution of various sustainability initiatives across the organisation. The Group emphasises process innovation, operational efficiency, and responsible consumption while cultivating a value-driven ecosystem that supports stakeholder prosperity and ensures compliance with applicable laws, regulations, and management system requirements.

To further strengthen governance, the Group continues to enhance its policy framework, including the development and implementation of the Data Governance Policy and Information Security Policy, which complement existing policies covering quality, energy management, ESG, occupational safety and health, business continuity and anti-bribery.

Robust internal controls are maintained through quarterly monitoring and reporting of sustainability initiatives to the SIRIM Governance Committee (SGC). The Committee reviews the performance of ESG matters, integrity, management systems, and data governance, as well as audits of the SIRIM Integrated Management System (SIMS).

Reporting to the Board Risk and Sustainability Committee (BRSC) further reinforces oversight and underscores the importance of tracking sustainability progress. Sustainability scanning on regulatory changes and external assessments was also conducted to support the enhancement of ESG maturity within the Group and customers' counterparty assessment requirements.

Data transparency is enhanced through the ESG Tracker, a dashboard that consolidates the Group's ESG performance and is made accessible to all employees at SIRIM Knowledge Workspace. The dashboard captures environmental indicators (emissions, energy, water, and waste), social indicators (employee demographics, occupational health and safety, employee satisfaction index, training hours, facilities and amenities), and governance indicators (governance structure, integrity, enterprise risk, and procurement).

The Group remains committed to ethical business practices and high standards of governance in line with national policies and government-led sustainability initiatives. In parallel, the Group continues to support the industry's transition towards sustainability by offering a range of ESG-related services to our customers, reinforcing its role as a trusted partner in sustainable development.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

C. Annual Business Plan and Budget

The Group undertakes an annual business planning and budgeting exercise as an integral part of its strategic management and internal control framework. This process incorporates assessments of the global and Malaysian economic outlook, emerging technology trends and market conditions, and supports the formulation of business strategies and Key Performance Indicators (KPIs) aligned with the Group's strategic objectives. The consolidated business plan and budget are reviewed and approved by the Board before implementation, providing a basis for an effective allocation of resources and performance monitoring.

As a key internal control mechanism, budgets prepared by divisions, subsidiaries and strategic business units are monitored against actual performance on an ongoing basis. Regular variance analyses are performed to identify significant deviations, with explanations and proposed corrective actions documented in quarterly management reports. These reports are tabled to the Board to support effective oversight, reinforce management accountability and enable timely corrective measures, thereby ensuring the adequacy and effectiveness of financial controls and operational performance management.

D. Core Values and Code of Business Ethics

The Group's core values of Customer Focus, Integrity and Teamwork underpin its ethical culture and guide the conduct and decision-making of employees at all levels of the organisation. These values are reinforced through the consistent application of the Group's Cultural Beliefs, encapsulated in the acronym **ALEAD** – **A**chieve Sustainability, **L**ead Innovation, **E**ngage Teamwork, **A**ct Fast and **D**eliver Excellence. Collectively, these principles are embedded into daily operations and management practices, fostering a cohesive values-driven culture that promotes ethical behaviour, accountability and organisational excellence.

To formalise and reinforce these expectations, the Group Code of Business Ethics sets out clear standards of professional conduct and ethical behaviour applicable to all employees. The Code serves as a key element of the Group's governance and internal control framework, supporting integrity, transparency and accountability in business dealings. All employees are required to comply with the Code and to annually declare any actual or potential conflicts of interest, thereby strengthening ethical awareness, enhancing transparency and reinforcing stakeholder confidence in the Group's operations.

E. Policies and Management System Procedures

SIRIM Integrated Management Systems (SIMS), a unified framework designed to enhance operational efficiency, consistency, and compliance by integrating the core elements of the following 9 management systems into a single, coherent platform, with **ISO 27001 Information Security Management Systems** added in 2025:

- i. ISO 9001 Quality management systems (QMS)
- ii. ISO 45001 Occupational health and safety management systems (OHSMS)
- iii. ISO 14001 Environmental management systems (EMS)
- iv. ISO 37001 Anti-bribery management systems (ABMS)
- v. ISO 22301 Security and resilience - Business continuity management systems (BCMS)
- vi. ISO 50001 Energy management systems (EnMS)
- vii. ISO 37301 Compliance management systems (CMS) and
- viii. SIRIM Industry Standard SIRIM 55 Environmental, Social and Governance Management Systems (ESGMS)
- ix. ISO 27001 Information Security Management Systems

The effectiveness of SIMS is reflected in its ability to streamline organisational processes, strengthen governance and ensure consistent compliance with applicable standards and regulatory requirements. The governance of SIMS is overseen by the Management, which provides strategic direction, allocates resources and ensures alignment with organisational objectives, including oversight of system integration, documentation, audits and consistent application across the Group.

During the year under review, the Board approved the **Information Security Policy** and **Data Governance Policy**, further reinforcing the Group's commitment to safeguarding information assets, data integrity and enterprise-wide compliance. Through SIMS, the Group systematically monitors and complies with nearly 90 applicable legal and regulatory requirements. A legal compliance audit conducted during the year provided independent assurance on compliance status, with corrective and preventive actions implemented and monitored through established SIMS governance structures, further strengthening the Group's overall compliance posture.

The key supporting policies and procedures that have been put in place to achieve efficiency, quality of services and standardisation of processes throughout the Group include:

Levels of Authority (LOA) Manual

The Group has established a comprehensive Levels of Authority (LOA) Manual to support effective governance through clear delegation of authority, defined approval thresholds and accountability for key business transactions. The LOA promotes consistency, transparency and timely decision-making across the Group. During the year under review, the LOA Manual underwent a comprehensive review to ensure it remains aligned with the Group's evolving organisational structure, business complexity and governance expectations, and to strengthen clarity of authority, appropriateness of approval limits and overall control effectiveness.

Quality Policy

Quality is the foundation of the Group and is embedded in its purpose and values. The Quality Policy encompasses the essential elements of the Group's commitment to excellence. The Group is committed to satisfying its customers by providing credible, consistent, and efficient operations and professionalism in delivering our products and services. The Group believes in preserving quality in everything it does and strives to continuously improve its processes to benefit its customers, employees, and stakeholders.

Occupational Safety and Health Policy

The Occupational Safety and Health (OSH) policy reflects the Group's commitment to safeguarding the health, safety, and well-being of all employees, as well as other stakeholders, including contractors, suppliers, vendors, customers and visitors. The Group believes that a safe and healthy working environment is fundamental to operational excellence, business continuity, and long-term sustainability. Moreover, the Group adopts a proactive approach to risk identification, hazard prevention, and compliance with applicable laws and industry best practices.

Energy Policy

The Group is committed to managing energy resources responsibly, efficiently, and sustainably, and to continuously improving our energy management performance by conforming with statutory and voluntary compliance obligations. The Group believes that optimising energy use leads to cost savings, environmental sustainability, regulatory compliance, and enhanced overall business performance.

Business Continuity Policy

The Group is committed to ensuring the continuous and uninterrupted operation of critical business functions in the face of unforeseen events or disasters. The Group believes that providing a structured and proactive approach to dealing with disruptions is vital for safeguarding the long-term viability of the organisation.

Environmental, Social and Governance Policy

Environmental, Social and Governance (ESG) practices are embedded across the Group's business planning and day-to-day business activities. The Group is firmly committed to fostering environmental sustainability, advancing social responsibility, and upholding high standards of corporate governance as integral components of sustainable value creation.

The Group's ESG policy articulates this commitment, serving as a guiding principle in shaping responsible business conduct, informed decision-making, and long-term stakeholder value.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Anti-Bribery Policy

The Board and the Management are committed to implementing and enforcing effective policies and procedures throughout the Group for the prevention, monitoring and elimination of any form of bribery and corrupt practice amongst all employees and within its activities, which include relationships with stakeholders, towards the delivery of efficient services with integrity, in line with the Group's Vision and Mission, and national aspirations.

The Anti-Bribery Policy sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

Whistleblowing Policy

The Group is committed to fostering a culture of transparency and integrity, where individuals who identify any potential misconduct or malpractice are encouraged to report such concerns in good faith without fear of reprisal.

The Whistleblowing Policy establishes a structured and secure mechanism for reporting concerns regarding irregularities within the Group's operations. Whistleblowing serves as an early alert system to mitigate potential risks of financial loss or harm to the Group's reputation.

Gift Policy

The Group is committed to upholding the highest standards of integrity and governance in its business operations. The Gift Policy is implemented to ensure that the Board, Management, and employees (referred to as SIRIM Citizens) strictly adhere to the SIRIM Group Code of Business Ethics when giving or accepting gifts, both within and outside the workplace. This policy mandates that SIRIM Citizens maintain the utmost ethical standards and conduct when interacting with third parties, and they must avoid any actual or perceived conflict of interest.

Information Security Policy

The Group is committed to protecting the confidentiality, integrity, and availability of its information assets. It recognises that information security is essential to maintaining trust with customers, employees, and stakeholders, ensuring regulatory compliance, sustaining a secure and resilient business environment, and protecting against reputational damage.

The objectives of the policy include safeguarding sensitive information from unauthorised access, disclosure and misuse; maintaining the accuracy, completeness, and reliability of information, ensuring it remains unaltered and uncorrupted without proper authorisation; and ensuring that authorised users have timely access to information and systems when needed.

Data Governance Policy

The Group recognises data as a valuable business asset and is committed to managing data responsibly in ensuring that sound decisions are made using quality data essential for informed decision-making. Data governance at the Group aligns with its business strategy by ensuring access to accurate, reliable data, driving innovation and fostering trust with stakeholders.

The purpose of this policy is to establish a framework for the effective management, protection and responsible use of data as a strategic asset while upholding high standards for data privacy. This policy aims to ensure data quality, security, integrity, accessibility, utilisation of and alignment with organisational goals and applicable regulations related to data governance.

Procurement Policies and Procedures

The Group has established comprehensive procurement policies and procedures to govern procurement activities and uphold the principles of transparency, integrity and accountability. These policies provide a structured framework for managing procurement processes in alignment with the Group's strategic, financial and operational objectives. All procurement requisitions, whether budgeted or unbudgeted, are subject to approval in accordance with the Group's Levels of Authority (LOA), ensuring appropriate oversight, segregation of duties and decision accountability.

To further strengthen governance and operational efficiency, the Group has digitalised its procurement processes through the implementation of the MyeP procurement system. The system embeds key internal controls within its architecture, including automated approval workflows, system-based validations, audit trails and compliance checkpoints. This digitalisation ensures procurement activities are executed in a consistent, efficient and auditable manner, mitigating the risk of non-compliance and enhancing the overall effectiveness of the Group's internal control environment.

Human Resource Policies and Procedures

The Group has established comprehensive human resource policies and procedures to support the effective, consistent and responsible management of its human capital across the organisation. These policies provide structured guidance on key areas, including talent acquisition, learning and development, performance management, employee relations and workforce transition processes such as resignation, retirement and termination of service, ensuring fair and transparent people management practices in line with organisational objectives.

To promote discipline, fairness and compliance with applicable labour laws and employment regulations, the Group has implemented formal disciplinary procedures to address misconduct transparently and systematically. The Consequence Management Guidelines (CMG) provide a structured framework for classifying misconduct and determining appropriate disciplinary actions, including provisions for repeat offences. The implementation of the CMG reinforces accountability, strengthens ethical conduct and supports a consistent approach to disciplinary management across the Group.

