



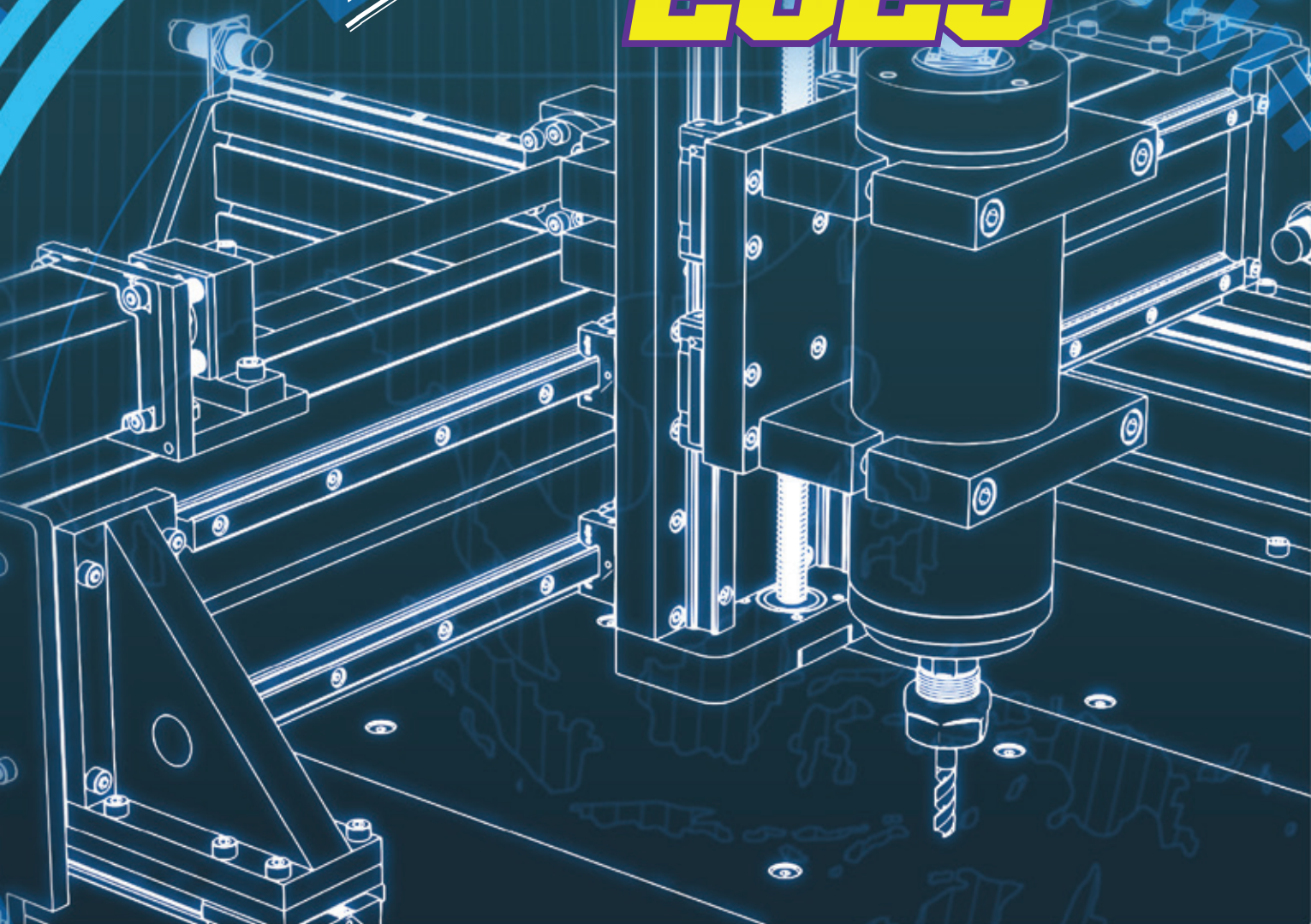
**ERDASAN GROUP BERHAD**  
(formerly known as AT Systematization Berhad)

Registration No. 200401006297 (644800-X)  
(Incorporated in Malaysia)



# ANNUAL REPORT

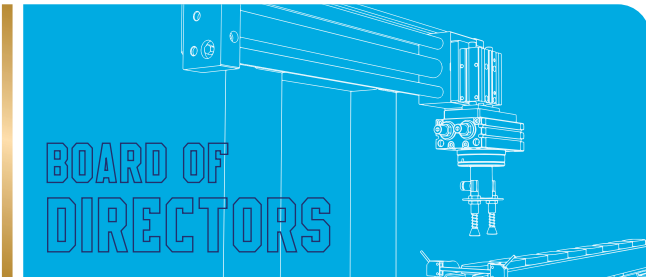
# 2025



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# Corporate Information



## TAN LAY CHEE

Independent Non-Executive Director

## DR. CH'NG HUCK KHOON

Non-Independent Non-Executive Director

## DATUK CHONG LOONG MEN

Non-Independent Non-Executive Director  
(Appointed w.e.f. 10 March 2025)

## CHOU SING HOAN

Executive Director  
(Appointed w.e.f. 23 April 2025)

## LING CHI HOONG

Independent Non-Executive Director  
(Appointed w.e.f. 21 November 2025)

## LEE LISA

Independent Non-Executive Director  
(Appointed w.e.f. 21 November 2025)

## CHOONG LEE AUN

Managing Director  
(Resigned w.e.f. 28 April 2025)

## MAK SIEW WEI

Executive Director  
(Removed w.e.f. 08 May 2025)

## DATO' NIK ISMAIL BIN DATO' NIK YUSOFF

Independent Non-Executive Director (Chairman)  
(Resigned w.e.f. 27 May 2025)

## DATIN ONG POH LIN ABDULLAH

Independent Non-Executive Director  
(Resigned w.e.f. 31 October 2025)

## AUDIT AND RISK MANAGEMENT COMMITTEE

Tan Lay Chee (Chairman)  
Dr. Ch'ng Huck Khoon (Member)  
Lee Lisa (Member)  
(Appointed w.e.f. 21 November 2025)  
Datin Ong Poh Lin Abdullah (Member)  
(Resigned w.e.f. 31 October 2025)

## NOMINATING COMMITTEE

Tan Lay Chee (Chairman)  
Dr. Ch'ng Huck Khoon (Member)  
Ling Chi Hoong (Member)  
(Appointed w.e.f. 21 November 2025)  
Datin Ong Poh Lin Abdullah (Member)  
(Resigned w.e.f. 31 October 2025)

## REMUNERATION COMMITTEE

Tan Lay Chee (Chairman)  
Dr. Ch'ng Huck Khoon (Member)  
Ling Chi Hoong (Member)  
(Appointed w.e.f. 21 November 2025)  
Datin Ong Poh Lin Abdullah (Member)  
(Resigned w.e.f. 31 October 2025)

## COMPANY SECRETARIES

Wong Yuet Chyn (MAICSA 7047163)  
(SSM Practising Certificate No. 202008002451)  
Adeline Tang Koon Ling (LS 0009611)  
(SSM Practising Certificate No. 202008002271)

## REGISTERED OFFICE

1-10, Medan Perniagaan Pauh Jaya,  
Jalan Baru, 13700 Perai,  
Pulau Pinang, Malaysia.  
Tel: (604) -390 8009  
Email: secretary@prosec.com.my

## PRINCIPAL BANKER

CIMB Bank Berhad  
Malayan Banking Berhad

## CORPORATE OFFICE

DF2-07-03, Level 7, Persoft Tower,  
6B, Persiaran Tropicana,  
Tropicana Golf & Country Resort,  
47410 Petaling Jaya,  
Selangor, Malaysia.  
Tel: (603)-7499 3889  
Email: info@erdasan.com.my  
Website: www.erdasan.com.my

## SHARE REGISTRAR

Prosec Share Registration Sdn Bhd  
DF2-09-02, Level 9, Persoft Tower,  
6B, Persiaran Tropicana,  
Tropicana Golf & Country Resort,  
47410 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel No. : (603)-3008 1123  
Fax No. : (603)-3008 1124  
Email : sharereg@prosec.com.my

## AUDITORS

Morison LC PLT (AF002469)  
Level 11-01, Uptown,  
3, Jalan SS 21/39,  
Damansara Utama,  
47400 Petaling Jaya, Selangor.  
Tel : (603)-7491 4419

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
ACE Market  
Stock Name : ERDASAN  
Stock Code : 0072

# Corporate Structure



## ERDASAN GROUP BERHAD

Registration No. 200401006297 (644800-X)  
(Incorporated in Malaysia)

100%

### AT Precision Tooling Sdn. Bhd.

200301025555 (627975-M)

- Fabrication of industrial and engineering parts
- Renewable energy operator and producer

100%

### AT Engineering Solution Sdn. Bhd.

200301029111 (631531-X)

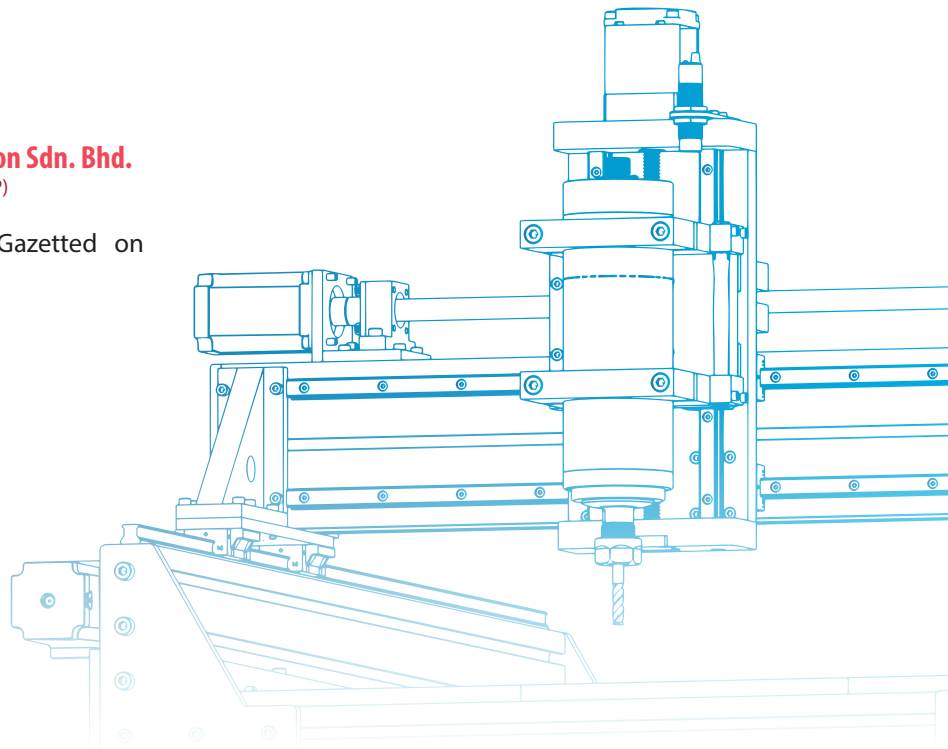
- Design and manufacture of industrial automation systems and machinery
- Renewable energy operator and producer
- Fabrication of sheet metal part

100%

### AT Technology Solution Sdn. Bhd.

201501000193 (1125525-P)

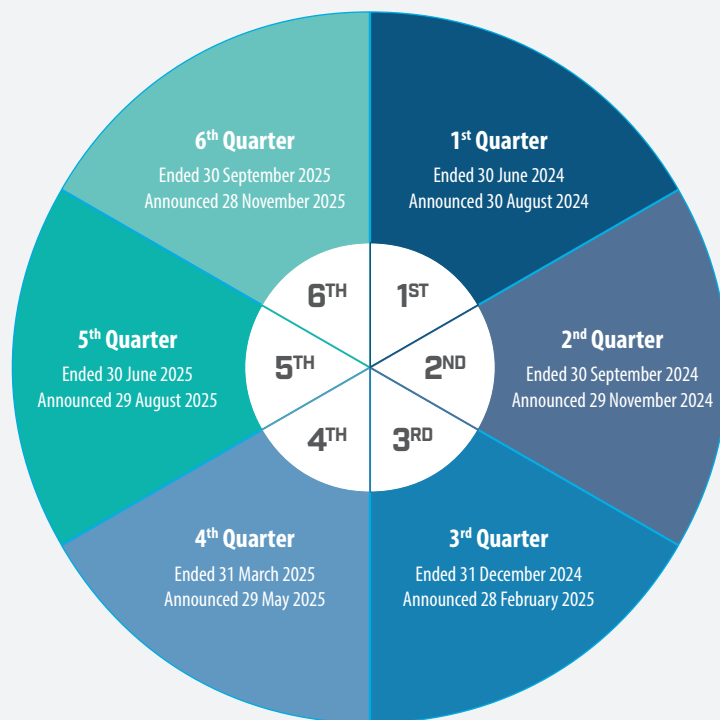
- De-registration (Gazetted on 10 October 2025)



# Financial Calendar

Financial Period  
**1 APRIL 2024 - 30 SEPTEMBER 2025**

## Quarterly Results



Annual Report and Financial Statements  
**PUBLISHED 30 JANUARY 2026**

21<sup>st</sup> Annual General Meeting  
**TO BE HELD ON 27 MARCH 2026**

# Group Financial Highlights

As At 30 September 2025

Financial Period/Year Ended	30.09.2025 <sup>@</sup> (18 months)	Restated 31.3.2024 (12 months)	Restated 31.3.2023 (12 months)	31.3.2022 (12 months)	31.3.2021 (12 months)
<b>Key Operating Results (RM'000)</b>					
Revenue	54,975	32,585	60,798	78,133	30,927
Revenue growth	68.71%	-46.40%	-22.19%	152.64%	56.43%
Gross (loss)/profit	8,773	(2,311)	(7,605)	623	4,769
Gross profit margin	15.96%	-7.09%	-12.51%	0.80%	15.42%
(Loss)/Profit before interest and tax	(3,475)	(66,025)	(112,175)	(92,294)	(19,691)
Finance costs	(705)	(1,421)	(3,671)	(2,044)	(504)
Share of results in associate	(5,485)	(13,080)	(2,752)	(29,971)	(412)
(Loss)/Profit before tax	(9,665)	(80,526)	(118,598)	(124,309)	(20,607)
(Loss)/Profit for the year/period attributable to owners of the Company	(9,666)	(80,863)	(118,645)	(124,056)	(20,529)
<b>Other Key Data (RM'000)</b>					
Total assets	187,097	186,255	322,036	469,612	393,003
Total liabilities	39,264	52,477	97,823	132,397	23,233
Equity attributable to owners of the Company	147,833	133,778	224,213	337,215	369,770
<b>Share Information</b>					
Basic (loss)/earnings per share (sen)	(4.24)	(35.80) *	(59.36) *	(76.46) *	(23.55) *
Diluted basic (loss)/earnings per share (sen)	(4.24)	(35.80) *	(59.36) *	(76.46) *	(23.55) *
Net asset per share attributable to owners of the Company	64.61	59.14 *	112.09 *	171.31 *	262.30 *
Market capitalisation (RM'000)	17,159	35,060	30,003	118,104	401,765
<b>Financial Ratios</b>					
Gross profit margin (%)	15.96%	-7.09%	-12.51%	0.80%	15.42%
Curent ratio	4.77	3.55	3.29	3.55	16.92
Quick ratio	1.30	1.25	1.15	1.52	9.76
Debt to equity ratio (%)	4.3%	9.1%	20.1%	23.7%	1.7%
Net debt to equity ratio (%)	N/A #	N/A #	N/A #	N/A #	N/A #

# Not applicable as the Group is having cash & equivalents more than external debts as at respective periods.

\* Re-calculated after assuming that the share consolidation had been executed at respective financial years.