IT Guidelines

The IT Guidelines stipulate the requirements applicable to IT usage, username and password governance, best practice for internet policy with current and up-to-date virus definition subscription, safety and security of data and safeguards to be adhered to by the employees for the prevention against intrusion. It also provides guidelines for "Bring Your Own Device" outlining permitted actions and yearly checks/audits carried out against the installation of unlicensed software.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Based on the reviews conducted during the financial year under review and up to the date of approval of this Statement, the Board is satisfied that the Group's risk management and internal control systems are adequate and effective in safeguarding shareholders' investments, protecting the Group's assets and supporting the achievement of its strategic objectives.

Throughout the financial year under review, there were no material weaknesses or significant breakdowns in the risk management and internal control systems that would have adversely affected the Group's operations or financial performance. The existing framework operated as intended and provided reasonable assurance with regard to the effectiveness and efficiency of operations, compliance with applicable laws and regulations, and the reliability of financial reporting.

The Board remains committed to the continuous enhancement of the Group's risk management and internal control systems to address emerging risks, evolving business conditions and regulatory expectations, and to ensure that these systems remain robust, responsive and aligned with the Group's strategic priorities.

This Statement on Risk Management and Internal Control was reviewed and approved by the Board of Directors on **29 April 2026**.

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of strategic and industrial research services, technical and consultancy services.

The principal activities of the subsidiaries and associate are set out in Note 9 and 10 to the financial statements, respectively.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the year	16,624	11,295
Profit attributable to:		
Owner of the Company	16,944	11,295
Non-controlling interests	(320)	–
	16,624	11,295

DIVIDENDS

The Board resolved that a final single-tier dividend of 1.50 sen per ordinary share amounting to RM1,050,000 in respect of the financial year ended 31 December 2025 be recommended for approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. If approved by shareholder at the forthcoming Annual General Meeting, the dividend will be accounted for in the shareholder's equity as an appropriation of the retained earnings in the next financial year ending 31 December 2026.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

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

DIRECTORS

Directors who served since the date of the last report are:

Datuk Ir. (Dr) Khairol Anuar Mohamad Tawi	
Datuk Omar Shariff Mydeen	
Mohd Rashid Mohd Yusof	
Datuk Bahria Mohd Tamil	
Rema Devi a/p V. K. Padmanabhan	
Mohammad Asri Hassan Sabri	
Nor Aida Idrus	(Appointed w.e.f. 1.7.2025)
Dato' Lai Yit Loong	(Appointed w.e.f. 26.11.2025)
Dato' Ir. Lim Yew Soon	(Ceased w.e.f. 5.9.2025)
Norlin Abdul Samad	(Ceased w.e.f. 5.9.2025)
Mohd Nizam Mohd Khir	(Ceased w.e.f. 19.6.2025)

The directors who held office in the subsidiaries of the Company since the date of the last report are:

Datuk Syed Hisham Syed Wazir	
Dato' Ir. Lim Yew Soon	
Dato' Ts. V Valluvan a/l Veloo	
Abdul Ghani Abdul Rahman	
Muhammad Zulhilmi Ahmad	
Mohamed Amin Abdullah	
Norlin Abdul Samad	
Nur Fadhilah Muhammad	
Rema Devi a/p V. K. Padmanabhan	
Mohammad Asri Hassan Sabri	(Appointed w.e.f. 1.6.2025)
Eric Chong Tiong Beng	(Appointed w.e.f. 1.6.2025)
Nik Sazali Nik Hussin	(Appointed w.e.f. 8.10.2025)
Ir. Ts. Dr. Muhammad Izzal Ismail	(Appointed w.e.f. 1.8.2025)
Datuk Omar Shariff Mydeen	(Resigned w.e.f. 31.10.2025)
Dato' Indera Ir. Dr. Ahmad Sabirin Arshad, FASc	(Resigned w.e.f. 1.8.2025)
Mohd Rashid Mohd Yusof	(Resigned w.e.f. 1.6.2025)

DIRECTORS' INTEREST

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year held any shares in the Company and its related corporation during the financial year ended 31 December 2025.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company or its subsidiary is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of previous financial year, no director of the Company has received or become entitled to receive any benefits (other than those shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm which the director is a member or with a Company in which the director has a substantial financial interest.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2025 are as follows:

	RM'000
Directors of the Company:	
Fees	311
Allowances	484
	795
Directors of the subsidiaries:	
Fees	126
Total	921

OTHER STATUTORY INFORMATION

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

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

At the date of this report, the directors of the Group and of the Company are not aware of any circumstances which would render:

- the amount written off for bad debts, or the amount of the provision for bad and doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- the value attributed to the current assets of the Group and of the Company misleading.

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

As at the date of this report, there does not exist:

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

In the opinion of the directors:

- i) no contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which in the opinion of the directors will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and
- ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

HOLDING CORPORATION

The holding corporation is the Minister of Finance Incorporated, a body corporate, incorporated in Malaysia under the Minister of Finance (Incorporation) Act, 1957.

INDEMNIFYING DIRECTORS AND OFFICERS

The Company maintains directors' and officers' liability insurance for purpose of Section 289 of the Companies Act, 2016 throughout the year, which provides appropriate insurance cover of RM20,000,000 for the directors of the Company. The amount of insurance premium paid during the year amounted to RM23,230.

DIRECTORS' REPORT

AUDITORS

The Auditors, Messrs. Khairuddin Hasyudeen & Razi, retire and have expressed their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM270,966 and RM90,000 respectively.

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



DATUK Ir. (Dr) KHAIRUL ANUAR MOHAMAD TAWI

Director



MOHD RASHID MOHD YUSOF

Director

Shah Alam

Dated: 19 May 2026

STATEMENT BY DIRECTORS

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

We, DATUK Ir. (Dr) KHAIROL ANUAR MOHAMAD TAWI and MOHD RASHID MOHD YUSOF, two of the directors of SIRIM BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 160 to 234 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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



DATUK Ir. (Dr) KHAIROL ANUAR MOHAMAD TAWI
Director



MOHD RASHID MOHD YUSOF
Director

Shah Alam
Dated: 19 May 2026

STATUTORY DECLARATION

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

I, **NIK SAZALI NIK HUSSIN**, the officer primarily responsible for the financial management of SIRIM BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 160 to 234 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)

NIK SAZALI NIK HUSSIN)

at Shah Alam in the state of)

Selangor Darul Ehsan on 19 May 2026)

NIK SAZALI NIK HUSSIN

Before me,



Unit 12-33 & 33A, Tingkat 12, Plaza Azalea,
No. 6, Persiaran Bandaraya, Seksyen 14,
40000 Shah Alam, Selangor Darul Ehsan.

INDEPENDENT AUDITORS' REPORT

to the members of SIRIM Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SIRIM BERHAD, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 160 to 234.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

INDEPENDENT AUDITORS' REPORT

to the members of SIRIM Berhad

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 skepticism throughout the audit. We also:-

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 9 to the financial statements.

Other Matters

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



KHAIRUDDIN HASYUDEEN & RAZI
AF 1161
Chartered Accountants



Ahmad Shahrul Mohamed
02138/04/2027 J
Chartered Accountant

Kuala Lumpur
Dated: 19 May 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	479,135	487,582	403,762	406,007
Prepaid lease payments	6	71,554	73,542	71,554	73,542
Right-of-use assets	7	2,855	2,300	670	808
Goodwill	8	4,518	4,518	–	–
Investment in subsidiaries	9	–	–	18,160	18,160
Investment in an associate	10	–	–	–	–
Other investments	11	52,660	20,037	20,986	20,037
Deferred tax assets	12	–	210	–	–
		610,722	588,189	515,132	518,554
Current assets					
Inventories	13	7,049	3,474	5,030	2,321
Trade and other receivables	14	33,752	34,428	78,068	75,934
Current tax asset		933	5,292	155	1,919
Cash and cash equivalents	15	305,332	292,203	157,489	131,904
		347,066	335,397	240,742	212,078
TOTAL ASSETS		957,788	923,586	755,874	730,632
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	16	70,000	70,000	70,000	70,000
Capital reserves	17	248,092	248,092	248,092	248,092
Translation reserves		(122)	48	–	–
Accumulated losses		(52,527)	(69,471)	(131,824)	(143,119)
Equity attributable to owners of the Company		265,443	248,669	186,268	174,973
Non-controlling interests		(1,357)	(1,037)	–	–
Total equity		264,086	247,632	186,268	174,973

(continued)	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES					
Total equity		264,086	247,632	186,268	174,973
Non-current liabilities					
Deferred income	18	482,249	478,692	468,431	450,333
Deferred tax liabilities	12	6,157	7,065	–	–
Retirement benefits	19	5,731	5,199	5,731	5,199
Post-employment medical benefits	20	56,979	54,890	39,353	38,388
Lease liabilities	7	754	1,076	421	–
		551,870	546,922	513,936	493,920
Current liabilities					
Contract liabilities	21	493	2,447	493	2,447
Trade and other payables	22	138,856	122,276	53,837	55,994
Lease liabilities	7	903	1,360	290	849
Deferred income	18	1,050	2,449	1,050	2,449
Current tax liabilities		530	500	–	–
		141,832	129,032	55,670	61,739
Total liabilities		693,702	675,954	569,606	555,659
TOTAL EQUITY AND LIABILITIES		957,788	923,586	755,874	730,632

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	23	392,211	341,577	127,703	109,962
Cost of sales and services		(168,783)	(152,366)	(32,975)	(26,901)
Gross profit		223,428	189,211	94,728	83,061
Other operating income	24	6,715	8,049	28,532	28,066
Grant income		92,420	86,769	88,316	81,563
Net (impairment loss)/reversal of impairment of financial assets		102	(2,600)	1,282	(5,093)
Administrative expenses		(198,612)	(185,471)	(117,234)	(110,044)
Other operating expenses		(92,420)	(79,380)	(88,316)	(80,616)
Profit/(Loss) from operations		31,633	16,578	7,308	(3,063)
Finance income		9,788	9,273	4,037	4,198
Finance costs		(113)	(135)	(50)	(59)
Profit before zakat and taxation	25	41,308	25,716	11,295	1,076
Zakat		(1,400)	(1,911)	–	16
Taxation	26	(23,284)	(19,441)	–	–
Profit for the year		16,624	4,364	11,295	1,092
Other comprehensive income net of income tax:					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Foreign currency translation from foreign operations		(170)	69	–	–
Remeasurement of retirement benefits		–	(1,422)	–	(1,206)
Remeasurement of post-employment medical benefits		–	1,893	–	995
Total comprehensive income for the financial year		16,454	4,904	11,295	881
Profit for the financial year attributable to:-					
Owner of the company		16,944	5,193	11,295	1,092
Non-controlling interests		(320)	(829)	–	–
		16,624	4,364	11,295	1,092
Total comprehensive income attributable to:-					
Owner of the company		16,774	5,733	11,295	881
Non-controlling interests		(320)	(829)	–	–
		16,454	4,904	11,295	881