@ Comprising 18-months period from 1 April 2024 to 30 September 2025 following the change of financial year end from 31 March to 30 September.

# Abbreviation

Except where the context otherwise requires, the following definitions shall apply throughout this Annual Report:

Abbreviations	Description
ACE LR	ACE Market Listing Requirements of Bursa Securities
Act	The Companies Act 2016
AGM	Annual General Meeting
ARMC	Audit and Risk Management Committee
ATP	AT Precision Tooling Sdn. Bhd.
ATES	AT Engineering Solution Sdn. Bhd.
ATGE	AT Glove Engineering Sdn. Bhd.
Board	Board of Directors
Bursa Securities	Bursa Malaysia Securities Berhad
CCM	Companies Commission of Malaysia
DOE	Department of Environment
Erdasan or the Company or EGB	Erdasan Group Berhad (formerly known as AT Systematization Berhad)
Erdasan Group or the Group	Erdasan and its subsidiaries
E&E	Electrical and Electronics
EGM	Extraordinary General Meeting
ESG	Environmental, Social and Governance
FIT Programme	Feed-in Tariff Programme
FY2024	Financial Year Ended 31 March 2024
FPE2025	Financial Period Ended 30 September 2025
ISO	International Organization for Standardization
MCCG or the Code	Malaysian Code on Corporate Governance 2021
MFRS	Malaysian Financial Reporting Standard
QC	Quality Control
QMS	Quality Management System
Rieter	Rieter Machine Works Ltd. (also known as Maschinenfabrik Rieter AG)
SC	Securities Commission Malaysia
SDG	Sustainable Development Goals
SEDA Malaysia	Sustainable Energy Development Authority Malaysia
Solar PV Plant	Solar Photovoltaic Plant
TOR	Terms of Reference

# Management Discussion and Analysis

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## 1.0 Introduction

On behalf of the Board of Directors (“Board”) of Erdasan Group Berhad (“EGB” or the “Company”), I hereby present the Annual Report and Audited Financial Statements of the Company and its subsidiaries (the “Group”) for the financial period ended 30 September 2025 (“FPE2025”).

## 2.0 Overview of Group’s Business and Operations

Erdasan Group is an investment holding company and its subsidiary companies are principally involved in the fabrication of industrial and engineering parts, as well as the design and manufacturing of industrial automation systems and machinery, collectively reported under the Fabrication and Automation segment. The Group owns and operates several manufacturing plants which are strategically located within the area of Bayan Lepas Industrial Park, Penang, serving customers from various sub-sectors including hard disk drive manufacturing, contract manufacturers, textile, medical and other manufacturing industries.

The Group established its presence in the renewable energy sector, following the successful quota allocations from the Sustainable Energy Development Authority (“SEDA”) Malaysia and award of licenses to develop solar photovoltaic (“PV”) plant under the Feed-in-Tariff (“FIT”) system at the Group’s manufacturing plants in Penang. The Group commissioned its maiden solar PV plant with a capacity of 425kW in December 2015, followed by a second solar PV plant with a capacity of 300kW in December 2016. In addition, the Group optimised its production facility layout to improve operational efficiency and leased the surplus space to generate recurring rental income. Both the solar renewable energy and property letting activities are reported under the Renewable Energy and Property segment.

### 2.1 Objectives and Strategies

Our Group strives to be a leading strategic partner for precision engineering solutions and integrated designer and manufacturer of industrial automation systems to customers worldwide. It is the Group’s objective to build mutually beneficial business relationships with all its shareholders and stakeholders, with a strong focus on sustainability. In meeting the expectations of our shareholders and stakeholders, we are guided by the following principles:-

- To maintain sustainable growth in revenue and profits while minimizing environmental impact and maximizing value for shareholders;
- To adopt a continuous improvement approach towards quality and reliability of our products and services, ensuring that they meet and exceed our customer expectations while minimizing resource consumption and waste generation;
- To cultivate a highly skilled and committed workforce, fostering a culture of sustainability and manufacturing excellence. We trust, empower, and reward our employees, providing them with opportunities for growth and development while promoting responsible resource management and sustainable practices;
- To promote responsibility and respect when dealing with our business partners. We actively seek partnerships with suppliers and vendors who share our commitment to sustainability, ethical practices and social responsibility.

The Group believes that sustainable growth is essential for business expansion and delivering sustainable returns to shareholders. To achieve this, the Group focuses on constant innovation and development of new revenue streams by expanding its product range and solutions for customers.

In addition to our focus on growth, we are dedicated to maintaining high standards of quality and customer satisfaction. The Group has obtained ISO 9001 and ISO 13485 certifications, which demonstrate our commitment to complying with industry standards for quality management systems and medical devices. We continuously strive to exceed customer expectations by providing faster responses, better support, and enhanced services to our valued customers.

Through these focus areas, we are confident in our capacity to build mutually beneficial business relationships with all our shareholders and stakeholders.

# Management Discussion and Analysis (Cont'd)

## 3.0 Review of Financial Results and Positions

### 3.1 Our Financial Performance for financial period ended 30 September 2025 ("FPE2025")

The Group's financial performance for FPE2025 spans 18 months, compared to the 12-month reporting period in the previous financial year. As such, the higher revenue and expenses partly reflect the extended period under review.

For FPE2025, the Group achieved revenue of RM54.98 million, representing a strong 68.7% increase over the RM32.58 million recorded in the financial year ended 31 March 2024 ("FY2024"). On an annualised basis, the Group's revenue is estimated at RM36.65 million, compared to RM32.58 million previously. This reflects an underlying growth of 12.5%, driven primarily by improved performance in the fabrication and automation segment, which recorded an increase of RM23.71 million in revenue.

The Group also recorded a significant improvement in profitability. Loss before tax narrowed substantially to RM9.66 million, compared to a larger loss of RM80.53 million a year earlier. Loss after tax similarly narrowed to RM9.67 million for FPE2025, versus RM80.86 million in FY2024. These improved results were supported by several key factors, including:-

- One-off gain of RM11.56 million from the disposal of glove machineries;
- A reversal of impairment loss on land and buildings amounting to RM8.76 million; and
- Lower share of losses from associate companies (FPE2025: RM5.49 million versus FY2024: RM13.08 million).

These gains were partially offset by a one-off loss arising from the de-recognition of associates of RM13.40 million.

### 3.2 Performance by Segment

Segmental Revenue	2025 RM '000	2024 RM '000	% change
Fabrication and Automation	53,949	30,237	↑ 78%
Renewable Energy and Property	1,027	720	↑ 43%
Gloves	-	1,628	N/A
<b>Total Revenue</b>	<b>54,976</b>	<b>32,585</b>	<b>↑ 69%</b>

Segmental Review	2025 RM '000	2024 RM '000	% change
Segmental Profit/(Loss) from:			
Fabrication and Automation	6,892	(7,619)	↑ 190%
Renewable Energy and Property	5,460	555	↑ 884%
Gloves	51	(34,414)	↑ 100%
Other	(22,068)	(39,048)	↑ 43%
<b>Loss Before Tax</b>	<b>(9,665)</b>	<b>(80,526)</b>	<b>↑ 88%</b>

# Management Discussion and Analysis (Cont'd)

## 3.0 Review of Financial Results and Positions (Cont'd)

### 3.2 Performance by Segment (Cont'd)

#### 3.2.1 Fabrication and Automation

The fabrication and automation segment delivered a strong performance in FPE2025, with revenue increasing by RM23.71 million or 78% compared with the preceding financial period. The improvement was mainly attributable to higher order volumes from contract manufacturers and hard disk drive (“HDD”) manufacturers, reflecting increased activity from semiconductor-related customers. This was partially offset by lower demand from textile machinery makers during the period.

#### ***Benefiting from Global Semiconductor Manufacturing Shifts***

Over the past 18 months, the segment has continued to demonstrate positive momentum. Cumulative revenue from contract manufacturing customers more than doubled to RM33.97 million, while revenue from HDD manufacturers increased to RM3.30 million. The growth reflects the Group’s expanding participation in semiconductor-related manufacturing activities.

The higher demand is consistent with ongoing structural changes in the global semiconductor supply chain, as manufacturers respond to trade tensions between the United States and China by diversifying production locations outside China. The Group has benefited from increased outsourcing and capital expenditure by customers aligned with these shifts, which has supported order flow within the segment.

While the segment is increasingly positioned within higher-growth, technology-driven end markets, management remains cautious of potential demand volatility, customer concentration and macroeconomic and geopolitical uncertainties that could affect order visibility going forward. The Group will continue to monitor market conditions closely while managing operational capacity and customer mix to support sustainable performance.

#### ***Textile Demand Moderation Offset by Strategic Product Developments***

Demand from textile machinery makers remained subdued, with cumulative textile-related revenue of RM14.52 million over the 18-month period and moderation in FPE2025 due to a soft global textile market. The decline was most pronounced in Ring Spin products, reflecting weaker market conditions and heightened competitive pressures following Rieter India’s localisation of production.

Notwithstanding these challenges, the Group made progress in product development during FPE2025, including advancements in Flat Rods and the completion of 38 Card development. Demand for Flat Rods has shown an improving trend, supported by the Group’s position as the sole supplier following Rieter’s exit from European production, which partially offsets the near-term softness in the textile machinery segment.

The fabrication and automation segment recorded a significant turnaround, achieving a pre-tax profit of RM6.89 million for the period under review, an improvement of RM14.51 million compared to the pre-tax loss of RM7.62 million in the previous year. This improved performance was largely supported by enhanced profit margins and better operational efficiency as well as a reversal of impairment loss on land and buildings amounting to RM3.05 million. The strong results were partially moderated by higher staff costs, increased depreciation charges and additional upkeep and maintenance expenses.

# Management Discussion and Analysis (Cont'd)

## 3.0 Review of Financial Results and Positions (Cont'd)

### 3.2 Performance by Segment (Cont'd)

#### 3.2.2 Renewable Energy and Property

The renewable energy and property letting segments delivered a markedly improved performance, reporting a pre-tax profit of RM5.46 million for the current period, compared to RM0.56 million in the corresponding year. The substantial increase in pre-tax profit was primarily driven by the gain on disposal of glove machineries amounting to RM11.56 million, a reversal of impairment loss on land and buildings of RM5.71 million, and lower depreciation charges arising from the glove facilities. These gains were partially offset by an impairment loss on receivables of RM3.52 million.

#### 3.2.3 Others

The other segment reported a pre-tax loss of RM22.07 million for the current period, compared to a pre-tax loss of RM39.05 million in FY2024. The pre-tax loss for the period was primarily attributed to the loss on de-recognition of associates amounting to RM13.40 million (FY2024: RM Nil) and the share of losses from associates of RM5.49 million (FY2024: RM13.08 million). The lower pre-tax loss compared to FY2024 was mainly due to the absence of mark-to-market losses on quoted investments (current period: RM Nil; FY2024: RM35.05 million). This improvement was partially moderated by the absence of a one-off gain on deemed disposal of an associate amounting to RM13.40 million, which was recorded in FY2024.

## 4.0 Liquidity and Capital Resources

As at 30 September 2025, the Group's cash and cash equivalents stood at RM17.93 million compared to RM19.15 million in the past corresponding year. The decrease was mainly due to the net effects of the following:

- a) Net cash inflow of RM5.99 million from operating activities, primarily attributable to improved operating performance, supported by a modest reduction in inventories;
- b) Net cash used in investing activities of RM0.93 million mainly due to net effects from:
  - Proceeds from disposal of investments in associates of RM2.39 million;
  - Acquisition of RM3.19 million quoted investments;
- c) Net cash outflow from financing activities of RM4.77 million mainly due to net repayment of the Group's term loans and revolving credit of RM2.23 million, net repayment of lease liabilities of RM2.30 million and interest paid of RM0.70 million, offset proceeds raised from exercise of share options of RM0.47 million.

## 5.0 Financial Position and Gearing

The Group's total assets stood at RM187.10 million as at 30 September 2025, representing an increase of 2.07% from RM186.25 million as at 31 March 2024. The increase was mainly attributable to the fair value adjustment of investment properties and higher trade receivable in line with improved revenue performance, partly offset with de-recognition of the Group's investment in associates.

The Group's total liabilities decreased to RM39.26 million in FPE2025 from RM52.48 million in the previous year. The reduction was mainly attributable to the repayment of borrowings during the period, partly offset by the recognition of deferred tax liabilities amounting to RM4.42 million arising from the fair value adjustment of the Group's land and buildings.

As of 30 September 2025, the Group's debt-to-equity ratio, which measures its gearing position, stood at 4.3%, showing a decrease from 9.3% reported on 31 March 2024. This decline was primarily driven by a decrease in term loans and revolving credit. In FPE2025, these loans amounted to RM3.49 million, compared to RM5.72 million in the previous year.

# Management Discussion and Analysis (Cont'd)

## 6.0 Anticipated and Known Risks

### 6.1 Business risks

The Group may be subject to risks inherent in the industries in which the Group operates. These include shortages of raw materials, constraints in labour supply, increase in labour costs, changes in law and tax legislation affecting the industry, increase in costs of new machinery, changes in business and credit conditions, equipment failure and factory accidents.

The Group seeks to mitigate these risks through prudent management policies, maintaining good business relationships with customers and suppliers, diligent cost controls, expansion of customer base and business by increasing the range of products and services offered as well as the range of markets or industries served, stringent quality controls, close production and capacity supervision as well as careful planning, effective human resources management and regular equipment maintenance and renewal.

### 6.2 Dependency on selected industries and key customers

The Group designs and manufactures precision components and fabricates precision tools, moulds, dies, jigs and fixtures for use in precision engineering applications, primarily for the contract manufacturers, hard-disk drive manufacturer and medical industry.

To mitigate concentration risk arising from reliance on specific industries, the Group has been actively expanding its customer base by broadening the range of solutions and products offered. As part of this effort, the Group has maintained a strong presence in the textile sector through a strategic partnership with Rieter Group, a world's leading supplier of systems for manufacturing yarn from staple fibers in spinning mills. This partnership supported higher fabrication job orders in recent years. However, demand from the textile sector has softened in the current period. Over the past few years, the textile industry accounted for a substantial portion of the Group's revenue, contributing 26.4% in FPE2025, 54.7% in FY2024, 45.1% in FY2023 and 16.5% in FY2022.

The Group has ceased its glove manufacturing operations, which previously represented a notable portion of revenue. Moving forward, the Group remains focused on its core precision engineering and fabrication businesses, while actively pursuing opportunities to diversify into new sectors and expand its solutions portfolio, ensuring sustainable growth and resilience against industry-specific fluctuations.

Notwithstanding the above, any adverse development in the above-mentioned industries, or any adverse development in our relationship with the key customer or the business performance of the key customer, may adversely affect the Group's revenue and earnings.

### 6.3 Dependency on experienced management and key personnel

The Group's continued success depends, to a significant extent, on the abilities and continuing efforts of the key management and key technical personnel. The loss of any key management and/or key technical personnel could adversely affect the Group's continued ability to manage operations effectively and competitively. The Group's future success will also depend upon the ability to attract and retain skilled personnel.