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2025

	Group						
	← Attributable to owners of the Company →						
	← Non-distributable →			Distributable			
	Share capital RM'000	Capital reserves RM'000	Translation reserves RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 31 December 2023	70,000	248,092	(21)	(75,135)	242,936	(208)	242,728
Total comprehensive income for the year	–	–	69	5,664	5,733	(829)	4,904
Balance at 31 December 2024	70,000	248,092	48	(69,471)	248,669	(1,037)	247,632
Total comprehensive income for the year	–	–	(170)	16,944	16,774	(320)	16,454
Balance at 31 December 2025	70,000	248,092	(122)	(52,527)	265,443	(1,357)	264,086

	Company			
	← Non-distributable →		Distributable	
	Share capital RM'000	Capital reserves RM'000	Accumulated losses RM'000	Total RM'000
Balance at 1 January 2024	70,000	248,092	(144,000)	174,092
Total comprehensive income for the year	–	–	881	881
Balance at 31 December 2024	70,000	248,092	(143,119)	174,973
Total comprehensive income for the year	–	–	11,295	11,295
Balance at 31 December 2025	70,000	248,092	(131,824)	186,268

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before zakat and taxation	41,308	25,716	11,295	1,076
Adjustments for:-				
Net (reversal)/allowance for estimated credit loss:				
– Trade receivables	(78)	(1,079)	530	35
– Other receivables	(24)	3,679	(24)	3,679
– Amount due from subsidiaries	–	–	(1,788)	1,380
Depreciation of property, plant and equipment	43,580	41,624	28,545	27,301
Amortisation of prepaid lease payment	1,988	1,264	1,988	1,264
Depreciation of right-of-use assets	727	691	314	324
Dividend income from a subsidiaries	–	–	(60,500)	(56,300)
Dividend income from other investments	(1,996)	(160)	(565)	(160)
Gain from other investments at fair value through profit or loss	(627)	(122)	(384)	(122)
Property, plant and equipment written off	43	424	5	108
Gain on disposal of property, plant and equipment	(50)	–	–	–
Provision for retirement benefits	6 91	737	497	491
Provision for post-employment medical benefits	3,516	3,848	2,289	2,482
Interest income	(7,792)	(9,113)	(3,472)	(4,038)
Interest on lease liabilities	111	135	50	59
Reversal of slow moving inventories	–	(52)	–	–
Operating grant and development and research grant	(92,420)	(86,769)	(88,316)	(81,563)
Operating loss before working capital changes	(11,023)	(19,177)	(109,536)	(103,984)
Changes in working capital:-				
– Inventories	(3,575)	(1,647)	(2,709)	(1,897)
– Trade and other receivables	675	(1,631)	(1,412)	(33,471)
– Contract liabilities	(1,953)	2,265	(2,134)	(2,265)
– Trade and other payables	15,793	20,685	(1,953)	6,942
Cash (used in)/generated from operations	(83)	495	(117,744)	134,675)

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

(continued)	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)				
Cash (used in)/generated from operations	(83)	495	(117,744)	(134,675)
Tax paid	(22,080)	(18,311)	–	(155)
Tax refund	2,515	32	1,764	–
Zakat paid	(1,400)	(2,253)	–	(404)
Retirement benefits:				
– Contributions made	(159)	(172)	(159)	(172)
– Contributions received from subsidiaries	–	–	605	462
Post-employment medical benefits paid	(1,494)	(1,413)	(1,735)	(1,303)
<i>Net cash used in operating activities</i>	(22,701)	(21,622)	(117,269)	(136,247)
CASH FLOWS FROM INVESTING ACTIVITIES				
Addition of prepaid lease payments	–	(55,910)	–	(55,910)
Dividend received from subsidiaries	–	–	60,500	56,300
Purchase of property, plant and equipment	(35,260)	(45,897)	(26,314)	(28,074)
Proceeds from disposal of property, plant and equipment	135	138	–	–
Interest received	7,792	9,113	4,037	4,198
(Placement)/Withdrawal of investments	(30,000)	5,009	–	25,027
<i>Net cash (used in)/generated from investing activities</i>	(57,333)	(87,547)	38,223	1,541
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of lease liabilities	(1,415)	(828)	(384)	(383)
Net government grants and foreign aids received	94,578	162,096	105,015	167,197
<i>Net cash provided by financing activities</i>	93,163	161,268	104,631	166,814
Net increase in cash and cash equivalents	13,129	52,099	25,585	32,108
Cash and cash equivalents brought forward	292,203	240,104	131,904	99,796
Cash and cash equivalents carried forward (Note 15)	305,332	292,203	157,489	131,904

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. GENERAL

- (a) The principal activities of the Company are the provision of strategic and industrial research services, technical and consultancy services.

The principal activities of the subsidiaries and associate are set out in Note 9 and 10 to the financial statements, respectively.

- (b) The registered office and principal place of business of the Company are both located at No. 1, Persiaran Dato' Menteri, Seksyen 2, 40700 Shah Alam, Selangor Darul Ehsan.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(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 Companies Act, 2016 in Malaysia.

The following accounting standards, amendments and interpretations of the MFRSs Framework that have been issued by the Malaysian Accounting Standards Board (MASB) which are not yet effective and have not been adopted by the Group and the Company in these financial statements:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026:

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosure-Classification and Measurements of Financial Instruments and Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to MFRS Accounting Standards – Volume 11 for:
 - i. MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*;
 - ii. MFRS 7, *Financial Instruments: Disclosure*;
 - iii. MFRS 9, *Financial Instruments*;
 - iv. MFRS 10, *Consolidated Financial Statements*; and
 - v. MFRS 107, *Statement of Cash Flows*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027:

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after a date yet to be confirmed:

- Amendments to MFRS 10, *Consolidated Financial Statement* and MFRS 128, *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company are currently assessing the impact of these new accounting standards and amendments.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(a) Statement of compliance (cont'd)

MFRS 18, *Presentation and Disclosure in Financial Statements*, issued by the Malaysian Accounting Standards Board ("MASB"), supersedes MFRS 101 and introduces consequential amendments to other MFRS Accounting Standards. While MFRS 18 does not affect the recognition or measurement of items in the financial statements, it is expected to affect the presentation and disclosure of certain information. These changes include, among others, the categorisation and introduction of new subtotals in the statement of profit or loss, enhanced guidance on aggregation and disaggregation of information, labelling of line items, and additional disclosures relating to management-defined performance measures ("MPMs").

The Group and the Company are currently assessing the impact of MFRS 18 to the presentation and disclosure of the Group's and the Company's financial statements.

MFRS 19, *Subsidiaries without Public Accountability: Disclosures*, is an optional, disclosure-reducing standard issued by MASB, which permits eligible subsidiaries to apply reduced disclosure requirements while continuing to follow the recognition, measurement, and presentation principles of MFRS. The objective of MFRS 19 is to simplify financial reporting for subsidiaries that do not have public accountability and whose parent company prepares consolidated financial statements in accordance with MFRSs or IFRSs. Adoption of MFRS 19 does not affect the measurement of assets, liabilities, income, or expenses; it only reduces the extent of disclosures required in the notes to the financial statements.

The directors will assess and determine whether the Group and the Company will elect to apply this standard in future reporting periods.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 4.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Group and the Company's functional currency. All financial information presented in RM had been rounded to the nearest thousand (RM'000), unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements, except as discussed below:-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(d) Use of estimates and judgements (cont'd)

(a) Provision for Retirement Benefits and Post- Employment Medical Benefit (Defined Benefit Plan)

The present value of the defined benefit plan obligations depends on a number of factors when were determined including the use of a number of assumptions.

The assumption used in the determining the net cost for retirement benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of the defined benefit plan obligations.

The Group and the Company determine the appropriate discount rate in every three years. It is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit plan obligation. In determining the appropriate discount rate, the Group and the Company consider the interest rate of high-quality corporate bonds denominated in the currency which the benefit will be paid and that have term to maturity approximating the terms of related defined plan obligation.

Key assumptions used in estimating the future obligations of the Group and the Company arising from the retirement benefits scheme and the post-employment medical benefit scheme are disclosed in Notes 19 and 20 respectively.

(b) Impairment of property, plant and equipment

The Group and the Company review the carrying amount of their property, plant and equipment to determine whether there is an indication that those assets have suffered an impairment loss. Significant estimate is required to determine the extent and amount of the impairment loss (if any).

As a result of the impairment assessment, the Group and the Company had provided an impairment of RM24,746,000 (2024: RM24,746,000) as of 31 December 2025, as disclosed in Note 5.

(c) Investments in subsidiaries and associate

The Company tests investments in subsidiary and associate companies for impairment if there are any indicators of impairment.

The impairment assessment requires an estimation of the recoverable amount of the cash generating units ("CGU"). The recoverable amount was computed based on higher of the fair value less cost to sell and value-in-use of the investment expected to be attributable to the equity holder.

As a result of the impairment assessment, the Company had provided for an impairment of RM3,595,000 (2024: RM3,595,000) in respect of investment in subsidiary companies and RM685,000 (2024: RM685,000) respect of investment in associate company as of 31 December 2025 as disclosed in Notes 9 and 10.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(d) Use of estimates and judgements (cont'd)

(d) Allowance for impairment loss (cont'd)

The Group and the Company recognise a loss allowance for expected credit losses on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company always recognise lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provisional matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group and the Company had provided allowance for expected credit losses on trade and other receivables as of 31 December 2025 as disclosed in Note 14.

(e) Impairment on goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiary company to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of goodwill as of 31 December 2025 was RM4,518,000 (2024: RM4,518,000). The key assumption for the value-in-use calculation are set out in Note 8.

(f) Extension options and incremental borrowing rate in relation to leases

The Group and the Company assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group and the Company consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group and the Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group and the Company first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

During the year, the Group and the Company's incremental borrowing rates of the lease liabilities ranging from 6.00% to 6.8%.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

3. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 19 May 2026.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group entities, unless otherwise stated.

(a) Consolidation

(i) Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions) that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Temporary differences arising from the elimination of profit and losses resulting from intragroup transactions will be treated in accordance to Note 12 of the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(ii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) **Consolidation (cont'd)**

(ii) **Business combinations and goodwill (cont'd)**

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(iii) **Subsidiaries**

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

Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's financial position, unless the investment is classified as held for sale or distribution.

Upon the disposal of investment in a subsidiary, the differences between the net disposal proceeds and its carrying amount is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) Consolidation (cont'd)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company.

Non-controlling interests in the result of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

(vi) Associates and joint arrangements

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

A joint venture is a type of joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint venture.

Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint venture are accounted for using the equity method when the joint arrangements are active and in operation. Under the equity method, investment in an associate or a joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate or a joint venture is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, where there has been a change recognised directly in the equity of an associate or a joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates or joint venture are eliminated to the extent of the interest in the associate or joint venture.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) Consolidation (cont'd)

(vi) Associates and joint arrangements (cont'd)

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

When the Group's share of losses exceeds its interest in an associate or a joint venture, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate or the joint venture.

The financial statements of the associates and joint venture are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associates or joint venture in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates or joint venture. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associates or joint venture is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint venture and their carrying value and recognises the amount in the "share of profit of investments accounted for using the equity method" in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in associates and a joint venture are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(b) Property, plant and equipment

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

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

The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Land improvements	2%
Buildings and structures	2%
Buildings and structures improvements	5% – 20%
Plant and machinery	10%
Technical equipment	10% – 20%
Office equipment	10%
Motor vehicles	20%
Furniture and fittings	10% – 20%
Computer and electronic equipment	20% – 33 1/3%
Books and patent documents	10% – 20%
Research equipment	20% – 50%
Work-in-progress are not depreciated	

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(c) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for period of time in exchange for consideration. To assess whether a contract conveys the right control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of physically distinct asset.