As such, the Group has made continuous efforts to develop a dynamic management team and groom younger management personnel to ensure continuity of the quality and dynamism in the management team. Efforts have been made by the Group to promote opportunities and develop programmes in all key functions of the Group's operations. The Group also continuously reviews the remuneration packages to ensure competitiveness and takes appropriate measures and implements programmes for talent acquisition as well as to retain existing staff. Such programmes implemented are incentives-based with the aim of rewarding staff for their ability to improve efficiency and effectiveness. However, there is no assurance that the above measures will be successful in attracting and retaining key management personnel or ensuring a smooth transition should changes occur.

# Management Discussion and Analysis (Cont'd)

## 6.0 Anticipated and Known Risks (Cont'd)

### 6.4 Inconsistent production of solar energy

The amount of solar energy that can be produced by the Group's solar PV plants is dependent on the availability of sunlight, which in turn is dependent on various factors such as weather conditions that can be unpredictable throughout the year. Prolonged cloudy or rainy days may lead to fewer hours of sunlight being received. There is no assurance that the changes in the amount of sunlight received due to erratic weather conditions will not materially affect the production of electricity by the Group's solar PV plants, or that the solar PV plants will be able to generate a consistent amount of electricity all year round.

## 7.0 Share Price Performance

The share price of Erdasan closed at RM0.075 on 30 September 2025, giving the Group a total market capitalisation of RM17.16 million. Over the course of the cumulative 18 months, the share price of Erdasan reached a high of RM0.23 on 14 May 2024 and fell to a low of RM0.06 on 23 April 2025.

## 8.0 Dividend Policy

The Group's present focus is on strengthening its financial position and delivering long-term value to shareholders. We aim to reinvest our earnings to fund the Group's business growth. As such, the Group does not adopt any dividend policy for the short term but will consider distributing excess profits once the Group has stable earnings, after taking into consideration working capital requirements and planned capital expenditure in the future.

## 9.0 Prospects

The Malaysia's economy is projected to grow between 4.5% and 5.5% in 2025. The manufacturing sector is projected to expand further, attributed to better performance in export-oriented industries, primarily the Electrical and Electronics ("E&E") segment, as external demand for semiconductors continues to increase.

The Group delivered a commendable performance during the financial period under review, led by the robust expansion of its fabrication and automation segment. On an annualised basis, fabrication segment revenue rose to RM35.97 million, representing a solid 19% growth over FY2024's revenue of RM30.24 million.

This strong performance was driven by both favourable external conditions, particularly the sustained demand from the export-oriented electrical and electronics ("E&E") sector and the successful execution of the Group's targeted market strategy, which continues to position the Group in higher-growth and resilient segments. It remains optimistic about its performance in the coming quarters, supported by a steady pipeline of fabrication projects and a favorable demand landscape across key customer sectors. As of to-date, backlog orders stand at RM17.43 million, reflecting healthy demand and accounting for approximately 47.55% of the annualised audited revenue of RM36.65 million for the period ended 30 September 2025.

Over the years, the Group has developed strong capabilities through its support of transfer business, helping customers fulfil orders relocated to Malaysia for cost optimisation. Leveraging on this foundation, the Group is now tapping into migration business, driven by customers relocating the entire operations to Malaysia, potentially in response to the imposition of reciprocal tariffs by the United States. Looking ahead, the broader manufacturing industry remains susceptible to global vulnerabilities, including the escalation of geopolitical tensions, supply chain disruptions, volatility in financial market conditions, varying growth prospects across economies and the possible on-going changes in the United States tariffs policy.

# Management Discussion and Analysis (Cont'd)

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## 10.0 Acknowledgement

We would like to extend our sincere appreciation to our shareholders, customers, business partners and employees for their continued trust and support.

The Board would like to record its deepest gratitude to Dato' Nik Ismail Bin Dato' Nik Yusoff and Datin Ong Poh Lin Abdullah for their invaluable contributions and dedicated service during their tenure as Directors. Their leadership, guidance and commitment have played a significant role in steering the Group through a period of transformation and the Board wishes them every success in their future endeavours.

We also take this opportunity to warmly welcome Mr. Ling Chi Hoong and Ms. Lee Lisa on their appointment to the Board. The Board is confident that their experience, expertise and fresh perspectives will further strengthen the Group's governance and support its strategic direction going forward.

The Group remains committed to transformation and resilience, with a continued focus on sustainable value creation for all stakeholders.

Chou Sing Hoan  
Executive Director  
**27 January 2026**

# Profile of Directors

## Chou Sing Hoan

*Executive Director*

Malaysian | Aged 53 | Male

Mr. Chou Sing Hoan ("Mr. Chou"), was appointed to the Board on 23 April 2025. He is also a member of Risk Management Group, Investment Committee and Employees' Share Option Scheme Committee.

Mr. Chou graduated with Bachelor of Accounting Degree from Systematic College in the year 1999 and qualified as a Chartered Accountant with Malaysian Institute of Accountant in the year 2001.

Mr. Chou has more than 27 years of working experience in the field of accounting. He started

his career as an external auditor, having served in several capacities in audit firms. Subsequently, he joined Bionas Corporation Berhad as Vice President for the Company for 3 years. Thereafter, he joined AE Multi Holdings Berhad on 1 March 2013 as the Financial Controller. Subsequently, he was appointed as Executive Director cum Financial Controller on 4 February 2025.

Mr. Chou currently sits on the Board of AE Multi Holdings Berhad and Advance Information Marketing Berhad as Executive Director.

## Dr. Ch'ng Huck Khoon

*Non-Independent Non-Executive Director*

Malaysian | Aged 56 | Male

Dr. Ch'ng Huck Khoon ("Dr. Ch'ng") was appointed to the Board on 28 June 2012. He is also a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee.

Dr. Ch'ng pursued his PhD studies in Finance at the Universiti Sains Malaysia and also holds a Master of Business Administration (Finance) from University of Stirling, United Kingdom. He is an Associate

Member of the Institute of Chartered Secretaries and Administrators and a Certified Financial Planner.

Dr. Ch'ng was an Assistant Professor at Universiti Tunku Abdul Rahman and Wawasan Open University.

Dr. Ch'ng does not hold any directorship in any other public companies and listed companies.

## Profile of Directors (Cont'd)

### Tan Lay Chee

*Independent Non-Executive Director*

Malaysian | Aged 47 | Male

Mr. Tan Lay Chee ("Mr. Tan") was appointed to the Board on 31 March 2020. He is also the Chairman of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee.

He had received his early education at Systematic College. He became a member to the Association of Chartered Certified Accountants (ACCA, UK) since year 2005 and a member to the Malaysian Institute of Accountants (MIA) in year 2009. He has been admitted as fellowship member in ACCA in year 2010.

Mr. Tan had started his career by attaching himself to a Chartered Accountant firm, BDO Binder for approximately 5 years. He then spent another 4

years with Goodway Integrated Industries Bhd, a retreading tyres company listed on the Main Board of Bursa Securities. In 2009, he joined Hap Seng Consolidated Berhad, a company listed on the Bursa Securities as Finance Manager, in charge in the Quarry, Building and Trading Materials division. Thereafter, he joined SapuraKencana Petroleum Berhad (now known as Sapura Energy Berhad) in year 2013, an oil and gas company listed on the Bursa Securities as Finance Manager. Presently, he is working in a professional firm specialising in accounting, audit, tax and company secretary services.

Mr. Tan does not hold any directorship in any other public companies and listed companies.

### Datuk Chong Loong Men

*Non-Independent Non-Executive Director*

Malaysian | Aged 47 | Male

Datuk Chong Loong Men ("Datuk Chong") was appointed to the Board on 10 March 2025.

Datuk Chong possesses a diverse academic background spanning both legal and technical disciplines. He holds a Professional Qualification in the Certificate of Legal Practice, a vital credential for legal practitioners. He also earned a Bachelor of Laws (LLB) degree from the University of London, reflecting his formal legal education. In addition to his legal studies, he obtained a Diploma in Quantity Surveying from Institut Teknologi Pertama, showcasing his interdisciplinary competence in both law and construction-related fields.

Datuk Chong began his professional career at the Attorney General's Chambers, where he served as a Deputy Public Prosecutor, gaining valuable experience in legal prosecution and public service. He has since transitioned into private practice and is currently practising as a lawyer, continuing his contributions to the legal field through advocacy and legal representation.

Datuk Chong currently sits on the Board of Sarawak Consolidated Industries Berhad as Executive Chairman. He is also a Non-Independent Non-Executive Director in Parlo Berhad and an Executive Director in NEXG Berhad.

## Profile of Directors (Cont'd)

### Ling Chi Hoong

*Independent Non-Executive Director*

Malaysian | Aged 42 | Male

Mr. Ling Chi Hoong was appointed to the Board on 21 November 2025. He is also a member of the Nominating Committee and Remuneration Committee.

Mr. Ling graduated with a LLB (Hons) Degree from the International Islamic University Malaysia in 2007 and was admitted as an Advocate and Solicitor of the High Court of Malaya in 2008.

He is a partner in a legal 500 law firm, specialises in areas of capital market and corporate commercial. Mr. Ling was previously Head of Legal & Corporate Affairs for various companies listed in Bursa Malaysia Securities Berhad ("Bursa Securities") and

Singapore Exchange. Prior to that, he held position of Head of Group Legal in an oil & gas conglomerate listed on Bursa Securities. He was also previously attached to an American Fortune 500 largest energy multi-national companies in their legal and contract department handling Asia Pacific contracts and compliance matters.

Mr. Ling currently sits on the Board of LKL International Berhad, Jadi Imaging Holdings Berhad and Sarawak Consolidated Industries Berhad as Independent and Non-Executive Director. Additionally, he also serves on the Board of Trustees for Blackstone Trustee Berhad.

### Lee Lisa

*Independent Non-Executive Director*

Malaysian | Aged 35 | Female

Ms. Lee Lisa was appointed to the Board on 21 November 2025. She is also a member of the Audit and Risk Management Committee.

Ms. Lee has more than 7 years of professional experience in audit, assurance and business advisory, coupled with extensive commercial finance exposure. She holds an Advanced Diploma in Financial Accounting from Tunku Abdul Rahman College and is a Chartered Accountant with the Malaysian Institute of Accountants (MIA).

Ms. Lee began her career as an Audit Assistant and later joined Grant Thornton Malaysia in 2016, where she gained extensive experience in audit and assurance work for both private and public listed companies across various industries.

In 2019, Ms. Lee transmitted to the commercial sector as a Finance Manager, handling financial planning,

budgeting and process improvements. She then joined a public listed company in 2021 as Group Accountant and was later promoted to Financial Controller, overseeing group consolidation, intercompany reconciliations, cash flow forecasting and banking facilities.

Since November 2023, Ms. Lee has been the Financial Controller of Amalgamated Metal Corporation (M) Sdn Bhd, a subsidiary of APB Resources Berhad, where she leads group financial operations, consolidated reporting, treasury management and engagements with auditors, bankers, tax agents and company secretaries. Ms. Lee was appointed as Chief Financial Officer of APB Resources Berhad on 2 October 2025.

Ms. Lee does not hold any directorship in any other public companies and listed companies.

#### Other Information on Directors:

- (I) None of the Directors have any family relationship with other Director and/or major shareholder of the Company.
- (II) None of the Directors have any conflict of interest, or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- (III) None of the Directors have any conviction for offences (other than traffic offences) within the past five (5) years.
- (IV) None of the Directors have any public sanction or penalty imposed on them by the relevant regulatory bodies during the FPE2025.

# Profile of Key Senior Management

In addition, the profile of other key senior management during the FPE2025 are as follows:-

## Tan Beng Song

*General Manager – AT Precision Tooling Sdn Bhd*

Malaysian | Aged 52 | Male

Mr. Tan Beng Song serves as General Manager of AT Precision Tooling Sdn Bhd (“ATP”) since January 2016 and is responsible in overseeing the ATP operation. He is also the management representative of ATP under ISO 13485 and ISO 9001 Quality Management System.

Mr. Tan started his career as a Cad/Cam Engineer in a Taiwanese mold making company for 3 years since 1994. Subsequently, he joined a local listed company as a Toolroom Supervisor to manage a plastic mold making facility for 3 years in Senai, Johor. In year 2000, he started his managerial journey as an Engineering Manager in a plastic injection molding company for 6 years to manage

new product introduction project and toolroom operations. In years 2006, he joined a Singapore listed company as a Factory Manager for 6 years in semiconductor industries. Thereafter, he joined a local listed company as Senior Operations Manager to manage overall company operations in aerospace and semiconductor components fabrication in year 2012 for 3 years.

Mr. Tan has over 32 years of experiences in metal fabrication for various industries, including plastic injection molding & mold making, semiconductor consumer products fabrication and medical & aerospace precision parts fabrication.

### Save as disclosed, none of the key senior management:-

- (I) Has any family relationship with any director and/or major shareholder of the Company.
- (II) Has any conflict of interest, or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- (III) Has any conviction for offences (other than traffic offences) within the past five (5) years.
- (IV) Has any public sanction or penalty imposed on them by the relevant regulatory bodies during the FPE2025.
- (V) Hold directorship in any other public companies and listed companies.

# Sustainability Statement



## ABOUT THIS REPORT

Erdasan Group Berhad (formerly known as AT Systematization Berhad) is committed to conducting its business responsibly and ethically by integrating Environmental, Social and Governance (“ESG”) considerations into its operations and decision-making processes. The Board provides oversight to ensure sustainability and good corporate governance practices are embedded within the Group’s business strategy. The Group continues to enhance its ESG framework to effectively manage material sustainability risks and opportunities, supporting long-term value creation and sustainable growth.

### Scope and Basis of Scope

This Sustainability Statement outlines the Group’s sustainability activities in relation to its business operations in Malaysia, namely the fabrication and automation, renewable energy and property segments, over which the Group exercises direct managerial control. The reporting boundary excludes associated companies.

This Sustainability Statement covers an 18-month reporting period from 1 April 2024 to 30 September 2025, unless stated otherwise.

### Reporting Frameworks and Standards

The contents of this Statement have been developed in accordance with ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Sustainability Reporting Guide (3<sup>rd</sup> Edition) issued by Bursa Securities.

### Statement of Assurance

This Statement has not been subjected to an external assurance process. The information provided in this report is presented on a best-effort basis and is subject to further improvement in future reporting cycles.

### Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement and the issues covered to [info@erdasan.com.my](mailto:info@erdasan.com.my).

# Sustainability Statement (Cont'd)

## OUR APPROACH TO SUSTAINABILITY

The Group's sustainability framework is structured around four core pillars, namely Economic, Social, Environmental and Governance Sustainability, through which defined objectives are pursued by addressing the Group's identified material matters.

Economic Sustainability	Social Sustainability	Environmental Sustainability	Governance Sustainability
<ul style="list-style-type: none"> <li>Economics Performance</li> <li>Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Labour Practices and Standards</li> <li>Diversity</li> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Energy and Water Management</li> <li>Waste Management</li> <li>Green Energy</li> </ul>	<ul style="list-style-type: none"> <li>Policy &amp; Regulatory Compliance</li> <li>Certification &amp; Accreditation</li> <li>Anti-Corruption</li> <li>Data Privacy &amp; Security</li> </ul>

## Sustainability Policy

Erdasan Group has adopted a Sustainability Policy that guides the integration of ESG considerations into the Group's strategies, policies and operations. The Policy reflects the Group's commitment to conducting business responsibly and ethically while creating long-term value for stakeholders. Oversight of sustainability matters rests with the Board of Directors, supported by management and working group, which monitor implementation, performance and disclosures. The Policy emphasises social responsibility through employee wellbeing and community engagement, environmental stewardship through responsible resource use and regulatory compliance and governance through accountability, transparency and sustainable planning.

## Sustainability Governance



The Group's sustainability governance structure is integrated within its overall corporate governance framework. In line with our commitment to embedding sustainability across the organization, the Board and its committees have broadened their responsibilities to encompass sustainability matters. The Board of Directors retains ultimate accountability for overseeing the Group's sustainability strategy and performance, supported by the respective Board Committees and senior management.

The Executive Directors are responsible for operationalizing the Group's sustainability vision by managing sustainability-related impacts, risks, and opportunities. They ensure that sustainability considerations are incorporated into daily operations and decision-making processes through a balanced approach that aligns business objectives with stakeholder expectations. This integrated governance approach enables the Group to navigate complex challenges effectively while remaining steadfast in its commitment to economic, environmental and social responsibilities, thereby driving long-term value creation for all stakeholders.

# Sustainability Statement (Cont'd)






## Sustainability Governance (Cont'd)

Role	Responsibilities
Board of Directors	<ul style="list-style-type: none"> <li>Define sustainability vision and strategy.</li> <li>Integrate sustainability into long-term strategic plans.</li> <li>Oversee sustainability integration into business processes.</li> </ul>
Executive Directors	<ul style="list-style-type: none"> <li>Implement sustainability initiatives.</li> <li>Manage associated risks, impacts and opportunities.</li> <li>Ensure value creation through sustainable operations.</li> </ul>
Operations	<ul style="list-style-type: none"> <li>Execute day-to-day sustainable practices.</li> <li>Monitor compliance with sustainability standards.</li> <li>Provide feedback on sustainability efforts at the operational level.</li> </ul>

## Stakeholder Engagement



The Group actively engage with various stakeholders to determine matters of concern to them, to understand their expectations and requirements. The Group believes that engaging with stakeholders can bring continuous improvement and boost the chances of success of the Group in the long term.

The engagement approach to key stakeholders is summarised as below:-

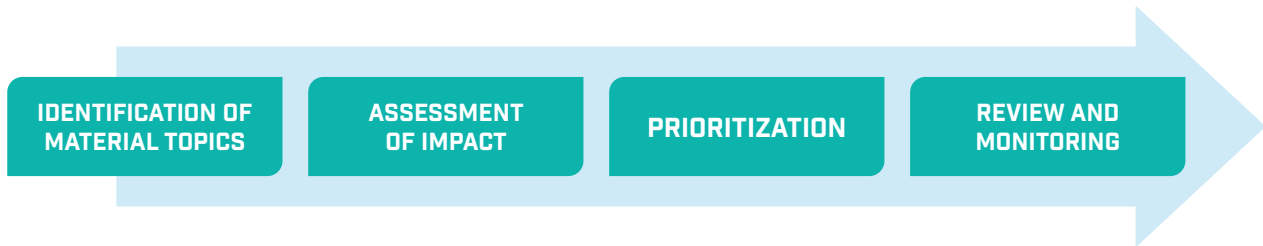
Stakeholder Groups	Engagement Channels	Key Concerns / Interests
 Employees	Training programs, Management meetings, Departmental meetings, Company events, Whistle-blowing channel, Annual performance review, Telephone & email	Work-life balance, Safe workplace, Compensation & welfare, Career development, Fair human resource policies, Job security
 Customers	Proposals/Agreements, Brochures, Feedback forms/surveys, Advertisement, Site visits, Website & social media	Pricing, Service delivery, Product quality, Payment terms, Business continuity
 Suppliers/Vendors	Pricing review, Agreements, Supplier registration, Meetings, Site visits, Performance assessments	Product/service quality, Competitive pricing & payment terms, Procurement policies, Sustainable supply chain, Health & safety, Relationship management
 Shareholders	Annual General Meeting/ Extraordinary General Meeting, Annual & Quarterly reports, Press releases, Company website, Bursa announcements	Financial performance, Corporate governance, Regulatory compliance, Risk management, Business strategy
 Community	Community engagement, Corporate Social Responsibility activities, Employment opportunities	Corporate Social Responsibility sponsorships, Local hiring, Internship programs

# Sustainability Statement (Cont'd)

## Stakeholder Engagement (Cont'd)

Stakeholder Groups	Engagement Channels	Key Concerns / Interests
Regulatory Authorities 	Consultation sessions, Conferences, Training & dialogue, Audits, Permits & licenses, ISO/certification compliance	Regulatory compliance, Approvals of permits/certifications
Financial Institutions 	Annual & quarterly reports, Meetings/ briefings, Corporate website	Continuous financial support

## Material Matters & Assessment Process



- 1. Identification of Material Topics**

The Group continuously evaluates factors that are critical to its business and stakeholders. This process considers emerging industry trends, regulatory requirements, and stakeholder expectations to ensure all relevant topics are captured.
- 2. Assessment of Impact**

Once material topics are identified, the Group assesses their potential risks and opportunities. Each topic's influence on the business and stakeholders is carefully analyzed to gauge its significance and alignment with the Group's sustainability objectives.
- 3. Prioritization**

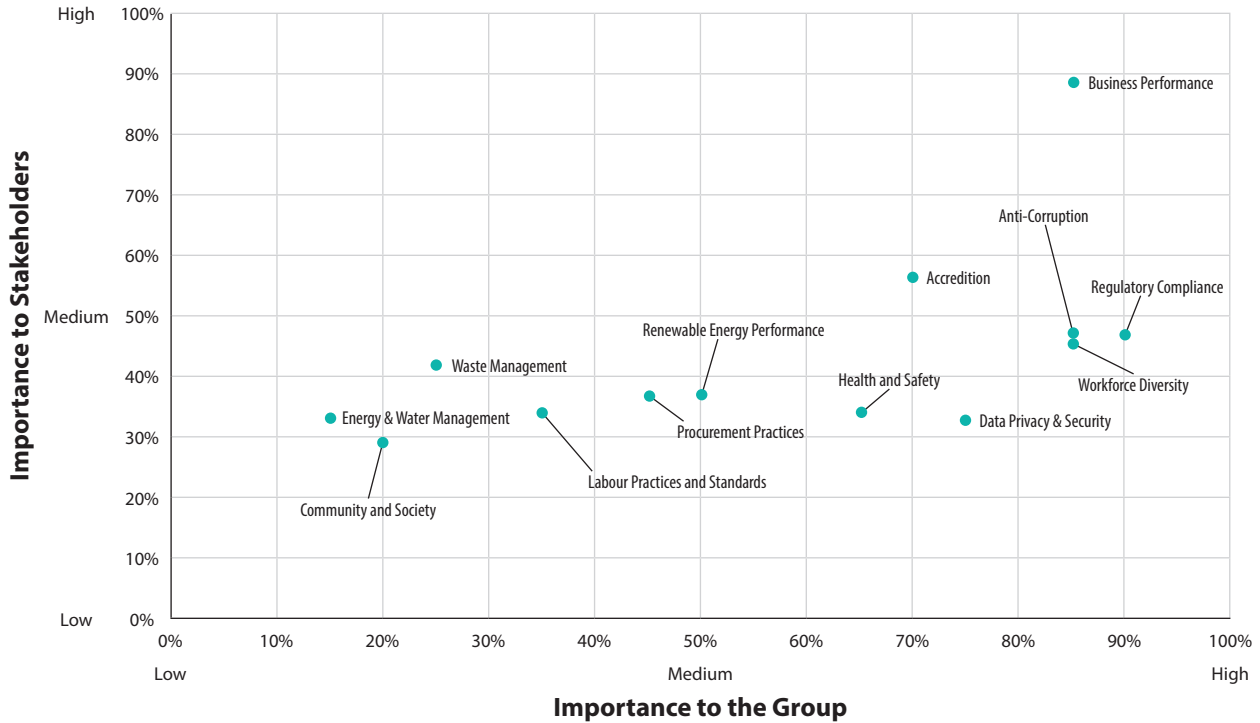
Topics with the greatest impact on sustainability are prioritized for action. This ensures that the Group's focus remains on areas that matter most, supporting its overarching sustainability strategy.
- 4. Review and Monitoring**

Material topics are regularly reviewed to maintain relevance. Adjustments are made as business conditions evolve, stakeholder expectations shift, and global sustainability trends emerge, ensuring continuous alignment with the Group's goals.

The results of this process are illustrated in the Group's Materiality Matrix, which visually maps the priority of each topic based on its impact on stakeholders and the business.

# Sustainability Statement (Cont'd)

## Materiality Matrix



## MANAGEMENT APPROACH TO MATERIAL MATTERS

### Economic Performance

Sustaining long-term economic growth is key to the Group's resilience and value creation for shareholders, employees, business partners and the wider community. Economic sustainability also ensures that the Group remains agile and well-positioned to manage potential business disruptions while continuing to contribute to national economic development and employment generation.

#### Our approach

The Board and management focus on strategies that enhance operational efficiency, expand market presence and improve product and service quality. By upholding strong business ethics, prudent financial management and cost optimisation, the Group aims to maintain profitability, agility and alignment with long-term strategic objectives.

#### Our performance

Indicator	Unit	2025
<b>Economic Performance</b>		
Direct economic value generated	RM	79,847,499
Economic value distributed:		
- Operating costs	RM	63,715,763
- Wages and other payments to employees and directors	RM	11,244,099
- Interest payments	RM	704,636
- Income tax payments	RM	45,952

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Certification & Accreditation

Certifications and accreditations demonstrate the Group's commitment to excellence, compliance and continuous improvement. By aligning operations with internationally recognised standards, the Group strengthens stakeholder confidence, enhances product quality and supports long-term business resilience and market competitiveness.

#### Our approach

The Group maintains a robust certification framework across its business units to ensure compliance with international quality, environmental and occupational health and safety standards. These accreditations form a critical component of our risk management and operational excellence strategy, ensuring that our processes, products and management systems consistently meet global benchmarks.

#### Our performance

Indicator	Unit	2025
<b>Certification &amp; Accreditation</b>		
ISO certifications maintained	%	100

### List of Certification and Accreditation



ISO 9001 : 2015  
Certified by BSI  
Certified since May 2015



ISO 13485 : 2016  
Certified by BSI  
Certified since November 2016

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Anti-Corruption

In striving to create value for our shareholders and stakeholders, the Group upholds strong governance, integrity and ethical business practices. Maintaining a corruption-free environment reinforces trust, reduces organisational risks and enhances credibility and brand value, supporting long-term sustainable growth.

#### Our approach

The Group is firmly committed to conducting its business operations with integrity and in compliance with all applicable anti-bribery and anti-corruption laws and regulations. All employees, contractors and suppliers are required to uphold these standards in the course of their work and business dealings with the Group.

The Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy, approved by the Board, formalises the Company's zero-tolerance stance towards any form of bribery or corruption. The Policy outlines the principles, responsibilities and procedures to prevent corrupt practices and provides clear guidance on the types of conduct that are strictly prohibited.

Complementing the ABAC Policy, the Group's Code of Conduct serves as a cornerstone of ethical behaviour, setting out the expected standards of integrity, professionalism and accountability for all Directors and employees. It reinforces the Group's commitment to ethical business conduct and responsible decision-making.

To further strengthen governance and integrity, the Group has also established a Whistleblowing Policy, which provides a secure and confidential channel for employees and stakeholders to report any suspected misconduct, unethical behaviour or breaches of the Group's policies. All reports are handled with the utmost confidentiality and without fear of retaliation.

These policies apply to all Directors and employees, ensuring a consistent and coordinated approach to promoting ethical practices across all levels of the organisation. The Group continues to foster a culture of ethics and compliance through regular awareness and training programmes to enhance employees' understanding of their obligations.

The ABAC Policy, Code of Conduct, and Whistleblowing Policy are publicly available on the Group's website to promote transparency and accountability. For more information, please visit: <https://www.erdasan.com.my/investor-relations/>.

#### Our performance

Indicator	Unit	2025
<b>Anti-Corruption</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Managerial	Percentage	12
Executive	Percentage	17
Non-executive	Percentage	71
Bursa C1(b) Percentage of operations assessed for corruption related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Community and Society

Community investment is a key component of the Group's sustainability strategy and reflects its commitment to contributing positively to the socio-economic development of the areas in which it operates. Supporting community initiatives enables the Group to foster social well-being, promote inclusivity and build stronger relationships with local stakeholders. Such efforts contribute to sustainable development, create shared value and enhance the Group's reputation as a responsible and engaged corporate citizen.

#### Our approach

The Group recognises that active engagement with local communities is essential to maintaining long-term, mutually beneficial relationships. Guided by its corporate values and sustainability priorities, the Group remains committed to identifying and supporting initiatives that enhance community welfare, education, health and social cohesion.

#### Our performance

Indicator	Unit	2025
<b>Community and Society</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	5,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1

### Energy and Water Management

Effective management of energy and water is essential for reducing the environmental footprint and operating costs associated with resource consumption. For us, conserving energy and water directly supports global sustainability goals, reduces carbon emissions and demonstrates responsible environmental stewardship. Efficient resource use also enhances operational resilience, particularly amid rising energy costs, climate-related challenges and increasing demands on water resources.

#### Our approach

The Group actively promotes energy and water-saving practices across all operations. Employees are encouraged to turn off lights, appliances and equipment when not in use. Power-saving features and sleep modes are enabled on computers, photocopiers and other devices to reduce unnecessary energy consumption.

Within our manufacturing facilities, we undertake deliberate efforts to optimise energy and water usage. Measures include:

- Water management: Rainwater harvesting and the use of recycled water for general cleaning purposes, including floors and drainage systems. A flow meter is installed to monitor water usage across facilities.
- Energy management: Transparent roofing and energy-saving lighting to reduce electricity consumption, solar-powered energy-saving devices, and air conditioning shutdown 30 minutes before office closure. Power inverters are installed in selected machines to improve operational efficiency.

These initiatives, combined with regular monitoring and review of consumption data, foster a culture of mindful resource use and continuous improvement in sustainability practices.

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Energy and Water Management (Cont'd)

#### Our performance

Indicator	Unit	2025
<b>Energy and Water Management</b>		
Bursa C4(a) Total energy consumption	Megawatt	2,342
Bursa C9(a) Total volume of water used	Megalitres	9.33

### Waste Management

Responsible waste management is critical to reducing environmental pollution, conserving natural resources and mitigating the impacts of climate change. As part of our duty to both present and future generations, the Group recognises the importance of minimising our environmental footprint and ensuring that all waste is managed in a safe, compliant and sustainable manner. Effective waste control also enhances operational efficiency, supports regulatory compliance and strengthens our commitment to environmental stewardship.

#### Our approach

The Group's waste management system is designed in accordance with the Environmental Quality Act 1974 and complies fully with the Department of Environment ("DOE") requirements. Implementation is guided by comprehensive operational procedures aimed at minimising waste generation at every stage of production.