If the supplier has substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

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 on the basis on their relative stand-alone prices. However, for lease 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 and initial measurement

(a) As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(c) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

(a) As a lessee (cont'd)

Lease payments included in the measurement at the present value of the liability comprise the following:

- Fixed payments, including in-substance fixed payments less any incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Group is reasonably certain to exercise; and
- Penalties for early termination of lease unless the Group is reasonably certain not to terminate early.

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

The Group has elected not to recognise right-of-use assets and lease liabilities for the 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.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a financial lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(c) Leases (cont'd)

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

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

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

(d) Prepaid lease payments

Leasehold land that has an indefinite economic life and title that is not expected to pass to the Group and the Company by the end of the lease period is classified as operating lease. The up-front payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and are stated at cost less amount amortised.

Leasehold land is amortised over the terms of the respective lease period which range from thirty (30) to ninety-nine (99) years.

NOTES TO THE FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Investment in an associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interest that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment is recognised immediately in profit or loss in the period in which the investment is acquired.

The entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale.

In the Company's share separate financial statements, investments in associates are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value, cost of security labels includes materials cost and other overhead cost.

Cost of materials includes the actual cost of purchase and incidentals in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) **Deferred Income**

Renewal fees received are deferred and recognised as income over the relevant period.

Government grant received are deferred and recognised as income as follows:

- (i) through the useful life of the assets purchased and received from the grants; or
- (ii) as and when costs are incurred for expenditure not related to assets.

(h) **Revenue recognition**

(a) **Rendering of services**

Testing services

(i) Testing (General)

The revenue from testing (general) is recognised based on over time as the Company has an enforceable right to payment for performance completed to date and there is no asset created as a result of this service. Testing work is to be assessed as a single performance obligation ("PO") because all activities involved in the process of testing are interrelated to each other.

(ii) Testing (Mass Rapid Transit)

Revenue recognition from this service is to be recognised over time (i.e. the customer receives and consume the benefits as service has been performed). As the customer can benefit from each testing work on its own and thus the services are independent from each other in the context of the contract, each of the testing work needs to be assessed as a separate PO entirely. Currently testing work for MRT projects are billed progressively based on milestone billing.

Certificate Services

(i) Certification (Communication Device)

The recognition from certification for communication device is over time as the Group has an enforceable right to the payment for PO completed to date.

The revenue from such services provided to the customer by according a certification of conformity for communication device. There is only one PO from this service as customer can only benefit from it upon the issuance of certificate of conformity (i.e. completion of inspection and production of report and certificate).

NOTES TO THE FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Revenue recognition (cont'd)

(a) Rendering of services (cont'd)

Certificate Services (cont'd)

(ii) Certification (Management System Certification)

The revenue from management system certification involved five phases in this service namely pre assessment, stage 1 audit, stage 2 audit, surveillance audit and re-certification audit.

The recognition of revenue for pre assessment is recognised at point in time due to commencement of certification service, customers are subjected to an application process and there is a fee charged for it.

The recognition of revenue from the stage 1 audit and stage 2 audit is over time as since the Group has the contractual obligation to collect payment for each service performed at each phase and there is no asset created as a result of this service. Since the customer can only benefit from it upon the issuance of certificate of conformity after the successful completion of stage 2 audit. Thus stage 1 audit and stage 2 audit are interrelated. Hence, stage 1 and stage 2 audits are to be accounted for as a single PO.

For surveillance audit and re-certification audit, both are accounted for the single PO individually due to each phase is not capable of being distinct because each service is dependent on the service performed prior to it and it recognise as point in time.

(iii) Certification (Product)

This revenue category contributed by five main activities namely, issuance of acceptance letter, issuance of audit report, issuance of license (including publicity in directory of certified product), surveillance audit and renewal of license.

The revenue from issuance of acceptance letter and audit report are to be recognised point in time as the Group by practices did not claim or charged the client for performance to date and it has no alternative use for the asset it created through the respective activities. Services for issuance of acceptance letter and audit report are to be combined and assessed as a single PO because the audit service is highly dependent upon the issuance of acceptance letter.

Surveillance audit and renewal of license are to be accounted for as a single PO. Since the activities are not highly dependent on each other thus the Group determined the point in time revenue recognition is the best practice to reflect the business activity.

Sale of labels

Revenue from the sale of goods is recognised when the goods are delivered. Revenue from sale of labels is to be recognised at point-in-time as the Group is able to sell the label to another party should the customer decided to terminate the sales contract and control over the labels are transferred to customers at point of sale.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Revenue recognition (cont'd)

(a) Rendering of services (cont'd)

Inspection

(i) Inspection (General)

Revenue is recognised at point-in-time when customer has obtained control of the report. There is one PO for every inspection work undertaken for each sample object as the customer can only benefit from the usage of each report for which successfully inspected and each sample object inspected is not dependent on other sample objects.

(ii) Inspection (Consignment)

The revenue recognition from the inspection (consignment) is recognise as over time. It involved inspection and testing work. There is a single PO for every work engaged. Customer can only benefit from it upon completion of testing work and issuing of the test report. Revenue from inspection is to be recognised over time because the Group has the right to have the contractual obligation to collect payment for performance to date and the service does not create any form of asset which the Group has no alternative use.

Training/Seminar

Revenue is to be recognised over time as the benefit is consumed by the customer (i.e. control of the service is transferred as Group performs), the recognition of revenue for such service is at over time. Each training is to be assessed as a single PO because customers can benefit from each of it individually and each training is not highly interdependent or highly interrelated.

Advisory/Consultancy

Revenue is to be recognised over time as the Group has an enforceable right to payment for performance completed to date (i.e. entitled for any outstanding amount due by customers) and there is no asset created as a result of this service. Each sub-services to be rendered under each consultancy contract is to be combined and assessed as a single PO because customers are not acquiring the individual sub-services but they are acquiring the consultancy work that those individually sub-services created when they are combined.

Validation and verification

Since none of the criteria for over time recognition is met, revenue is recognised at point-in-time when the customer has obtained control of the services. Validation service is a separate PO on its own as customers can only benefit from it once all activities relevant to it has completed and each activities are interdependent in the context of the contract. As for verification services, the activities of site verification and verification of report are to be combined and assessed as a single PO because both activities are interdependent and customers would only benefit from the verification service once both activities are completed.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Revenue recognition (cont'd)

(a) Rendering of services (cont'd)

Calibration

(i) Measurement and calibration

Revenue is to be recognised at point-in-time because the nature of such service does not meet any of the criteria under over time recognition of revenue. Although measurement and calibration services can be benefited by the customers on its own, both services are not distinct in the context of the contract as calibration services is dependent on measurement services. Hence, both services are to be combined and assessed as a single PO.

(ii) Repair works

This is an extension from measurement and calibration service. There is a separate quotation for repair works in addition to the quotation issued for measurement and calibration services. Revenue from repair services is to be recognised at point-in-time because:

- the customer can only benefit from the repair service upon completion of work;
- the service does not create or enhance the equipment but rather returning it to its original condition; and
- the Company will only be entitled to be paid for such service upon completion of work.

(iii) Proficiency testing/measurement audit

Group is engaged by the customers (i.e. participating labs) to evaluate their calibration technique or accuracy as well as providing a set of guidance or protocol to them. A separate report will be issued upon completion of service for proficiency testing and measurement audit respectively. Revenue is to be recognised at point-in-time because:

- benefits will only accrue to the customers upon successful completion of each module;
- the service does not create or enhance the items being calibrated; and
- National Metrology Institute of Malaysia will only be entitled to be paid for such service upon completion of work.

(iv) Pattern approval

Nature of service is to test measuring instrument (e.g. gas meters, water meters, energy meters, etc.) whether it meets a specific set of requirements for pattern approval. The activities involved include document checking and site inspection. The various activities (i.e. document checking and site inspection) undertaken under each testing contract is to be combined and assessed as a single PO because customers can only benefit from the combined activities and each of these activities are highly interdependent or highly interrelated. Revenue is to be recognised at point-in-time because:

- benefits will only accrue to the customers upon successful completion of each module;
- the service does not create or enhance the items being tested; and
- National Metrology Institute of Malaysia will only be entitled to be paid for such service upon completion of work.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Revenue recognition (cont'd)

(a) Rendering of services (cont'd)

Test and measurement equipment services

Revenue is to be recognised over time because it does not give rise to any form of asset which the Group does not have an alternative use and the Group is entitled to be paid for performance to date. This service covers calibration, repair, rental, labour supply and other administrative works. Each sub-services rendered is to be assessed as a single PO in its own because customers can benefit from each sub-services and each sub-services are not highly interdependent of each other.

Commercialisation

(i) Preparation of commercialisation

Revenue recognition is over time as the Group is entitled to be paid for performance to date and it is assumed that there is no alternative use for the asset created through each individual activity. All activities under the "preparation for commercialisation phase" is to be combined and assessed as a single PO because these activities are necessary for the customer to gain the knowledge and experience to produce and market the licensed product and such skills and expertise can only be obtained by the customer when they undergo the entire preparation phase.

(ii) Award of license

Revenue from award of license is to be recognised at point-in-time because the Group is not obligated not it is expected to perform any activity that would significantly change the form or functionality of the license to which the licensee has rights. The licensing arrangement is a distinct PO because the licensee can benefit from the license on its own (i.e. license is granted upon successful completion of the "preparation for commercialisation phase") and the license is separable from other promises in the contract.

Packaging design

As the Group is entitled to be paid for performance to date and it has no alternative use for the asset it created through the service, revenue is to be recognised over time. All activities necessary to be undertaken in order to produce the final prototype for commercialisation purpose are to be combined and assessed as a single PO because customers can only benefit from the usage of the final prototype and each activities are highly interdependent or highly interrelated expect for monitoring.

(b) Dividend income

Dividend income is recognised when the right to receive payments is established.

(c) Interest income

Interest income is recognised as its accrues, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Revenue recognition (cont'd)

(d) Rental income

Rental income is recognised for on a straight line basis over the lease term of an ongoing lease.

(e) Management fees

Revenue from management fees is recognised upon disbursement of fund through acquisition of asset, human capital development and technical assistance/expert attachment programme.

(f) Hibah income

Hibah income consists of profit from short term deposits and hibah from current account recognised as it accrues, using the effective interest method.

(g) Renewal fee

Renewal fee represents certification fee income which is recognised based on certification period. The fees received for period extending beyond financial year end are recognised as deferred income (current liability).

(h) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

(i) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(i) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:-

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) **Amortised cost**

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see note 4(j)(i)) where the effective interest rate is applied to the amortised cost.

(b) **Fair value through profit or loss**

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see note 4(j)(i)).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(i) **Financial instruments (cont'd)**

(ii) **Financial instrument categories and subsequent measurement**

Financial liabilities

The category of financial liabilities at initial recognition is as follows:

(a) **Amortised cost**

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) **Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(iv) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(j) **Impairment of assets**

(i) **Financial assets**

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9 *Financial Instruments*, the Group and the Company elected not to restate the comparatives.