We have established an Environmental, Health & Safety ("EHS") Committee at our key subsidiary level, which actively monitors compliance with DOE standards and drives continual improvement in waste handling practices. Key measures include:

- Maintaining monthly reporting through the Electronic Scheduled Waste Information System ("eSWIS") to document and track scheduled waste generation and disposal.
- Conducting quarterly waste analysis to identify trends and control excessive waste production.
- Submitting effluent samples to accredited external laboratories for regular testing in compliance with DOE requirements.
- Ensuring safe disposal of all chemicals and waste materials - such as coolants, hydraulic oils, zinc phosphates and other compounds, through licensed waste transporters and contractors.
- Replacing thermal oil heaters with hot water boilers powered by environmentally friendly technology, thereby reducing used oil waste.
- Promoting the Reduce, Reuse and Recycle (3R) principles throughout all business operations.

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Waste Management (Cont'd)

#### Our performance

Indicator	Unit	2025
<b>Waste Management</b>		
Bursa C10(a) Total waste generated	Metric tonnes	42,795
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	19,995
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	22,800

### Green Energy

Transitioning to renewable energy reduces greenhouse gas emissions, mitigates climate change and supports a low-carbon economy. By generating clean energy through solar photovoltaic ("PV") technology, the Group reduces reliance on non-renewable energy sources and strengthens its commitment to sustainable operations.

#### Our approach

Since 2015, the Group has invested in rooftop solar PV systems at its manufacturing plants in Penang:

- Plot 82: 425 kW capacity
- Plot 49: 300 kW capacity

The PV systems are designed to generate clean energy, which is exported to the national grid. The Group monitors performance through regular system inspections, energy yield analysis, and annual reporting of environmental impact.

#### Our performance

Indicator	Unit	2025
<b>Renewable Energy Performance</b>		
Estimated annual clean energy generation	MWh	1,352
Estimated CO <sub>2</sub> emissions avoided	Metric tonnes	950

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Diversity

Diversity drives innovation, strengthens problem-solving and enhances employee satisfaction. By bringing together a range of perspectives, experiences and skills, a diverse workforce supports better decision-making and adaptability. It also reflects the Group's commitment to inclusivity, equal opportunity, and a culture where everyone is respected and valued.

#### Our approach

The Group recognises employees as the foundation of its success and maintains a non-discriminatory approach in recruitment and employment. Considerations such as ethnicity, gender, religion, or age do not influence candidate selection, which is based solely on competence, experience and capabilities.

We strictly comply with labour laws and the Code of Employment Practices, prohibiting child and illegal labour. All employees are treated fairly under clear employment agreements covering terms, remuneration, and benefits.

While male employees currently form a larger proportion of the workforce due to the nature of the work, diversity exists in skills, experiences, cultures and age groups. This inclusive approach ensures a dynamic workplace where diversity is valued and leveraged for collective growth.

#### Our performance

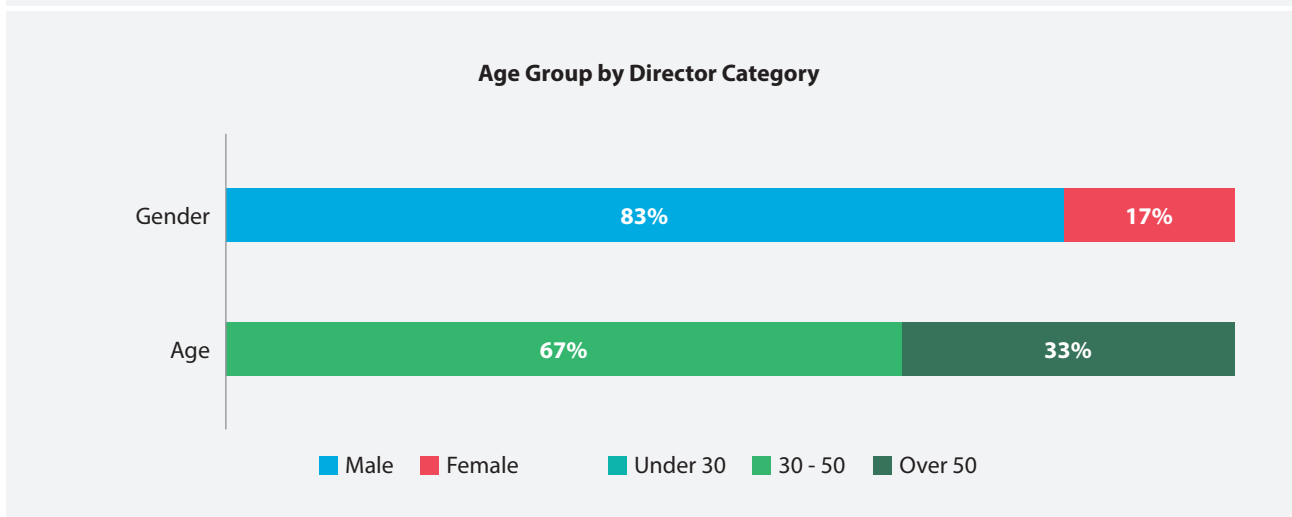
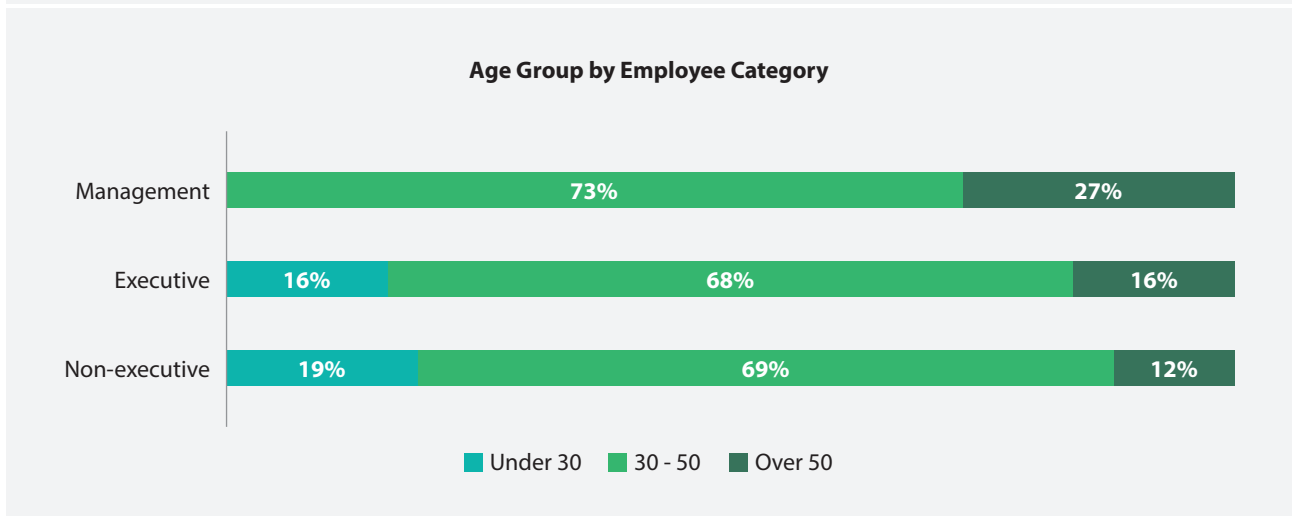
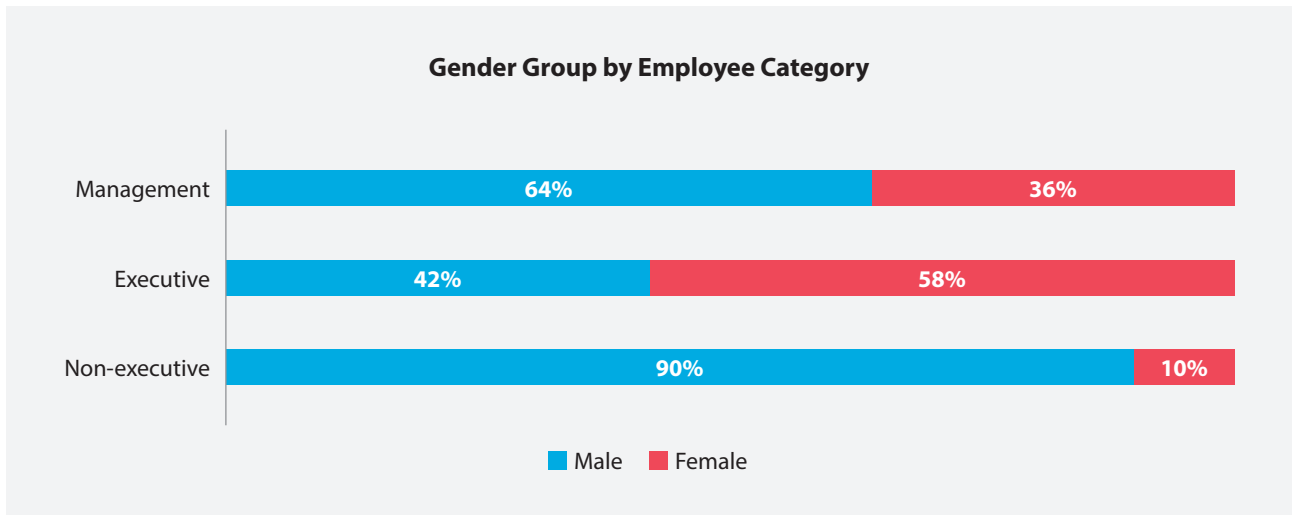
Indicator	Unit	2025
<b>Diversity</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
<b>Gender Group by Employee Category</b>		
Management Male	Percentage	64
Management Female	Percentage	36
Executive Male	Percentage	42
Executive Female	Percentage	58
Non-executive Male	Percentage	90
Non-executive Female	Percentage	10
<b>Age Group by Employee Category</b>		
Management Under 30	Percentage	0
Management Between 30-50	Percentage	73
Management Above 50	Percentage	27
Executive Under 30	Percentage	16
Executive Between 30-50	Percentage	68
Executive Above 50	Percentage	16
Non-executive Under 30	Percentage	19
Non-executive Between 30-50	Percentage	69
Non-executive Above 50	Percentage	12
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83
Female	Percentage	17
Under 30	Percentage	0
Between 30-50	Percentage	67
Above 50	Percentage	33

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Diversity (Cont'd)

#### Our Performance (Cont'd)



# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Health and Safety

The health, safety and wellbeing of our employees are fundamental to the Group's operational excellence and long-term sustainability. A safe workplace not only safeguards our people from harm but also enhances productivity, morale and business continuity. By prioritising Occupational Health and Safety ("OHS") management, the Group demonstrates its commitment to responsible business practices and compliance with applicable regulations.

#### Our approach

Safety is a top priority at all levels of the organisation and is consistently featured as a key agenda item in staff meetings. It also serves as a Key Performance Indicator ("KPI") in employee evaluations, reinforcing accountability and a culture of safety.

The Group's Health & Safety Committees at the subsidiary level oversee the Occupational Health and Safety Management System ("OHSAS"). The committees review the safety and health policy periodically and recommend revisions to ensure continued compliance and improvement.

Employees working in high-risk areas are required to use Personal Protective Equipment ("PPE") such as safety goggles, gloves, boots and face masks. Supervisors are responsible for monitoring adherence to safety procedures as outlined in the Group's safety guides and manuals.

Regular safety training, fire drills, and risk awareness campaigns are conducted to build preparedness and awareness among all employees. In addition, medical surveillance programmes are carried out for employees exposed to potential occupational health hazards to ensure early detection and prevention of health-related risks.

#### Our performance

Indicator	Unit	2025
<b>Health and Safety</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost Time Incident Rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standard	Number	0

### Labour Practices and Standards

Fair and responsible labour practices form the foundation of a sustainable and ethical business. By ensuring the wellbeing, rights and equal treatment of all employees, the Group fosters a motivated, skilled and loyal workforce that drives operational excellence and long-term success.

#### Our approach

The Group upholds fair employment practices, equality and respect for human rights in line with the Employment Act 1955 and relevant labour laws. Recruitment, promotion and remuneration are based on merit and performance, without discrimination. We provide fair wages, statutory benefits and safe working conditions and strictly prohibit forced or child labour. Open communication and grievance channels ensure employee concerns are addressed promptly. Regular training and development programmes are conducted to enhance skills and support career growth.

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Labour Practices and Standards

#### Our performance

Indicator	Unit	2025
<b>Labour Practices and Standards</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	476
Executive	Hours	418
Non-executive	Hours	232
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1
Executive	Number	5
Non-executive	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	0

### Supply Chain Management

Effective supply chain management is crucial for fostering operational resilience and supporting the Group's sustainability commitments. By prioritising local suppliers, the Group strengthens the regional economy while reducing environmental impacts, such as carbon emissions from long-distance transportation. Close collaboration with local suppliers also enhances the Group's agility and responsiveness, which is particularly valuable during global supply chain disruptions.

#### Our approach

The Group's approach to supply chain management emphasizes ethical sourcing, supplier diversity and local procurement wherever possible. We cultivate long-term partnerships with suppliers who share our commitment to sustainable and responsible practices, ensuring adherence to environmental and social standards. By fostering transparency and mutual accountability across the supply chain, we promote consistent quality, reliability, and sustainable growth.

#### Our performance

Indicator	Unit	2025
<b>Supply Chain Management</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Data Privacy and Security

In an increasingly digital business environment, safeguarding data privacy and ensuring the security of information systems are vital to maintaining the trust of our customers, employees and business partners. Data breaches or misuse of personal information can lead to financial losses, reputational damage and regulatory non-compliance. Therefore, protecting data integrity and confidentiality is a critical component of the Group's governance and risk management framework.

#### Our approach

The Group is committed to protecting all personal and business data entrusted to us. We adhere to the requirements of the Personal Data Protection Act 2010 ("PDPA") and other applicable data privacy regulations. Our policies and procedures are designed to ensure that information is collected, stored, processed and used responsibly, with appropriate safeguards in place.

To strengthen data security, the Group employs multiple layers of cybersecurity measures, including:

- Access control systems and password protection;
- Data encryption and secure backup procedures;
- Regular system maintenance and software updates; and
- Continuous monitoring to detect and respond to potential threats.

Employees are required to comply with the Group's Data Privacy and Security Policy, which outlines acceptable use, confidentiality obligations and reporting procedures in the event of a suspected breach. Periodic awareness and training programmes are conducted to ensure all staff understand their roles in protecting sensitive information.

Third-party vendors and service providers who handle company or customer data are also required to comply with the Group's privacy and data protection standards.

#### Our performance

Indicator	Unit	2025
<b>Data Privacy and Security</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

# Sustainability Statement (Cont'd)

## MANAGEMENT APPROACH TO MATERIAL MATTERS (CONT'D)

### Policy & Regulatory Compliance

The Group is committed to conducting business in full compliance with all applicable laws, regulations and industry standards. Maintaining robust compliance practices safeguards stakeholder trust, mitigates risks and ensures sustainable operations.

#### Our approach

The Board and management continuously monitor regulatory developments and implement internal policies to ensure adherence. Regular training, audits and reporting mechanisms are in place to promote awareness and accountability across the organisation. Compliance forms a core part of the Group's governance framework, supporting ethical business practices and long-term sustainability.

#### Our performance

Indicator	Unit	2025
<b>Policy &amp; Regulatory Compliance</b>		
Total number of significant instances of non-compliance with laws and regulations	Number	0
Total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid	RM	0

### Moving Forward

Erdasan recognises that sustainability reporting is an evolving journey. The Group remains committed to progressively enhancing the scope, quality and transparency of its ESG disclosures in line with regulatory expectations and stakeholder needs. At Erdasan, we view sustainability as a cornerstone for creating lasting value across our entire value chain. We are dedicated to continuously improving our Environmental, Social, Governance and Economic practices, setting benchmarks for responsible business operations. Through these efforts, we aim to drive meaningful growth while upholding our commitments to environmental stewardship and social responsibility.