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

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

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

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience. An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

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

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

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(j) **Impairment of assets (cont'd)**

(ii) **Other assets**

The carrying amounts of other assets (except for inventories, assets arising from construction contracts and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of asset (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(k) **Contract asset and contract liability**

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development, contract asset is the excess cumulative revenue earned over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liability is the obligation to transfer goods or services to customer for which the Company was received the consideration or has billed the customer. In the case of property development and construction contract, contract liability is the excess billing to date over the cumulative revenue earned. Contract liabilities include downpayment received from customers and other deferred income where the Company has billed or collected payment before the goods are delivered or services are provided to the customers.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(l) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(m) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, short-term demand deposits, bank overdraft and highly liquid investments which are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposit.

Bank overdrafts are shown in current liabilities in the statements of financial position.

(n) **Dividends**

Final dividends proposed are not reflected in shareholders' equity as an appropriation of unappropriated profits until they have been approved by the shareholders in a general meeting. Upon approval by the shareholders, final dividends are deducted from unappropriated profits.

Interim dividends are recognised as liability when they are declared.

(o) **Provisions**

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

(p) **Contingencies**

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

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(q) **Income tax**

Income tax comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(i) **Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

(ii) **Deferred tax**

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority in the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, are recognised as a deferred tax asset to the extent that it is probable that the future taxable profit will be available against the unutilised tax incentive can be utilised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(r) **Employee benefits expenses**

(i) **Short term employee benefits**

Wages, salaries, social security contribution, paid annual leave, paid sick leave and bonuses are recognised as an expense in the financial period when employees have rendered their services to the Company.

Short-term accumulating compensated absences such as paid annual leave are recognised as an expense when employees tender services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) **Defined contribution plan**

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) **Defined benefits plans**

(a) **Retirement benefits**

The Company contributes monthly to SIRIM Berhad's defined benefit plans for eligible employees based on the rates set out in their terms of employment, to finance the retirement benefits payable to the eligible employees in accordance with the group retirement benefit scheme. The benefits payable on retirement are based on length of service and last drawn salary.

Contributions to the scheme are charged to the profit or loss so as to spread the cost of the scheme over the employees' working lives in the Company. The contributions are determined by a qualified actuary using the projected unit credit method.

(b) **Post-employment medical benefits**

The Company operates a non-funded post-employment medical benefits plan. Under the plan, retired employees are entitled for reimbursement of certain medical charges incurred during post-employment period. The liabilities in respect of defined benefit plans are the present value of the defined benefit obligations at the end of the reporting period together with adjustments for actuarial gains/losses and past service cost. The Company determines the present value of the defined benefit obligations with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The defined benefit obligation, calculated using the projected unit credit method, are determined by independent actuaries, considering the estimated future cash outflows using market yield at the end of the reporting period of high quality corporate bonds which have currency and terms to maturity approximating the terms of the related liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(s) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:-

Level 1:- quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2:- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3:- unobservable for the asset or liability, either directly or indirectly.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Cost				
	Balance as at 1.1.2025 RM'000	Additions RM'000	Reclassification RM'000	Write off/ Disposals RM'000	Balance as at 31.12.2025 RM'000
Freehold land	2,323	–	–	–	2,323
Land improvements	19,849	224	–	–	20,073
Buildings and structures	480,301	–	–	–	480,301
Buildings and structures improvements	63,228	811	2,775	–	66,814
Plant and machinery	116,077	2,522	–	(34,542)	84,057
Technical equipment	624,451	10,938	8,210	(3,672)	639,927
Office equipment	32,055	1,156	9	(312)	32,908
Motor vehicles	5,109	563	–	(95)	5,577
Furniture and fittings	26,146	500	8	(151)	26,503
Computer and electronic equipment	78,776	784	651	(2,753)	77,458
Books and patent documents	1,662	–	–	–	1,662
Research equipment	29,095	762	3,678	(408)	33,127
Work-in-progress	24,823	17,000	(15,331)	–	26,492
	1,503,895	35,260	–	(41,933)	1,497,222

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Accumulated Depreciation				
	Balance as at 1.1.2025 RM'000	Charges RM'000	Reclassification RM'000	Write off/ Disposals RM'000	Balance as at 31.12.2025 RM'000
Freehold land	–	–	–	–	–
Land improvements	7,577	401	–	–	7,978
Buildings and structures	208,248	9,797	–	–	218,045
Buildings and structures improvements	40,753	2,540	–	–	43,293
Plant and machinery	104,469	1,757	–	(34,541)	71,685
Technical equipment	483,425	21,445	–	(3,643)	501,227
Office equipment	21,408	1,397	–	(307)	22,498
Motor vehicles	4,508	230	–	(95)	4,643
Furniture and fittings	22,322	755	–	(149)	22,928
Computer and electronic equipment	69,408	4,121	–	(2,746)	70,783
Books and patent documents	1,650	4	–	–	1,654
Research equipment	27,799	1,133	–	(325)	28,607
Work-in-progress	–	–	–	–	–
	991,567	43,580	–	(41,806)	993,341

Group	Impairment Losses				
	Balance as at 1.1.2025 RM'000	Additions RM'000	Reclassification RM'000	Write off/ Disposals RM'000	Balance as at 31.12.2025 RM'000
Technical equipment	23,569	–	–	–	23,569
Office equipment	1,177	–	–	–	1,177
	24,746	–	–	–	24,746

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Carrying Value		Depreciation
	2025 RM'000	2024 RM'000	2024 RM'000
Freehold land	2,323	2,323	–
Land improvements	12,095	12,272	398
Buildings and structures	262,256	272,053	9,800
Buildings and structures improvements	23,521	22,475	2,527
Plant and machinery	12,372	11,608	2,206
Technical equipment	115,131	117,457	20,140
Office equipment	9,233	9,470	1,244
Motor vehicles	934	601	227
Furniture and fittings	3,575	3,824	774
Computer and electronic equipment	6,675	9,368	3,827
Books and patent documents	8	12	3
Research equipment	4,520	1,296	478
Work-in-progress	26,492	24,823	–
	479,135	487,582	41,624

Company	Cost				
	Balance as at 1.1.2025 RM'000	Additions RM'000	Reclassification RM'000	Write off/ Disposals RM'000	Balance as at 31.12.2025 RM'000
Freehold land	2,323	–	–	–	2,323
Land improvements	19,849	224	–	–	20,073
Buildings and structures	479,168	–	–	–	479,168
Buildings and structures improvements	51,829	738	2,774	–	55,341
Plant and machinery	80,360	2,298	–	(32,790)	49,868
Technical equipment	500,761	3,825	7,632	(3,591)	508,627
Office equipment	28,614	869	9	(187)	29,305
Motor vehicles	3,902	460	–	(95)	4,267
Furniture and fittings	18,123	172	8	(36)	18,267
Computer and electronic equipment	52,159	540	543	(1,580)	51,662
Books and patent documents	1,553	–	–	–	1,553
Research equipment	27,090	365	–	(326)	27,129
Work-in-progress	16,660	16,823	(10,966)	–	22,517
	1,282,391	26,314	–	(38,605)	1,270,100

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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Accumulated Depreciation				
	Balance as at 1.1.2025 RM'000	Charges RM'000	Reclassification RM'000	Write off/ Disposals RM'000	Balance as at 31.12.2025 RM'000
Freehold land	–	–	–	–	–
Land improvements	7,577	400	–	–	7,977
Buildings and structures	208,068	9,773	–	–	217,841
Buildings and structures improvements	35,120	2,028	–	–	37,148
Plant and machinery	73,718	1,063	–	(32,791)	41,990
Technical equipment	413,515	11,383	–	(3,585)	421,313
Office equipment	19,109	1,222	–	(185)	20,146
Motor vehicles	3,519	163	–	(95)	3,587
Furniture and fittings	16,353	365	–	(34)	16,684
Computer and electronic equipment	46,023	2,131	–	(1,578)	46,576
Books and patent documents	1,549	2	–	–	1,551
Research equipment	27,087	15	–	(323)	26,779
Work-in-progress	–	–	–	–	–
	851,638	28,545	–	(38,591)	841,592

	Impairment Losses				
	Balance as at 1.1.2025 RM'000	Additions RM'000	Reclassification RM'000	Write off/ Disposals RM'000	Balance as at 31.12.2025 RM'000
Technical equipment	23,569	–	–	–	23,569
Office equipment	1,177	–	–	–	1,177
	24,746	–	–	–	24,746

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Carrying Value		Depreciation
	2025 RM'000	2024 RM'000	2024 RM'000
Freehold land	2,323	2,323	–
Land improvements	12,098	12,272	398
Buildings and structures	261,326	271,100	9,777
Buildings and structures improvements	18,191	16,709	2,032
Plant and machinery	7,879	6,642	1,103
Technical equipment	63,747	63,677	10,276
Office equipment	7,982	8,328	1,090
Motor vehicles	680	383	151
Furniture and fittings	1,582	1,770	396
Computer and electronic equipment	5,084	6,136	2,076
Books and patent documents	2	4	2
Research equipment	350	3	–
Work-in-progress	22,518	16,660	–
	403,762	406,007	27,301

Included in property, plant and equipment of the Group and the Company are:

- assets with carrying values of RM309,923,000 and RM302,336,000 (2024: RM313,390,000 and RM308,780,000) respectively which were acquired using the grants received under the Malaysian Plan for development of infrastructure and purchase of equipment; and
- fully depreciated property, plant and equipment which are still in use with a total cost of RM650,568,000 and RM591,041,000 (2024: RM643,818,000 and RM579,403,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

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6. PREPAID LEASE PAYMENTS

	Group and Company
	RM'000

Leasehold land

Cost

As of 1 January 2024/31 December 2024/31 December 2025 80,076

Accumulated amortisation

As of 1 January 2024 5,270

Amortisation for the year 1,264

As of 31 December 2024/1 January 2025 6,534

Amortisation for the year 1,988

As of 31 December 2025 8,522

Net carrying value

As of 31 December 2024 73,542

As of 31 December 2025 71,554

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group	Building RM'000	Office equipment RM'000	Total RM'000
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Cost

At 1 January 2025 794 2,715 3,509

Addition – 1,333 1,333

Derecognition – (443) (443)

At 31 December 2025 794 3,605 4,399

Accumulated depreciation

At 1 January 2025 58 1,151 1,209

Addition – 727 727

Remeasurement (13) – (13)

Derecognition – (443) (443)

Exchange difference – 64 64

At 31 December 2025 45 1,499 1,544

Net carrying value

As at 31 December 2024 736 1,564 2,300

As at 31 December 2025 749 2,106 2,855

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Company	Office Equipment
	RM'000
Cost	
At 1 January 2025	1,445
Addition	197
Derecognition	(284)
At 31 December 2025	1,358
Accumulated depreciation	
At 1 January 2025	637
Addition	314
Derecognition	(263)
At 31 December 2025	688
Net carrying value	
As at 31 December 2024	808
As at 31 December 2025	670

The Group leases a building that runs between 1 to 3 years, with an option to renew the lease after those dates.

Set out below are the carrying amounts of lease liabilities and the movements for the Group and the Company during the year:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	2,436	2,041	849	874
Addition	1,333	1,088	196	299
Derecognition	(766)	–	–	–
Accretion of interest	111	135	50	59
Exchange differences	(42)	–	–	–
Less: Payments	(1,415)	(828)	(384)	(383)
At 31 December	1,657	2,436	711	849
Current	903	1,360	290	849
Non-Current	754	1,076	421	–
	1,657	2,436	711	849

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8. GOODWILL

	Group	
	2025 RM'000	2024 RM'000
As of 1 January/31 December	4,518	4,518

Goodwill relates to premium paid over the fair value of identifiable net assets, at the acquisition date of a subsidiary, SIRIM Calibration Sdn. Bhd. due to the expected strong energy value in terms of its high revenue growth.