# Sustainability Statement (Cont'd)

## PERFORMANCE DATA

	Indicator	Measurement Unit	2025
1)	<b>ANTI-CORRUPTION</b>		
	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category *		
	Managerial	Percentage	12%
	Executive	Percentage	17%
	Non-executive	Percentage	71%
	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100%
	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
2)	<b>COMMUNITY/SOCIETY</b>		
	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	Amount	5,000
	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1
3)	<b>DIVERSITY</b>		
	Bursa C3(a) Percentage of employees by gender and age group, for each employee category #		
	Gender Group by Employee Category *		
	Management Male	Percentage	64%
	Management Female	Percentage	36%
	Executive Male	Percentage	42%
	Executive Female	Percentage	58%
	Non-executive Male	Percentage	90%
	Non-executive Female	Percentage	10%
	Age Group by Employee Category *		
	Management Under 30	Percentage	0%
	Management Between 30-50	Percentage	73%
	Management Above 50	Percentage	27%
	Executive Under 30	Percentage	16%
	Executive Between 30-50	Percentage	68%
	Executive Above 50	Percentage	16%
	Non-executive Under 30	Percentage	19%
	Non-executive Between 30-50	Percentage	69%
	Non-executive Above 50	Percentage	12%
	Bursa C3(b) Percentage of directors by gender and age group *		
	Male	Percentage	83%
	Female	Percentage	17%
	Under 30	Percentage	0%
	Between 30-50	Percentage	67%
	Above 50	Percentage	33%
4)	<b>ENERGY MANAGEMENT</b>		
	Bursa C4(a) Total energy consumption	Megawatt	2,342
5)	<b>HEALTH AND SAFETY</b>		
	Bursa C5(a) Number of work-related fatalities	Number	0
	Bursa C5(b) Lost time incident rate ("LTIR") ▽	Rate	0
	Bursa C5(c) Number of employees trained on health and safety standards	Number	0
6)	<b>LABOUR PRACTICES AND STANDARDS</b>		
	Bursa C6(a) Total hours of training by employee category *		
	Management	Hours	476
	Executive	Hours	418
	Non-executive	Hours	232
	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0%
	Bursa C6(c) Total number of employee turnover by employee category *		
	Management	Number	1
	Executive	Number	5
	Non-executive/Technical Staff	Number	0
	General Workers	Number	0
	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
7)	<b>SUPPLY CHAIN MANAGEMENT</b>		
	Bursa C7(a) Proportion of spending on local suppliers	Percentage	90%
8)	<b>DATA PRIVACY AND SECURITY</b>		
	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
9)	<b>WATER</b>		
	Bursa C9(a) Total volume of water used	Megalitres	9.33
10)	<b>WASTE MANAGEMENT</b>		
	Bursa C10(a) Total waste generated	Metric tonnes	42,795
	Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	19,995
	Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	22,800
11)	<b>COMPLIANCE WITH LAWS AND ENFORCEMENTS</b>		
	Total number of significant instances of non-compliance with laws and regulations	Number	0
	Total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid	RM	0
12)	<b>ECONOMIC PERFORMANCE</b>		
	Direct economic value generated	RM	79,847,499
	Economic value distributed:		
	- Operating costs	RM	63,715,763
	- Wages and other payments to employees and directors	RM	11,244,099
	- Interest payments	RM	704,636
	- Income tax payments	RM	45,952
13)	<b>GREEN ENERGY</b>		
	Estimated annual clean energy generation	MWh	1,352
	Estimated CO <sub>2</sub> emissions avoided	Metric tonnes	950

# Corporate Governance Overview Statement

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The Board of Directors (the “Board”) of Erdasan Group Berhad is committed to achieve and maintain high standards of corporate governance within the Group as a fundamental part of its responsibilities in managing the business and affairs of the Group in order to protect and enhance shareholders’ value.

This Statement is to provide shareholders and investors with an overview of the application of the Principles set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”) by the Group and should be read together with the Corporate Governance Report 2025 of Erdasan Group Berhad (“CG Report”) which accompanies this Annual Report and is also available on the Company’s website at [www.erdasan.com.my](http://www.erdasan.com.my).

The CG Report provides the details on how the Group has applied each Practice as set out in the MCCG during the Financial Period Ended 30 September 2025 (“FPE2025”). Other than Practice 1.2, 1.3, 5.9, 5.10 and 8.2, the Board is of the view that the Group has substantially complied with the recommendations of MCCG.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1. Board Roles and Responsibilities

The Board has established clearly defined roles and responsibilities to discharge its responsibilities in the best interests of the Group’s shareholders and stakeholders. The Board sets the Group’s strategic direction and ensures that adequate resources are in place to achieve the Group’s objectives. In carrying out its stewardship role, the Board assumes, amongst others, the following responsibilities:-

- (a) Reviewing and adopting strategic plans for the Group;
- (b) Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- (c) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- (d) Succession planning including the appointing, training, fixing the compensation of and, where appropriate, replacing senior management;
- (e) Developing and implementing an investor relation programme or shareholder communication policy for the Company;
- (f) Reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- (g) Setting the sustainability strategies and overseeing the overall sustainability performance of the Group.

The Board is responsible for the oversight and overall management of the Group, which includes reviewing and adopting strategic plans for the Group, as well as ensuring appropriate risk management and internal control systems are in place by regularly reviewing such systems to ensure their adequacy, integrity and effectiveness. Management of the Group, which is led by the Executive Director, is delegated to execute the strategies and business plans of the Group. Matters such as major capital expenditure, business acquisition and restructuring, corporate proposals and annual budget are reserved for the Board to make its decision.

The responsibilities of the Board, as well as the segregated roles and responsibilities of the Chairman, Independent Non-Executive Directors and Executive Director of the Company are stipulated in the Board Charter. All the Independent Non-Executive Directors are independent of the Executive Director, management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board’s deliberations.

# Corporate Governance Overview Statement (Cont'd)

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

### 2. Key Responsibilities of Chairman

Chairman of the Group plays an important role in leading the Board to function and instilling good corporate governance practices. The responsibilities of the Chairman, amongst others, are as follows:

- (a) Ensuring that appropriate procedures are in place to govern the Board's operations;
- (b) Setting the agenda, style and tone of Board deliberations, and facilitating effective review, analysis, discussions and contributions by each Director with sufficient time allocated for discussion of complex and contentious issues, encouraging constructive debate so as to enable a sound decision making process;
- (c) Ensuring accurate and timely information, in particular about the performance of the Company, is furnished to Board members;
- (d) Leading efforts to address the Board's developmental needs; and
- (e) Chairing of general meetings, and ensuring a smooth, open and constructive dialogue between the Board and the shareholders.

Following the resignation of Dato' Nik Ismail Bin Dato' Nik Yusoff on 27 May 2025, the position of Chairman has been vacant. As at the date of this statement, the Company has not appointed Chairman to fill in the vacant position. The Board would endeavor to identify suitable candidate to be appointed as Chairman of the Company, taking into consideration the Company's size, stage of development and business requirements.

### 3. Chairman and Chief Executive Officer ("CEO")

As at the date of this Statement, the Company does not have CEO. Currently Mr. Chou Sing Hoan, the Executive Director of the Company assumes the role and responsibilities amongst others, as follows:-

- (a) Develop and implement strategic direction for the Group;
- (b) Oversee heads of departments who are responsible for all functions contributing to the success of the Group;
- (c) Ensure efficiency and effectiveness of the operation of the Group; and
- (d) Assess business opportunities which are of potential benefit to the Group.

All Directors' views are heard, sufficient time for discussion of each agenda and fair opportunity is provided to all Directors to participate actively and constructively during meetings and discussions.

### 4. Qualified and Competent Company Secretaries

Company Secretaries play an advisory role to the Board, particularly with regards to the Company's adherence to its Constitution, its compliance with regulatory requirements, codes or guidance and legislations from time to time and update on new ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") to the Board. It is important that a suitably qualified and competent Company Secretary is appointed according to the requirements outlined in the Companies Act 2016.

Company Secretaries ensure that deliberations at Board and Board Committee meetings are well documented and follow-up on matters arising are subsequently communicated to the relevant Management personnel for appropriate actions. A secured retrieval system which stores meeting papers, minutes of Board and Board Committees are properly maintained by them. They also constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through continuous training. Hence, supporting the Board by ensuring adherence to board policies and procedures, rules, relevant laws and best practices in corporate governance. The Company Secretaries also manage processes pertaining to general meetings and act as a focal point for stakeholders' communication and corporate governance.

The Board is satisfied with the service and support rendered by the Company Secretaries in discharging their functions. The Company Secretaries had and will continuously undertake professional development.

# Corporate Governance Overview Statement (Cont'd)

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

### 5. Access to Information and Independent Professional Advice

Scheduled Board meetings are structured with a pre-set agenda, taking into account the formal schedule of matters reserved for the Board's decision. Board meetings are carried out on a quarterly basis to review and approve the Group's financial results, with additional meetings held as and when urgent matters are required to be discussed and decided by the Board.

Notice of meetings is given in writing at least seven (7) days prior to the meeting. Board papers providing mainly information on the financial performance of the Group as well as minutes of meetings are also circulated approximately seven (7) days prior to the meeting or such other period as deemed appropriate by the Board, to provide sufficient time for the Directors to consider and deliberate on issues to be raised at the Board meetings. The Directors have full access to the Senior Management as well as the advice and services of the Company Secretaries, and they ensure that the Board proceedings are properly documented.

In addition, the Directors may also seek independent professional advice, at the Company's expense, if required, in furtherance of discharging their duties with adequate knowledge. The Directors may also consult with the other Board members prior to seeking any independent professional advice.

### 6. Board Charter

The Board Charter is a source of reference and primary induction literature, providing insights to prospective Board members and Senior Management. The Company has in place a Board Charter that sets out, among others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, as well as the relationship between the Board with its Management and shareholders.

The Board Charter is structured to protect the best interests of shareholders and stakeholders by practicing a high level of good governance. The Board delegates to the Executive Director to oversee the business operation of the Group. The management of the Group is delegated to the Senior Management to execute the strategies and business plans of the Group.

Notwithstanding the above, the Board also delegates specific fiduciary duties and responsibilities to several Board Committees. The following principal Board Committees have been established to assist the Board in discharging its duties and oversight function effectively:-

- (a) Audit and Risk Management Committee
- (b) Nominating Committee
- (c) Remuneration Committee

The Terms of Reference ("TOR") of each Board Committee have been approved by the Board and, where applicable, comply with the recommendations of the MCCG. These Board Committees have the authority to examine particular issues and report to the Board with their recommendations, as well as acting on behalf of the Board within the authority as laid out in the TOR. Nonetheless, the ultimate responsibility for the final decision on such matters lies with the Board.

The roles and responsibilities of directors are also included in the Board Charter. The Board Charter will be reviewed and updated in accordance with the needs of the Group and in line with any new regulations that may have an impact on the discharge of the Board's responsibilities. The details of the Board Charter are available for reference on the Group's website at [www.erdasan.com.my](http://www.erdasan.com.my).

# Corporate Governance Overview Statement (Cont'd)

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

### 7. Formalised Ethical Standards through Code of Conduct, Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy

The Board has formalised a Code of Conduct (“the Code”) to define the ethical standards and conduct at work, which the Directors and all employees of the Group are required to conform to when discharging their respective duties and responsibilities. The Code includes the guiding principles of conduct on confidential information, misconducts, conflict of interest and several other principles of conduct to uphold the best governance practices.

The Group in its effort to enhance corporate governance has put in place a Whistleblowing Policy to provide an avenue for employees and stakeholders to report genuine concerns about malpractices, unethical behaviour, misconduct or failure to comply with regulatory requirements without fear of reprisal. Any concerns raised will be investigated and a report and update will be provided to the Audit and Risk Management Committee.

During the FPE2025, the Company received a whistleblowing report from a former employee alleging misconduct involving a former Executive Director, which was also reported to the Malaysian Anti-Corruption Commission (“MACC”). Following this, a special Board meeting was convened to hear and discuss the matter. Based on the findings and deliberations, the Company initiated legal action against the former Executive Director. An Extraordinary General Meeting (“EGM”) was subsequently convened, at which the said former Executive Director was removed.

The Group has also adopted an Anti-Bribery and Anti-Corruption Policy which sets out parameters to prevent the occurrence of bribery and corrupt practices in the conduct of the Group’s business. This policy provides information and guidelines to all Directors and employees of the Group on the standard of behaviour which they must adhere to and how to recognise and deal with bribery and corruption.

The Code, Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy are reviewed regularly as and when it is deemed necessary by the Board. The details of the Code, Whistleblowing Policy and Anti-Bribery and Anti-Corruption Policy are available for reference on the Group’s website at [www.erdasan.com.my](http://www.erdasan.com.my).

### 8. Strategies Promoting Sustainability

In relation to sustainability, the Board understands the importance of striking the balance between shareholders’ expectations and the needs and concerns of all other stakeholders. The Board is committed to ensuring that the Group’s sustainability strategies and framework are continuously reviewed for effectiveness and adequacy. The Board also focuses on environmental sustainability of the Group’s operations with emphasis on sustainable product design and the use of environmentally sound ingredients will be included as part of the criteria in any new product development.

The Board will take into consideration the three aspects in doing its business, i.e. Environmental, Social and Governance (“ESG”). Managing and balancing ESG are essential to ensure long-term viability of the Group’s business, in the interests of various stakeholders. The Group has established a formal sustainability framework and undertake material sustainability initiatives, setting the Group’s sustainability strategies priorities and targets as outlined in the Company’s Sustainability Statement presented on pages 18 to 34 of this Annual Report.

The Group has adopted the Sustainability Policy which is available for reference on the Group’s website at [www.erdasan.com.my](http://www.erdasan.com.my).

# Corporate Governance Overview Statement (Cont'd)

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

### 9. Board Composition and Diversity

The Company's current Board composition is as follows:-

#### Executive Director

Chou Sing Hoan

#### Independent Non-Executive Directors

Tan Lay Chee

Ling Chi Hoong

Lee Lisa

#### Non-Independent Non-Executive Directors

Dr. Ch'ng Huck Khoon

Datuk Chong Loong Men

The Company is led and managed by an experienced Board, comprising members who have a wide range of experience in fields such as management, finance and law to effectively direct and supervise the Group's business activities and oversee the overall management of the Group. A brief profile of each Director is presented on pages 14 to 16 of this Annual Report.

#### 9.1 Board Composition

As at the date of this Statement, the Board has six (6) members, comprising one (1) Executive Director, three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The composition of the Board is in compliance with Rule 15.02(1)(a) of the ACE LR of Bursa Securities, which requires at least two (2) directors or one-third (1/3) of the Board of Directors, whichever is the higher, are Independent Directors. The Company has also fulfilled the best practice under the MCCG to have at least half of the Board members comprises a majority of independent directors.