Key assumptions used in value-in-use calculations

The recoverable amount of the CGUs is determined based on value-in-use calculation, which uses cash flow projections based on the financial budgets approved by management covering a five year (2024: five-year) period. The key assumptions for the value-in-use calculation include the revenue growth. The discount rate applied to the cash flow projections is 10.0% (2024: 10.0%) per annum. No growth rate is assumed in extrapolating the cash flows beyond the five-year period.

The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGUs.

9. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	21,755	21,755
Less: Accumulated impairment losses	(3,595)	(3,595)
	18,160	18,160

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) The details of the subsidiaries, which are incorporated in Malaysia, are as follows:-

No.	Name of company	Group's effective interest (%)		Principal activities
		2025	2024	
<u>Direct subsidiary companies</u>				
1.	SIRIM QAS International Sdn. Bhd.	100	100	Certification, inspection and testing services
2.	SIRIM Academy Sdn. Bhd.	100	100	Development of Standards, consultancy and training services
3.	National Precision Tooling Sdn. Bhd.	100	100	Tools, die and mould industry development
4.	SIRIM Tech Venture Sdn. Bhd.	100	100	Commercialisation services, fabrication and testing services of composite cylinder and skills enhancement programme
5.	SIRIM Calibration Sdn. Bhd.	100	100	Calibration services
<u>Indirect subsidiary companies</u>				
1.	SIRIM Measurements Technology Sdn. Bhd.	100	100	The company ceased operation and in the process of strike off
2.	Hunan SIRIM Huasheng Certification and Inspection Co. Ltd. ^{**}	51	51	Certification activities in China

[#] Audited by other firms of chartered accountants.

^{*} The above company was incorporated in China.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Indirect subsidiary with material non-controlling interests

The summarised financial statements of Hunan SIRIM Huasheng Certification and Inspection Co. Ltd. ("Hunan SIRIM Huasheng"), which has non-controlling interests that is material to the Group is listed below:

Summarised statement of project or loss and other comprehensive income:

	Hunan SIRIM Huasheng
	RM'000
31 December 2025	8,631
Revenue	(654)
Loss for the year	
Loss attributable to:	
– Owner of the Company	(334)
– Non-controlling interests of the Group	(320)
31 December 2024	
Revenue	9,455
Loss for the year	(1,692)
Loss attributable to:	
– Owner of the Company	(863)
– Non-controlling interests of the Group	(829)

Summarised statement of financial position:

	Hunan SIRIM Huasheng
	RM'000
31 December 2025	58
Non-current assets	1,205
Current assets	–
Non-current liabilities	(4,095)
Current liabilities	
Equity attributable to the Group	(2,832)
Non-controlling interests of the Group	(1,357)
31 December 2024	
Non-current assets	971
Current assets	1,419
Non-current liabilities	(442)
Current liabilities	(3,956)
Equity attributable to the Group	(2,008)
Non-controlling interests of the Group	(1,037)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Indirect subsidiary with material non-controlling interests (cont'd)

Summarised statement of cash flows:

	Hunan SIRIM Huasheng
	RM'000
31 December 2025	
Cash flows from operating activities	(367)
Cash flows from investing activities	(50)
Net increase in cash and cash equivalents	(417)
31 December 2024	
Cash flows from operating activities	574
Cash flows from investing activities	(15)
Net decrease in cash and cash equivalents	559

10. INVESTMENT IN AN ASSOCIATE

	Group	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	685	685
Less: Accumulated impairment losses	(685)	(685)
	—	—

The details of the associate, which is incorporated in Malaysia, are as follows:-

No.	Name of company	Group's effective interest (%)		Principal activities
		2025	2024	
1.	GranuLab (M) Sdn. Bhd.	30	30	Manufacturing and selling of GranuMas, a granular synthetic bone graft.

The above has its financial year ending on 30 September (2024: 30 September) annually.

The Company's subsidiary, SIRIM Tech Venture Sdn. Bhd. is in the process of disposing its shares in Granulab (M) Sdn. Bhd. and this investment in associate has been fully impaired.

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11. OTHER INVESTMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fair value through profit or loss: Investment in unit trust	52,660	20,037	20,986	20,037

12. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) are attributable to the following:

	Group	
	2025 RM'000	2024 RM'000
As of 1 January	6,855	6,193
Recognised to profit or loss (Note 26)		
Property, plant and equipment	(1,283)	570
Trade and other receivables	580	182
Tax losses	–	(99)
	(703)	653
Transfer to other comprehensive income		
Exchange differences	5	9
As of 31 December	6,157	6,855

Presented in the statement of financial position as follows:

	Group	
	2025 RM'000	2024 RM'000
Deferred tax assets	–	210
Deferred tax liabilities	(6,157)	(7,065)
	(6,157)	(6,855)

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

Group	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Accelerated capital allowances	–	–	(6,898)	(8,402)	(6,898)	(8,402)
Provisions	741	1,337	–	–	741	1,337
Unutilised tax losses	–	210	–	–	–	210
At 31 December	741	1,547	(6,898)	(8,402)	(6,157)	(6,855)

13. INVENTORIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At cost:				
Raw materials	5,030	2,321	5,030	2,321
At net realisable value:				
Security labels	2,019	1,153	–	–
	7,049	3,474	5,030	2,321

Allowance for inventories obsolescence recognised as expenses by the Group are:-

	Group	
	2025 RM'000	2024 RM'000
At beginning of the year	745	797
Reversal during the year	–	(52)
End of the year	745	745

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14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables	26,757	27,434	6,166	5,269
Less: Allowance for impairment loss	(4,264)	(6,105)	(1,203)	(698)
	22,493	21,329	4,963	4,571
Unbilled revenue	1,877	669	27	669
Other receivables	2,030	4,820	1,700	1,755
Interest receivables	534	407	371	407
Deposits	997	557	409	307
Contract assets	2,897	5,093	–	–
Prepayment	3,700	2,408	2,719	2,158
Less: Allowance for impairment loss	(776)	(855)	(776)	(800)
	11,259	13,099	4,450	4,496
Loan receivables	3,140	3,140	3,140	3,140
Less: Allowance for impairment loss	(3,140)	(3,140)	(3,140)	(3,140)
	–	–	–	–
Amount due from subsidiaries	–	–	79,396	79,396
Loan due from subsidiaries	–	–	–	–
Less: Allowance for impairment loss	–	–	(10,741)	(12,529)
	–	–	68,655	66,867
Grand total	33,752	34,428	78,068	75,934

Loan receivables are unsecured, and subject to interest at 3.88% per annum.

14. TRADE AND OTHER RECEIVABLES (CONT'D)

Aging of trade receivables are categorised into non-impaired and impaired as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-impaired:				
Not past due	12,723	12,181	3,015	3,127
31 – 60 days	5,475	5,393	828	1,093
61 – 90 days	2,632	2,635	406	248
91 – 120 days	1,663	1,113	714	103
121 – 210 days	–	7	–	–
211 – 270 days	–	–	–	–
271 – 365 days	–	–	–	–
More than 365 days	–	–	–	–
	22,493	21,329	4,963	4,571
Impaired:				
1 – 30 days	30	42	19	2
31 – 60 days	19	27	7	17
61 – 90 days	13	16	4	4
91 – 120 days	17	12	11	4
121 – 210 days	1,948	1,617	547	93
211 – 270 days	408	537	85	25
271 – 365 days	347	570	62	22
More than 365 days	1,482	3,284	468	531
	4,264	6,105	1,203	698

The allowance for impairment losses for trade receivables are measured based on the simplified approach within MFRS 9 using the lifetime expected credit losses “(ECL)”. The ECL on non-credit-impaired trade receivables are collectively impaired by using an estimated provision matrix with expected credit loss rate based on groupings of various customer segments with similar loss patterns (i.e: business segments, customer type and rating, and coverage by bank guarantee or other forms of credit insurance) and credit risk grade report from a credit rating agency.

The Group and the Company have recognised a loss allowance of 100% on individually credit-impaired trade receivables over 120 days due with no realistic prospect of recovery as historical experience has indicated that these receivables are generally not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

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14. TRADE AND OTHER RECEIVABLES (CONT'D)

The movement in allowance for impairment loss that has been recognised for trade receivables:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the year	6,105	7,455	698	698
Amount recognised during the year	3,393	694	530	35
Reversal of allowance during the year	(3,471)	(1,773)	–	–
Written off during the year	(1,763)	(271)	(25)	(35)
At end of the year	4,264	6,105	1,203	698

The movement in allowance for impairment loss that has been recognised for other receivables:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the year	855	244	800	189
Amount recognised during the year	–	611	–	611
Reversal of allowance during the year	(24)	–	(24)	–
Written off	(55)	–	–	–
At end of the year	776	855	776	800

The movement in allowance for impairment loss that has been recognised for loan receivables:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the year	3,140	72	3,140	72
Amount recognised during the year	–	3,068	–	3,068
At end of the year	3,140	3,140	3,140	3,140

14. TRADE AND OTHER RECEIVABLES (CONT'D)

The movement in allowance for impairment loss that has been recognised for inter-company:

	Company	
	2025 RM'000	2024 RM'000
At beginning of the year	12,529	18,450
Amount recognised during the year	–	1,392
Reversal of allowance during the year	(1,788)	(12)
Written off during the year	–	(7,301)
At end of the year	10,741	12,529

Trade receivables are non-interest bearing. The trade credit terms granted by the Group and the Company is 30 days (2024: 30 days) from the date of invoice.

The amount due from subsidiary companies includes non-trade balances, which are unsecured, interest free and repayable on demand.

Loan due from subsidiary companies bears interest at 3.88% (2024: 4.71%) per annum and are unsecured.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	97,607	49,840	42,214	27,317
Deposits	207,725	242,363	115,275	104,587
	305,332	292,203	157,489	131,904
Deposits are placed with:				
Licensed banks	194,613	203,264	102,163	65,489
Other financial institution	13,112	39,099	13,112	39,098
	207,725	242,363	115,275	104,587

Included in the cash and cash equivalents of the Group and of the Company are unutilised disbursement amounts for the purposes of developmental projects amounting to RM89,180,000 and RM84,600,000 (2024: RM69,900,000 and RM53,830,000) respectively.

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16. SHARE CAPITAL

	Group and Company			
	Number of shares		Share capital	
	2025 Unit	2024 Unit	2025 RM'000	2024 RM'000
Issued and paid up: Ordinary shares with no par value	70,000,002	70,000,002	70,000	70,000

17. CAPITAL RESERVES

Capital reserve represents the value of net assets transferred from SIRIM pursuant to its corporatisation exercise in 1996.