All Board members participate fully in decisions on key issues involving the Group. The Executive Director is responsible for implementing the policies and decisions of the Board and managing the Group's day-to-day operations. The Executive Director also ensure that strategies are fully discussed and examined, taking into account the long-term interests of the various stakeholders including shareholders, employees, customers, suppliers and the various communities in which the Group conducts its business. Each Director nevertheless brings an independent judgment to bear on issues of strategy, performance, resources and standards of conduct.

The Board believes that the current Board composition is appropriate given the collective skills and experiences of the Directors, the Group's current size and nature of the Group's business. The Board will continue to monitor and review the Board's size and composition as may be needed.

#### 9.2 Board Diversity

The Board is supportive of diversity in the Board's composition and Senior Management. Appointment of members of the Board and Senior Management team are based on objective criteria, merit and also due regard for diversity in experience, skills set, age, gender and cultural background.

# Corporate Governance Overview Statement (Cont'd)

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

### 9. Board Composition and Diversity (Cont'd)

#### 9.2 Board Diversity (Cont'd)

As at the date of this Statement, the Board has one (1) female Independent Non-Executive Director, which accounts for 16.7% of the Board members. This is in compliance with Rule 15.02(1)(b) of the ACE LR of Bursa Securities, which requires at least one (1) director is a woman. Although the Group has yet to have a Gender Diversity Policy, the Board is supportive of the recommended practice under the MCGG in promoting female's representation at the Board level, whereby a Board should comprise at least 30% women directors. The Board will take steps to include, where appropriate and suitable, women candidates as nominee during the nomination process of Board members. This is to form a balance mix of essential skills, experience and knowledge to ensure the capable management and leadership of the Group.

The Board is of the opinion that the Directors, with their diversified background and extensive experience, bring a wide range of technical skills and expertise to the Group and have contributed significantly towards performance monitoring, control as well as governance.

#### 9.3 Tenure of Independent Directors

The Board noted the Practice 5.3 of the MCGG states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Nevertheless, upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the approval of shareholders to continue as an Independent Director or be re-designated as a Non-Independent Director. If the Board intends to retain an Independent Director beyond 9<sup>th</sup> year of appointment, it should justify and seek shareholders' approval at a general meeting through a two (2)-tier voting process as prescribed under the MCGG.

In view of this, the Board has undertaken an annual assessment to assess the independency of the Independent Directors. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and it will continue to conduct independence assessment annually with the assistance of the Committee to ensure that the Independent Directors are able to exercise independent judgement and act in the best interests of the Group.

The Board does not have a policy which limits the tenure of an Independent Director to nine (9) years as it believes that the tenure of service is not a major factor to determine the independence of a Director.

As at the date of this Statement, all Independent Non-Executive Directors' service tenure are within the nine (9) years term.

### 10. Appointment of Directors to the Board

The Nominating Committee and the Board members would review the Board composition and ensure its board diversity in terms of skills, knowledge, experience and gender; and mindful that it will contribute to better management and leadership to the Group. When potential candidates have been shortlisted, the Nominating Committee will assess and deliberate on their skills, knowledge, expertise and experience, independence and capability to discharge their responsibilities, before making recommendations to the Board for approval. In accordance with the Company's Constitution, all Board members who are appointed by the Board shall be subject to election by shareholders at the next AGM, and shall then be eligible for re-election.

# Corporate Governance Overview Statement (Cont'd)

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

### 10. Appointment of Directors to the Board (Cont'd)

In recruitment, the appointment of Director is undertaken by the Board as a whole, guided by formal recommendations from the Nominating Committee which received nomination of candidates from major shareholders and existing Directors of the Group. Nonetheless, the Nominating Committee and the Board do not solely rely on recommendations from major shareholders or existing Directors and would consider utilising independent sources such as directors' registry, recruitment agency or industry and professional associations to identify suitably qualified candidates when necessary.

The Company adopted the Directors' Fit and Proper to ensure a formal, rigorous and transparent process for the appointment and re-election of directors of the Group. The Directors' Fit and Proper Policy is available at the Company's website at [www.erdasan.com.my](http://www.erdasan.com.my).

### 11. Board Committees

The Board, in view of assisting the discharge of its stewardship role, has established Board Committees delegated with certain responsibilities as detailed below, as well as the authority to examine specific issues and operate within their respective TOR as approved by the Board and report to the Board with their proceedings, deliberations and recommendations. The ultimate responsibility for decision making, however, lies with the Board.

#### (a) Audit and Risk Management Committee ("ARMC")

The ARMC comprises three (3) members, of whom two (2) are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director.

The composition, attendance for meetings and summary of work of activities of the ARMC are set out in the ARMC Report on pages 51 to 55 of this Annual Report. The TOR of ARMC is available for reference on the Company's website at [www.erdasan.com.my](http://www.erdasan.com.my).

#### (b) Nominating Committee ("NC")

The NC comprises three (3) members, of whom two (2) are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director.

NC has clearly defined written TOR approved by the Board and is responsible for nominating new nominees to the Board and assessing the performance of the Directors of the Group. The roles and responsibilities of the NC are set out in its TOR, which is available for reference on the Company's website at [www.erdasan.com.my](http://www.erdasan.com.my).

As of the date of this Statement, the composition of the NC is as follows:-

Designation	Name	Directorship
Chairman	Tan Lay Chee	Independent Non-Executive Director
Member	Dr. Ch'ng Huck Khoon	Non-Independent Non-Executive Director
Member	Ling Chi Hoong	Independent Non-Executive Director (Appointed as member w.e.f. 21 November 2025)
Member	Datin Ong Poh Lin Abdullah	Independent Non-Executive Director (Resigned as member w.e.f. 31 October 2025)

# Corporate Governance Overview Statement (Cont'd)

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

### 11. Board Committees (Cont'd)

#### (b) Nominating Committee ("NC") (Cont'd)

The NC shall meet at least once a year and as and when necessary. For the FPE2025, the NC met twice (2) and the meetings were attended by all of its members. The details of attendance of the NC members during the FPE2025 are as follows:-

Name of Directors	Number of NC meetings attended
Tan Lay Chee	2/2
Dr. Ch'ng Huck Khoon	2/2
Ling Chi Hoong	-
Datin Ong Poh Lin Abdullah	2/2

During the financial period under review, the NC has undertaken the following activities:-

- Reviewed the composition of the Board of Directors including the required mix of skills, expertise and experience and core competencies of the existing Board members and Board committees;
- Reviewed, considered and recommended to the Board for approval, the re-election of Directors who retired in accordance with the Company's Constitution;
- Reviewed and recommended the revised NC's TOR in compliance with the latest amendments to the ACE LR and MCCG to the Board for approval;
- Assessed and evaluated the performance and effectiveness of the Board as a whole, individual Board member, Board committee and the key management, taking into consideration their time commitment and directors' continuous training development; and
- Reviewed and recommended the Directors' trainings to the Board of Directors.

All recommendations of the NC are subject to the approval of the Board.

#### (c) Remuneration Committee ("RC")

The RC comprises three (3) Independent Non-Executive Directors, of whom two (2) are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director.

The RC has been entrusted with the responsibility of determining, reviewing and proposing the remuneration of the Executive and Non-Executive Directors and Senior Management of the Company to the Board on an on-going basis. The roles and responsibilities of the RC are set out in its TOR, which is available for reference on the Company's website at [www.erdasan.com.my](http://www.erdasan.com.my).

As of the date of this Statement, the composition of the RC is as follows:-

Designation	Name	Directorship
Chairman	Tan Lay Chee	Independent Non-Executive Director
Member	Dr. Ch'ng Huck Khoon	Non-Independent Non-Executive Director
Member	Ling Chi Hoong	Independent Non-Executive Director (Appointed as member w.e.f. 21 November 2025)
Member	Datin Ong Poh Lin Abdullah	Independent Non-Executive Director (Resigned as member w.e.f. 31 October 2025)

# Corporate Governance Overview Statement (Cont'd)

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

### 11. Board Committees (Cont'd)

#### (c) Remuneration Committee ("RC") (Cont'd)

The RC shall meet at least once (1) a year and as and when is necessary. For the FPE2025, the RC met twice (2) and the details of attendance of the RC members are as follows:-

Name of Directors	Number of RC meetings attended
Tan Lay Chee	2/2
Dr. Ch'ng Huck Khoon	2/2
Ling Chi Hoong	-
Datin Ong Poh Lin Abdullah	2/2

The responsibility of RC is to recommend to the Board the remuneration framework or policy for the remuneration packages of each Director. The remuneration of Directors is determined at levels which enable the Group to attract and retain the Directors with the relevant experience and expertise needed to assist in managing the Group effectively. In the case of Executive Directors of the Group, their remuneration is structured to link rewards to corporate and individual performance.

The Directors' fees and emolument benefits reviewed by the RC are subject to the endorsement of the Board and approval of the shareholders at the Company's AGM. The Board as a whole proposed the remuneration of the Non-Executive Directors. The Directors concerned who are shareholders will abstain from deliberation and voting in respect of his/her own individual remuneration at the AGM to approve their fees. The remuneration and entitlements of the Non-Executive Directors reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

During the financial period under review, the RC had reviewed the TOR of RC to ensure in compliance with the latest amendments to the ACE LR of Bursa Securities and MCCG and proposed the same to the Board for approval. The RC and the Board had also reviewed the Directors' fees and emolument benefits for Executive and Non-Executive Directors to be approved by the shareholders at the forthcoming AGM.

All recommendations of the RC are subject to the approval of the Board.

### 12. Annual Assessment of Directors

A good size and balance of the Board composition ensures that no individual or group of individuals can dominate the Board's decision-making process. The Board, through the NC, have undertaken an annual assessment of the Board's effectiveness based on the composition, conduct, responsibilities of the Board and the Board Committees in accordance with the Board Charter and the respective Board Committees' TORs, as well as the independence of the Independent Directors. The evaluation forms adopted are based on the prescribed forms recommended by Bursa Securities and MCCG, covering Board's structure, operations, roles and responsibilities as a whole, assessment of individual director's input quality, time commitment, character, integrity, competency and experience.

The observations of the assessment indicated that the performance of the Board, the Board Committees and the individual Directors during the financial period under review had been satisfactory and effective in overall discharge of functions and duties.

# Corporate Governance Overview Statement (Cont'd)

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

### 12. Annual Assessment of Directors (Cont'd)

Based on the assessment, taking into consideration the nature and the scope of Group's operations and business requirements, the Board is satisfied with the current size and composition of the Board and Board Committees and opined that it is appropriate and well balanced with diversity of skill set, knowledge and experience which would facilitate effective decision-making. The Board is also satisfied with the level of independence demonstrated by the Independent Directors throughout the year and their abilities to exercise objective judgement and act in the best interest of the Company. The results of the individual Director's assessments had also supported the Board's decision to endorse the retiring Directors standing for re-election.

### 13. Board Meetings and Time Commitment

The Board meets at quarterly intervals to review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group, with additional meetings held when urgent issues and important decisions are required to be taken between the scheduled meetings. Any Director who has a direct or deemed interest in the subject matter shall declare his interest at the meeting and abstain from deliberation and voting on the respective resolution. Additionally, where appropriate, the Board and/or Board Committees may also resolve and approve various matters by way of written resolutions.

The Board held eight (8) meetings during the FPE2025 and the attendance record of each Director at the Board meetings during their tenure of office is as follows :

Name and Designation of Directors	Total no. of Board Meetings attended during tenure of office	Percentage of attendance (%)
<b>Tan Lay Chee</b> Independent Non-Executive Director	8/8	100%
<b>Dr. Ch'ng Huck Khoon</b> Non-Independent Non-Executive Director	8/8	100%
<b>Datuk Chong Loong Men</b> Non-Independent Non-Executive Director (Appointed as Director w.e.f. 10 March 2025)	2/3	66.67%
<b>Chou Sing Hoan</b> Executive Director (Appointed as Director w.e.f. 23 April 2025)	2/2	100%
<b>Choong Lee Aun</b> Managing Director (Resigned as Director w.e.f. 28 April 2025)	6/6	100%
<b>Mak Siew Wei</b> Executive Director (Removed as Director w.e.f. 8 May 2025)	5/6	83.33%
<b>Dato' Nik Ismail Bin Dato' Nik Yusoff</b> Independent Non-Executive Director (Chairman) (Resigned as Director w.e.f. 27 May 2025)	6/6	100%
<b>Datin Ong Poh Lin Abdullah</b> Independent Non-Executive Director (Resigned as Director w.e.f. 31 October 2025)	8/8	100%

Mr. Ling Chi Hoong and Ms. Lee Lisa were appointed to the Board as the Independent Non-Executive Directors on 21 November 2025, i.e. after the FPE2025.

# Corporate Governance Overview Statement (Cont'd)

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

### 13. Board Meetings and Time Commitment (Cont'd)

All Directors have complied with the minimum 50% attendance at Board meetings during the financial period as stipulated by the ACE LR of Bursa Securities. The Directors' commitment, resources and time allocated to the Company are evident from the attendance record and the Board is satisfied with the level of time and commitment given by each Directors of the Company towards fulfilling their duties and responsibilities.

All Directors are expected to devote sufficient time to carry out its responsibility and are required to notify the Chairman of their intention of accepting new directorship in other public listed companies. The notification shall include an indication of time that will be spent on the new appointment. Currently, all Directors of the Company hold not more than five (5) directorships in public listed companies, which is in compliance with Rule 15.06 of the ACE LR of Bursa Securities.

### 14. Directors' Training

The Directors are mindful of the importance of continuing training and education to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance development. The Board, through the Nominating Committee will continuously evaluate and determine the training needs of each Director, particularly on relevant new law and regulations and essential practices for effective corporate governance and risk management, to enable the Directors to effectively discharge their duties.

The details of the seminars, conferences and/or training programmes attended by the Board of Directors during the FPE2025 are as follows:-

Name of Directors	Seminars/ Conferences/ Training/ Programmes Attended	Date
Tan Lay Chee	• ESG Matters@ACCA - Decoding Greenhouse Gas Emissions (GHG) Accounting: Scope 1, Scope 2 and Scope 3	27 May 2024
	• Post Implementation of e-Invoicing in Malaysia: Challenges faced by Businesses and What's Next	07 October 2024
	• KSY016: Harnessing Artificial Intelligence (AI) for Business Strategies and Applications	27 November 2024
	• KSY313: Building Organizational Resilience in Post-pandemic Recovery: Cyber Security Risk Management	28 November 2024
Dr. Ch'ng Huck Khoon	• MFT118 Understanding Financial Gatekeeping: Responsibilities of Registered Representatives in Safeguarding Client Assets and Combatting Financial Crimes	03 August 2024
	• MFT012: Mastering ChatGPT: Unlocking the Potential of Conversational AI	08 August 2024
	• MFT016: Harnessing Artificial Intelligence (AI) for Business Strategies and Applications	15 August 2024
Datuk Chong Loong Men	• Anti-Money Laundering and Anti-Bribery and Corruption (ABC)	21 September 2025
	• Strategic ESG for Sustainable Value and Long -Term Growth	22 September 2025
Chou Sing Hoan	• Mandatory Accreditation Programme Part I	13-14 May 2025
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	22-23 September 2025

Mr. Ling Chi Hoong and Ms. Lee Lisa were appointed to the Board on 21 November 2025, i.e. after the FPE2025.

# Corporate Governance Overview Statement (Cont'd)

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

### 14. Directors' Training (Cont'd)

All Directors in office during the FPE2025 have completed the Mandatory Accreditation Programme (Part I and Part II) as prescribed by Bursa Securities.