18. DEFERRED INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Operating grants	1,050	2,449	1,050	2,449
	1,050	2,449	1,050	2,449
Non-current				
Development and research grants	482,249	478,692	468,431	450,333
	482,249	478,692	468,431	450,333
	483,299	481,141	469,481	452,782

Total grant income recognised in profit or loss:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating grants	47,954	47,755	47,954	47,755
Development and research grants	44,466	39,014	40,362	33,808
	92,420	86,769	88,316	81,563

18. DEFERRED INCOME (CONT'D)

(a) Operating grants

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the year	2,449	1,259	2,449	1,259
Received during the year	46,555	48,945	46,555	48,945
Recognised in profit or loss	(47,954)	(47,755)	(47,954)	(47,755)
At end of the year	1,050	2,449	1,050	2,449

(b) Development and research grants

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-Current				
Development grants	477,774	401,814	449,415	363,149
Research grants	306	2,129	306	2,128
Aids from Japanese Government	577	577	577	5 77
Others	35	35	35	35
At beginning of the year	478,692	404,555	450,333	365,889
Development grants:				
Received during the financial year	59,572	122,096	58,972	120,301
Previous grants realised	(11,549)	(7,376)	(512)	(480)
Research grants:				
Received during the financial year	–	84	–	84
Previous grants realised	–	(1,653)	–	(1,653)
Net grant received	48,023	113,151	58,460	118,252

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18. DEFERRED INCOME (CONT'D)

(b) Development and research grants (cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recognised in profit or loss				
Development grants:				
– Depreciation	(24,623)	(23,300)	(21,628)	(19,128)
– Expenses	(19,331)	(15,479)	(18,222)	(14,445)
Research grants:				
– Depreciation	(15)	–	(15)	–
– Expenses	(497)	(235)	(497)	(235)
Net grant recognised	(44,466)	(39,014)	(40,362)	(33,808)
Development grants	481,843	477,755	468,025	449,397
Research grants	(206)	325	(206)	324
Aids from Japanese Government	577	577	577	577
Others	35	35	35	35
Net grant utilised	482,249	478,692	468,431	450,333

The development grants from government received by the Group and the Company relate to development and research grants. Development grant received under the Malaysian Plan 11 and 12 are for development of infrastructure and purchase of equipment. Research grant consists of funds received from Science Fund programmes under the Ministry of Science, Technology and Innovation and grant from United Nation Environment Programme.

19. RETIREMENT BENEFITS

Recognised liability for defined benefit obligations

Liabilities for defined benefit obligations

The Group and the Company make contributions to a defined benefit plan that provides pension benefits scheme for employees upon retirement. Under the Scheme, eligible employees are entitled to retirement benefits of factor two of the last drawn salary for each completed year of service upon the retirement age of 56. Starting from 1 July 2013, the said retirement age was increased from 56 years to 60 years.

The Scheme is closed to new entrants from 1 June 2003.

The entire retirement benefit fund was transferred to a separately administered trust fund, namely SIRIM Retirement Benefit Scheme since year 2007.

During the previous year, members of the Scheme were given the choice to opt out of the Scheme. Those who opted out receive their accrued benefits under the Scheme but will no longer be eligible for future benefits from this Scheme.

The amount included in the statement of financial position arising from the Group's and the Company's obligations in respect of its defined benefit plans are as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Present value of funded obligations	12,499	12,709
Fair value of plan assets	(6,768)	(7,510)
	5,731	5,199

The movement during the financial year in the amount recognised in the statement of financial position in respect of the retirement benefit plans are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the year	5,199	3,212	5,199	3,212
Recognised in profit or loss	691	737	497	491
Contributions to plan participants, net of recovery from subsidiary	(159)	(172)	(159)	(172)
Expenses charge back to subsidiaries	–	–	194	462
Remeasurement	–	1,422	–	1,206
At end of the year	5,731	5,199	5,731	5,199

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19. RETIREMENT BENEFITS (CONT'D)

Recognised liability for defined benefit obligations (cont'd)

Liabilities for defined benefit obligations (cont'd)

The table below summarise the maturity profile of the expected benefit payments:

	Group			
	Within 1 year RM'000	1 - 5 years RM'000	5+ years RM'000	Total RM'000
2025				
Expected benefit payments	1,634	8,872	10,030	20,536
2024				
Expected benefit payments	1,216	7,433	13,103	21,752

Expenses recognised in the profit or loss:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost of sales	259	242	132	99
Administrative expenses	432	495	365	392
	691	737	497	491

The movements in the present value of defined benefit obligations in the current year are as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Present value of funded obligations at beginning of year	12,709	12,797
Current service cost	491	569
Interest cost	515	609
Benefits paid from plan	(1,216)	(1,089)
Remeasurement	–	(177)
Present value of funded obligations at end of year	12,499	12,709

19. RETIREMENT BENEFITS (CONT'D)

Recognised liability for defined benefit obligations (cont'd)

Liabilities for defined benefit obligations (cont'd)

The movements in the fair value of plan assets in the current year are as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Fair value of plan assets at beginning of year	7,510	9,585
Expected return on plan assets	304	430
Employer contribution (including employer direct benefit payment)	169	172
Benefits paid from plan	(1,215)	(1,089)
Remeasurement	–	(1,588)
Fair value of plan assets at end of year	6,768	7,510

Components of fair value of plan assets are as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Cash and deposits	1,594	2,336
Malaysian Government Securities	5,062	5,062
Others	112	112
	6,768	7,510

Principal actuarial assumptions used based on the latest actuarial valuation report are as follows:

	2025 %	2024 %
Discount rate	4.30	4.30
Salary increase	4.00	4.00

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is as follows:

	2025		2024	
	(Decrease)/ Increase RM'000	Increase/ (Decrease) RM'000	(Decrease)/ Increase RM'000	Increase/ (Decrease) RM'000
Change in assumption by 1% in respect of:				
Discount rate	(690)	754	(743)	817
Salary increases	939	(868)	875	(809)

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31 December 2025

19. RETIREMENT BENEFITS (CONT'D)

Recognised liability for defined benefit obligations (cont'd)

Liabilities for defined benefit obligations (cont'd)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlates. When calculating sensitivity of the defined obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of recognised within the statement of financial position.

The Group and the Company expect to make a contribution of RM164,564 (2024: RM168,351) and RM118,486 (2024: RM119,529), respectively to the end defined benefit plans during the next financial year.

The latest actuary report of the Scheme was prepared by Actuarial Partners Consulting Sdn. Bhd. dated 31 January 2025.

20. POST-EMPLOYMENT MEDICAL BENEFITS

The Group and the Company operate an unfunded post-employment medical benefit scheme for its eligible employees. The Scheme is now closed to new entrants from 1 July 2013.

The amount recognised in the statement of financial position are determined as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Present value of unfunded defined benefit obligations	56,979	54,890	39,353	38,388

The amounts recognised in profit or loss during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current service cost	1,095	1,210	600	628
Interest cost	2,421	2,638	1,689	1,854
	3,516	3,848	2,289	2,482

20. POST-EMPLOYMENT MEDICAL BENEFITS (CONT'D)

Movement in the net liability in the current year is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the year	54,890	54,348	38,388	38,204
Addition during the year	3,583	3,848	2,289	2,482
Payment made	(1,494)	(1,413)	(1,324)	(1,303)
Remeasurement	–	(1,893)	–	(995)
	56,979	54,890	39,353	38,388

Principal actuarial assumptions used based are as follows:

	2025 %	2024 %
Discount rate	4.50	4.50
Medical claims inflation	5.00	5.00

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is as follows:

	2025		2024	
	(Decrease)/ Increase RM'000	Increase/ (Decrease) RM'000	(Decrease)/ Increase RM'000	Increase/ (Decrease) RM'000
Change in assumption by 1% in respect of:				
Discount rate	(8,332)	10,445	(7,726)	9,666
Medical claims inflation	10,246	(8,032)	10,092	(7,885)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlates. When calculating sensitivity of the defined obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation) calculated with the projected unit credit method at the end of recognised within the statement of financial position.

The latest actuary report of the Scheme was prepared by Actuarial Partners Consulting Sdn. Bhd. dated 22 January 2025.

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21. CONTRACT LIABILITIES

	Group and Company	
	2025 RM'000	2024 RM'000
Contract liabilities	493	2,447

Contract liabilities refer to the unfulfilled performance obligation at the end of the reporting period and are expected to be recognised in 2025.

	Group and Company	
	2025 RM'000	2024 RM'000
At beginning of year	2,447	4,712
Advances received	2,083	7,844
Less: Projects and seminars costs incurred to date	(4,037)	(10,109)
At end of year	493	2,447

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables	25,196	27,678	18,825	21,444
Other payables and accruals	113,660	94,598	32,398	28,824
Amount due to subsidiaries	–	–	2,614	5,726
	138,856	122,276	53,837	55,994

Trade payables are non-interest bearing and normal trade credit terms granted to the Group and the Company range from 30 days to 60 days (2024: 30 days to 60 days) from the date of invoice.

Included in other payables and accruals of the Group and of the Company is an amount of RM6,129,000 (2024: RM6,129,000) which represents the funds received for projects approved by MOSTI under the Techno Fund Scheme.

The amounts due to subsidiaries are non-trade related, which are unsecured, interest free and repayable on demand.

23. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contract with customers	392,211	341,577	67,203	53,662
Dividends: – unquoted subsidiary	–	–	60,500	56,300
	392,211	341,577	127,703	109,962

Disaggregation of revenue from contracts with customers:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Certification services	153,535	137,790	–	–
Testing services	108,563	95,263	11,240	8,695
Calibration	26,240	25,166	8,891	8,222
Sales of labels	45,335	29,060	–	–
Advisory/consultancy	23,766	12,149	16,247	15,188
Training/seminar	20,401	18,873	1,886	2,016
Inspection	–	12,717	–	–
Standard development	282	986	26	14
Packaging design	13,800	8,434	28,116	19,089
Commercialisation	–	39	–	–
Other services	289	1,100	797	438
	392,211	341,577	67,203	53,662
Timing of revenue recognition:				
At point of time	203,164	222,025	44,579	31,604
Over time	189,047	119,552	22,624	22,058
	392,211	341,577	67,203	53,662

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24. OTHER OPERATING INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Rental income:				
– premises	1,262	1,560	13,110	13,340
– equipment	53	912	1,358	2,139
– others	713	52	68	88
Gain from other investments through profit or loss	627	122	384	122
Penalty income	211	722	211	772
Other income received from subsidiaries	–	–	11,340	10,021
Realised gain on foreign exchange	302	258	3	18
Others	3,547	4,423	2,058	1,566
	6,715	8,049	28,532	28,066

25. PROFIT BEFORE ZAKAT AND TAXATION

Profit before zakat and taxation is determined after charging amongst others, the following:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Allowance for impairment loss:-				
– trade receivables	3,367	694	505	35
– other receivables	–	3,679	–	3,679
– amount due from subsidiaries	–	–	–	1,380
Auditors' remuneration				
– auditors of the Company	229	215	90	90
– other auditors	42	42	–	–
Amortisation of prepaid lease payment	1,988	1,264	1,988	1,264
Depreciation of property, plant and equipment	43,580	41,624	28,545	27,301
Depreciation of right-of-use assets	727	691	314	324
Directors' remuneration				
– fees	437	403	311	307
– other emoluments	484	410	484	383
Interest on lease liabilities	111	135	50	59
Property, plant and equipment written-off	43	424	5	108
Provision for retirement benefits	691	737	497	491
Provision for post-employment medical benefit	3,516	3,848	2,289	2,482

25. PROFIT BEFORE ZAKAT AND TAXATION (CONT'D)

Profit before zakat and taxation is determined after charging amongst others, the following:- (cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Rental expenses:				
– premises	71	2	–	–
– equipment	881	292	250	244
– others	344	152	222	152
and crediting:				
Dividend income from subsidiaries	–	–	60,500	56,300
Operating grant and development and research grant	92,420	86,769	88,316	81,563
Gain from other investments at fair value through profit or loss	627	122	384	122
Reversal of allowance for impairment loss:				
– trade receivables	3,471	1,773	–	–
– other receivables	24	–	24	–
– amount due from subsidiaries	–	–	1,788	–
Interest income	7,792	9,113	3,472	4,038
Dividend income from other investments	1,996	160	565	160
Rental income:				
– premises	1,262	1,560	13,110	13,340
– equipment	53	912	1,358	2,139
– others	713	52	68	88
Reversal of slow moving inventories	9	52	–	–

26. TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax:-				
Current year provision	22,347	18,690	–	–
Under/(Over) provision in prior years				
Income tax	1,640	98	–	–
Deferred tax	(703)	653	–	–
	937	751	–	–
	23,284	19,441	–	–

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26. TAXATION (CONT'D)

The reconciliation of income tax expenses applicable to profit before taxation and zakat at the statutory income tax rate to income tax expenses at the effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before zakat and taxation	41,308	25,716	11,295	1,076
Taxation at Malaysian statutory tax rate of 24%	9,914	6,172	2,711	258
Tax effects in respect of:-				
Income not subject to tax	(492)	(948)	(14,666)	(14,050)
Expenses not deductible for tax purposes	3,688	8,832	2,646	3,380
Deferred tax assets not recognised	9,682	10,577	9,309	10,412
Deferred tax utilised during the year	(445)	(5,943)	–	–
Under/(Over) provision in prior years				
– Current tax	1,640	98	–	–
– Deferred tax	(703)	653	–	–
	23,284	19,441	–	–

The Group and the Company have the following unabsorbed tax losses and unutilised capital allowances which can be used to offset future taxable profits subject to agreement with the Inland Revenue Board:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Cumulative timing differences</u>				
Unabsorbed tax losses				
– expired by 31 December 2028	(117,649)	(117,649)	(111,723)	(111,723)
– expired by 31 December 2029	(12,575)	(12,575)	(10,326)	(10,326)
– expired by 31 December 2030	(13,344)	(13,344)	(12,256)	(12,256)
– expired by 31 December 2031	(13,469)	(13,469)	(12,834)	(12,834)
– expired by 31 December 2032	(33,840)	(33,840)	(33,371)	(33,371)
– expired by 31 December 2033	(32,605)	(32,605)	(32,257)	(32,257)
– expired by 31 December 2034	(38,190)	(38,190)	(37,506)	(37,506)
– expired by 31 December 2035	(38,788)	–	(38,788)	–
	(300,460)	(261,672)	(289,061)	(250,273)
Unutilised capital allowance	(369,483)	(356,520)	(368,640)	(356,104)
	(669,943)	(618,192)	(657,701)	(606,377)
Deferred tax benefits not reflected in the financial statements at 24%	(160,786)	(148,366)	(157,848)	(145,530)

27. STAFF COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries and wages	138,827	135,065	67,499	64,829
Defined contribution plan	26,101	25,007	11,747	11,351
Defined benefit plan:-				
Retirement benefits	663	737	498	491
Post-employment medical benefits	3,587	3,848	2,289	2,482
Other employee benefits	53,379	34,789	18,163	14,757
	222,557	199,446	100,196	93,910

The number of employees in the Group and the Company at the end of the financial year was 2,171 and 954 (2024: 2,209 and 993) respectively.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of related parties

The Group and the Company have related party relationship with its holding corporation, related companies, associates, joint venture, directors and key management personnel.

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28. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Transactions with related parties

Related party transactions of the Group and the Company during the financial year are as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Transactions with subsidiaries				
Income from printing services rendered	–	–	17,159	10,732
Income from training services rendered	–	–	31	191
Maintenance fees	–	–	8,073	7,140
Management fees	–	–	3,286	2,881
Mailing services	–	–	4	4
Product consultancy	–	–	8	238
Rental of equipment	–	–	6 03	1,240
Rental of premises	–	–	11,848	11,780
Other rental	–	–	87	86
Royalties	–	–	8,264	5,391
Income from engineering services rendered	–	–	117	361
Income from calibration services rendered	–	–	555	482
Income from audit services rendered	–	–	2	97
Income from testing services rendered	–	–	718	679
Income from intellectual property	–	–	40	–
Other services	–	–	15	33
Profit from loan	–	–	–	125
Audit services	–	–	1	(13)
Calibration services	–	–	(68)	(116)
Engineering services	–	–	(20)	(22)
Intellectual property	–	–	–	(10)
Management fees	–	–	(13)	(13)
Product consultancy	–	–	(4,160)	(5,249)
Testing fees	–	–	(511)	(387)
Training fees	–	–	(736)	(492)
Purchase of standards	–	–	(11)	(8)
Rental of equipment	–	–	(4)	–
Other services	–	–	(3)	(41)
Reimbursement	–	–	(134)	(9)
Standard development	–	–	(32)	(102)
Key management personnel				
Directors' remuneration	921	813	795	690
Salaries and allowances	5,131	4,167	3,884	3,037
Short-term employment benefits	760	633	563	467

(c) Related parties balances

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 14 and 22 to the financial statements.

29. CONTINGENT LIABILITIES – SECURED

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bank guarantee issued to third party	1,156	1,732	1,156	1,732

30. CAPITAL COMMITMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Purchase of property, plant and equipment				
– Contracted but not provided for	23,457	14,461	19,334	6,309
– Approved but not contracted for	1,910	16,607	1,090	11,376
	25,367	31,068	20,424	17,685

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31. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

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

- (i) Amortised cost ("AC")
- (ii) Fair value through profit or loss ("FVTPL")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2025			
Group			
Financial assets			
Other investments	52,660	–	52,660
Trade and other receivables (exclude prepayment)	30,052	30,052	–
Cash and cash equivalents	305,332	305,332	–
	388,044	335,384	52,660
Financial liability			
Trade and other payables	(138,856)	(138,856)	–
Company			
Financial assets			
Other investments	20,986	–	20,986
Trade and other receivables (exclude prepayment)	75,349	75,349	–
Cash and cash equivalents	157,489	157,489	–
	253,824	232,838	20,986
Financial liability			
Trade and other payables	(53,837)	(53,837)	–

31. FINANCIAL INSTRUMENTS (CONT'D)

Categories of Financial Instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows:- (cont'd)

(ii) Fair value through profit or loss ("FVTPL") (cont'd)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2024			
<u>Group</u>			
<u>Financial assets</u>			
Other investments	20,037	–	20,037
Trade and other receivables (exclude prepayment)	32,020	32,020	–
Cash and cash equivalents	292,203	292,203	–
	344,260	324,223	20,037
<u>Financial liability</u>			
Trade and other payables	(122,276)	(122,276)	–
<u>Company</u>			
<u>Financial assets</u>			
Other investments	20,037	–	20,037
Trade and other receivables (exclude prepayment)	73,776	73,776	–
Cash and cash equivalents	131,904	131,904	–
	225,717	205,680	20,037
<u>Financial liability</u>			
Trade and other payables	(55,994)	(55,994)	–

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32. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing its credit risk, liquidity risk, interest rate risk and market risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The Group and the Company have exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Interest rate risk

(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 its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers.

(a) **Trade receivables**

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

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

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

There are no significant changes as compared to the prior periods.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Credit risk (cont'd)

(a) Trade receivables (cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company manage their debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group's and the Company's debt recovery process is as follows:-

- i. Above 90 days past due after credit term, the Group and the Company will start to initiate a structured debt recovery process which is monitored by the management; and
- ii. If no repayment received from the structured debt recovery process, the Group and the Company will commence a legal proceeding against the customer.

The Group and the Company use an allowance matrix to measure ECLs of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group and the Company also consider differences between:-

- economic conditions during the period over which the historic data has been collected;
- current conditions; and
- the Group's and the Company's view of economic conditions over the expected lives of the receivables.

Nevertheless, the Group and the Company believe that these factors are immaterial for the purpose of impairment calculation for the year.

Trade receivables that were past due but not impaired relate to customers that have a good payment record with the Group and the Company. Based on past experience and no adverse information to date, the Directors of the Group and the Company are of the opinion that no provision for impairment is necessary in respect of those balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

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32. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) **Credit risk (cont'd)**

(b) **Related parties**

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 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.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from balances due from related parties is represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Group and the Company consider balances due from related parties have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when a related party's financial position deteriorates significantly.

As the Group and the Company are able to determine the timing of payments of the balances due from related parties when they are payable, the Group and the Company consider the balances to be in default when the related parties are not able to pay when demanded. The Group and the Company consider balance due from a related party to be credit impaired when:-

- The related party is unlikely to repay its balance to the Group and the Company in full;
- The related party's balance is overdue for more than 365 days; or
- The related party is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determine the probability of default for these balances individually using internal information available.

(c) **Other investments and cash and cash equivalents**

The other investments and cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its financial obligations due to a shortage of funds.

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Carrying amount RM'000	Contractual interest rate/ Discount rate	Contractual cash flows RM'000	Within one year RM'000	1-5 years RM'000
2025					
Group					
Financial liabilities:					
Trade and other payables	138,856	–	138,856	138,856	–
Lease liabilities	1,657	6.14%-6.64%	1,768	653	1,115
	140,513		140,624	139,509	1,115
Company					
Financial liabilities:					
Trade and other payables	53,837	–	53,837	53,837	–
Lease liabilities	711	6.39%	777	338	439
	54,548		54,614	54,175	439

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32. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations: (cont'd)

	Carrying amount RM'000	Contractual interest rate/ Discount rate	Contractual cash flows RM'000	Within one year RM'000	1-5 years RM'000
2024					
Group					
Financial liabilities:					
Trade and other payables	122,276	–	122,276	122,276	–
Lease liabilities	2,436	6.39%	2,592	1,447	1,145
	124,712		124,868	123,723	1,145
Company					
Financial liabilities:					
Trade and other payables	55,994	–	55,994	55,994	–
Lease liabilities	849	6.39%	903	903	–
	56,843		56,897	56,897	–

Cash flow risk management:-

The Group and the Company review its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with their monetary financial instruments.

Fair value:-

The carrying amounts of financial assets and liabilities as reported in the statements of financial position approximate their fair values because of the short maturity period of these financial instruments.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below analyses financial instruments carried at fair value:

	Fair value of financial instruments carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
2025					
Group					
Financial asset:					
FVTPL-					
Other investments	–	52,660	–	52,660	52,660
Company					
Financial asset:					
FVTPL-					
Other investments	–	20,986	–	20,986	20,986
2024					
Group					
Financial asset:					
FVTPL-					
Other investments	–	20,037	–	20,037	20,037
Company					
Financial asset:					
FVTPL-					
Other investments	–	20,237	–	20,237	20,237

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32. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) Interest rate risk

Interest rate exposure arises from the Group's and the Company's deposits, which bear interest as disclosed in Note 15. As of 31 December 2025, the deposits are classified as short-term and therefore the exposure to the effects of future changes in prevailing level in interest rate is limited.

Risk management objectives, policies and processes for managing the risk

The Group adopts a policy of investing and borrowing mainly in fixed rate instruments to avoid the risk of fluctuation in interest rates.

Exposure to interest rate risk

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
Financial assets	207,725	242,363	115,275	104,587
Lease liabilities	(1,657)	(2,436)	(711)	(849)
	206,068	239,927	114,564	103,738

Interest rate risk sensitivity analysis

The Group does 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.

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