The Directors will continue to attend other relevant education and/or training programmes to keep abreast with latest developments and knowledge on a continuous basis in compliance with the ACE LR of Bursa Securities.

The Board has also been regularly updated on recent developments in the areas of statutory and regulatory requirements as well as governance matters from the briefing by the External Auditors, the Internal Auditors and the Company Secretaries during the Board Committee and/or Board meetings, to enable the Directors to discharge their responsibilities effectively.

### 15. Directors' Remuneration

The Group has adopted the remuneration policies and procedures deliberated by the RC, with any Director who has an interest in the matter abstaining from discussion and decision-making. The remuneration policy is designed to align remuneration with the Group's business strategy and long-term objectives, and to attract and retain the talent required to successfully manage and grow the Group's business.

The remuneration of Executive Director and Senior Management comprises basic salary, allowances, performance-based incentives including bonuses, and other customary benefits as appropriate. Remuneration levels are determined based on relevant market relativities, individual and business performance, qualifications, experience and the geographic location where the personnel is based. In determining remuneration, due consideration is given to the nature of the role, the performance of the Group and the individual, as well as market positioning.

The Non-Executive Directors will receive a fixed base Directors' fee, not by commission or on percentage of profits/turnover, as consideration for their expected roles and responsibilities, including any additional work and contributions required to discharge their duties as a Board member. The proposed aggregate amount of Directors' fees to be paid to Non-Executive Directors is not linked to their individual performance. The Directors' fees and benefits are subject to the approval of the shareholders at the AGM. This is to facilitate the payment of the Directors' fees and benefits on a monthly basis and/or as and when incurred and shall be applicable to the subsequent financial year thereon.

Details of the Directors' Remuneration of the Directors who served the Company during the FPE2025 are as disclosed in Practice 8.1 of the CG Report.

### 16. Disclosure on Remuneration of Key Senior Management

In determining the remuneration packages of the Group's Key Senior Management personnel, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talent.

The Company believes it may not be in its best interest to disclose the top five (5) Key Senior Management personnel's remuneration components including salary, bonus, benefits-in-kind and other emoluments in the bands of RM50,000 on named basis in accordance with the recommendation of Practice 8.2 of the MCCG, having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business activities.

The aggregate remuneration paid to the Key Senior Management was RM1,670,005, representing 14.85% the total employees' remuneration of the Group, in commensurate with their performance and responsibilities. The Company believes that such disclosure would still allow stakeholders to have a fair view of the remuneration paid as it is linked to the Group's performance.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. Effective and Independent Audit and Risk Management Committee ("ARMC")

The ARMC comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairman of the ARMC is Mr. Tan Lay Chee, an Independent Non-Executive Director, who is not the Chairman of the Board, so as not to impair the objectivity of the Board's view of the ARMC's findings and recommendation.

The current composition of the ARMC fulfills the requirement set out under Rule 15.09 of the ACE LR of Bursa Securities, which stipulates the necessary skills and experiences required to be a member of the ARMC, with all the ARMC members possessing the necessary financial, commercial expertise and capital markets skills, experience required to meet their responsibilities. On an on-going basis, the ARMC members will undertake continuous professional training and development, to keep themselves abreast of the latest developments in accounting and auditing standards, guidelines and practices.

The Board through the NC assesses the composition and performance of the ARMC annually, through an annual Board Committee effectiveness assessment. The Board is satisfied that the ARMC members discharged their functions, duties and responsibilities in accordance with the ARMC's TOR. The ARMC's TOR was reviewed and updated regularly to reflect the requirements of the applicable practices of MCCG.

None of the ARMC member is a former key audit partner of the Company's External Auditors and the Board does not foresee any new appointment of a former key audit partner to the Board. The Board had also adopted and incorporated the policy that requires a former key audit partner of the Company to observe the required cooling-off period of at least three (3) years before being appointed as a member of the ARMC in its TOR, as required under Practice 9.2 of the MCCG.

The ARMC also maintains transparent and professional arrangements in dealing with the Internal and External Auditors. Details of the composition of the ARMC, including its roles and responsibilities and a summary of activities conducted by the ARMC are set out in the ARMC Report on pages 51 to 55 of this Annual Report.

### 2. Assessment of Suitability and Independence of External Auditors

The Board maintains a formal and transparent professional relationship with the External Auditors through ARMC. The role of the ARMC in relation thereto is described in the ARMC Report in this Annual Report. The ARMC has been explicitly accorded the power to communicate with the External Auditors of the Group. During the financial period under review, the ARMC had four (4) private sessions with the External Auditors without the presence of any Executive Director and management.

In reviewing the audit and non-audit services provided by the External Auditors, the ARMC ensures that the independence and objectivity of the External Auditors are not compromised. The External Auditors are engaged mainly to perform statutory audits on Erdasan Group's financial statements. During the financial period, it was reported that the non-audit related review undertaken by the External Auditors includes review of the Statement on Risk Management and Internal Control.

The External Auditors are also invited to attend every AGM whereby the financial statements of the Company for the financial year are laid before the shareholders for notation and discussion, to respond and reply to any enquiries raised with regard to the conduct of the Group's statutory audit and the preparation of the Group's financial statements.

During the financial period under review, the ARMC has assessed the External Auditors based on questions and answers with the External Auditors to assess their suitability and independence. A written assurance by the External Auditors is also disclosed in the Independent Auditors' Report to confirm their independence throughout the audit engagement.

The ARMC, having assessed the independence of the External Auditors as well as reviewed the level of non-audit services rendered by them for the FPE2025, was satisfied with their performance, technical competency, suitability and independence. The ARMC has recommended the re-appointment of Messrs. Morison LC PLT as the External Auditors of the Company and the Group for the ensuing year to the Board, upon which shareholders' approval will be sought at the 21<sup>st</sup> AGM.

# Corporate Governance Overview Statement (Cont'd)

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

### 3. Sound Framework to Manage Risks

The Board has formalised a comprehensive Enterprise Risk Management Framework and clear governance structure that considers all significant aspects of internal control including risk assessment, the control environment and control activities, information and communication, and monitoring. Key business risks have been categorised to highlight the source of the risk and scored to reflect both financial and reputational impact of the risk and the likelihood of its occurrence.

The Board through the ARMC oversees the risk management matters of the Group, which include identifying, managing and monitoring, treating and mitigating significant risks across the Group. The ARMC also assists the Board to fulfil its responsibilities with regard to the risk governance and risk management in order to manage the overall risk exposure of the Group.

The Board is of the view that the Group's risk management and internal control systems, which were in place during the financial period under review, are adequate and effective in safeguarding the assets of Erdasan Group Berhad, protecting shareholders' investments, and supporting the interests of employees and other stakeholders, and are appropriate for the nature and scale of the Group's business operations.

Further details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on pages 56 to 58 of this Annual Report.

### 4. Internal Audit Function

The Group's internal audit function has been outsourced to an independent professional service firm, Finfield Corporate Services Sdn. Bhd. ("Finfield"). Finfield acts as the Internal Auditors of the Group and reports directly to the ARMC.

The internal audit function's principal role is to assist the ARMC and the Board in conducting independent assessment and systematic reviews on the Group's internal control system and governance practices, so as to provide reasonable and objective assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance. The ARMC reviews the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it is adequately resourced with competent and proficient internal auditors.

During the financial period under review, ARMC has assessed the performance of the Internal Auditors based on questions and answers with them on their competency and reports presented by the Internal Auditors. Finfield is free from any relationships or conflicts of interest which could impair their objectivity and independence of the internal audit function and does not have any direct operational responsibility or authority over any of the activities audited. The ARMC was satisfied with the outsourced Internal Auditors, Finfield's technical competency and audit independence during the financial period under review and is of the opinion that the internal audit function is effective and is able to function independently.

The activities of the Internal Auditors during the financial period under review are set out in the ARMC Report on pages 51 to 55 of this Annual Report.

# Corporate Governance Overview Statement (Cont'd)

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

### 1. Compliance with Applicable Financial Reporting Standards

In presenting the annual Audited Financial Statements (“AFS”) and quarterly announcements of unaudited consolidated financial results to shareholders, the Board is responsible for ensuring that the disclosures provide a balanced, fair and understandable assessment of the Group’s financial position, performance and prospects. The ARMC has been delegated the responsibility to oversee the Group’s financial reporting process, including the integrity, accuracy and quality of the Group’s financial reporting. This oversight includes reviewing the application of applicable financial reporting standards, significant accounting judgements and estimates, and the adequacy of internal controls relating to financial reporting. A statement by the Directors in relation to their responsibilities in the preparation of the financial statements is set out in the Statement of Directors’ Responsibility in relation to the AFS on page 61 to 166 of this Annual Report.

### 2. Communications with Stakeholders

The Board recognises the importance of timely, accurate and effective communication with shareholders, investors and other stakeholders on the Group’s businesses, operations, material developments and financial performance, and is committed to ensuring that such information is disseminated on a fair and equitable basis.

The Board endeavours to keep shareholders and investors adequately informed through the publication of the Group’s annual report and audited financial statements, quarterly financial results, circulars to shareholders, press releases and announcements made to Bursa Securities during the year. These disclosures provide shareholders, investors and the public with a clear overview of the Group’s performance, position and operations.

To facilitate continuous and accessible disclosure, the Group maintains a corporate website at [www.erdasan.com.my](http://www.erdasan.com.my), which includes a dedicated Investor Relations where shareholders and members of the public may access the latest information on the Group, including annual reports, quarterly results, press releases and corporate announcements. Shareholders are also encouraged to obtain the Company’s announcements and corporate governance-related information via Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The Company will continue to enhance and improve its website to ensure information is easily accessible and user-friendly.

### 3. Conduct of General Meetings

The AGM serves as the principal forum for dialogue between the Board and shareholders. It provides shareholders with the opportunity to participate in discussions, ask questions, and obtain clarifications on the Group’s business operations, financial performance and position, as well as on matters requiring shareholders’ consideration and approval, including the election and re-election of Directors.

EGMs are convened as and when required to seek shareholders’ approval on specific business or corporate proposals. In line with regulatory requirements, adequate notice of EGMs is provided to shareholders together with comprehensive Circulars and/or Statements, setting out the relevant details, rationale and implications of the proposals to facilitate informed decision-making.

The 20<sup>th</sup> AGM was conducted on a fully virtual basis on 24 September 2024 via live streaming from the broadcast venue, utilising Remote Participation and Voting (“RPV”) facilities operated by InsHub Sdn. Bhd. in Malaysia. The virtual AGM enabled shareholders to participate remotely, submit questions in real time through typed text, and engage with the Chairman and the Board during the meeting. All questions received from shareholders were addressed by the Directors. All Directors attended the 20<sup>th</sup> AGM.

All resolutions set out in the Notice of the 20<sup>th</sup> AGM were voted on by way of electronic poll. An independent scrutineer was appointed to validate the voting results. The poll results were announced to Bursa Securities on even date.

# Corporate Governance Overview Statement (Cont'd)

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## **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)**

### **3. Conduct of General Meetings (Cont'd)**

For the forthcoming 21<sup>st</sup> AGM, the Company intends to convene the meeting physically, taking into consideration the objective of facilitating more direct interaction and engagement between the Board, Management and shareholders. Shareholders will be able to attend the AGM in person, participate in the proceedings and vote on the resolutions tabled at the meeting.

The Notice of the 21<sup>st</sup> AGM and the Annual Report are issued to shareholders at least 28 days prior to the date of the meeting, thereby allowing shareholders sufficient time to review the information and proposed resolutions. Shareholders who are unable to attend the AGM in person may appoint proxies to attend, participate, ask questions and vote on their behalf at the AGM.

The 21<sup>st</sup> AGM of the Company will be held at Function Room, Pearl View Hotel, Jalan Baru, Taman Chai Leng, 13700 Perai, Pulau Pinang on Friday, 27 March 2026 at 10:30 a.m..

### **4. Leveraging on Technology for Remote Shareholders' Participation and E-Voting**

The Board will continue to assess the appropriateness of leveraging technology to facilitate shareholders' participation and voting at general meetings, which allowed by the authority, where circumstances require, in order to support transparency, accessibility and meaningful shareholder engagement, in line with the principles and practices of MCCG.

## **COMPLIANCE STATEMENT**

The Board has deliberated, reviewed and approved this Statement, and considers that the Statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied by the Company. The Board considers and is satisfied that the Group has fulfilled its obligation under the ACE LR of Bursa Securities and all applicable laws and regulations, as well as applied to the best practices of MCCG at its best throughout the FPE2025.

This Statement was approved by the Board of Directors on 27 January 2026.

# Audit and Risk Management Committee Report

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## AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit Committee was established on 26 July 1994 and renamed as the Audit and Risk Management Committee ("ARMC") on 31 May 2018 to serve as a Committee of the Board.

The Board is pleased to present the ARMC Report to provide insights on the discharge of the ARMC's functions during the FPE2025 in compliance with Rule 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACE LR").

## COMPOSITION

The present members of the ARMC comprise:

**Tan Lay Chee** (Chairman)  
Independent Non-Executive Director

**Dr. Ch'ng Huck Khoon** (Member)  
Non-Independent Non-Executive Director

**Lee Lisa** (Member)  
Independent Non-Executive Director  
(Appointed as member w.e.f. 21 November 2025)

**Datin Ong Poh Lin Abdullah** (Member)  
Independent Non-Executive Director  
(Resigned as member w.e.f. 31 October 2025)

The members of the ARMC are Non-Executive Directors with a majority of them being Independent Directors. This satisfies the test of independence under ACE LR and meet the requirements of the MCCG.

Mr. Tan Lay Chee, the Chairman, is an Independent Non-Executive Director and is a member of the Malaysian Institute of Accountants ("MIA"). Ms. Lee Lisa is also a member of the MIA. The Company complies with Rules 15.10 and 15.09(1)(c)(i) respectively of the ACE LR.

The performance of the ARMC and each of its members were reviewed by the Board on 23 May 2024 and 28 May 2025 and the Board was satisfied that they are able to discharge their functions, duties and responsibilities in accordance with the Terms of Reference of the ARMC which have been reviewed by the Nominating Committee, thereby supporting the Board in ensuring appropriate corporate governance standards within the Group.

## SECRETARY

The secretaries to the ARMC are the Company Secretaries of the Company.

## TERMS OF REFERENCE

The detailed Terms of Reference of the ARMC outlining the composition, duties and functions, authority and procedures of the ARMC are published and available on the Company's website at [www.erdasan.com.my](http://www.erdasan.com.my).

# Audit and Risk Management Committee Report (Cont'd)

## MEETINGS

The ARMC held seven (7) meetings during the FPE2025. Details of attendance of ARMC meetings were as below:-

Name of Directors	Designation	No. of Meetings Attended	Percentage of Attendance (%)
<b>Tan Lay Chee</b>	Chairman	7/7	100
<b>Dr. Ch'ng Huck Khoon</b>	Member	7/7	100
<b>Datin Ong Poh Lin Abdullah</b> <i>(Resigned as member w.e.f. 31 October 2025)</i>	Member	7/7	100
<b>Lee Lisa</b> <i>(Appointed as member w.e.f. 21 November 2025)</i>	Member	-	-

Notices of meetings were sent to the ARMC members at least one (1) week in advance. The ARMC members are provided with the agenda and relevant meeting papers before each meeting. All deliberations during the ARMC meetings were duly minuted. Minutes of the ARMC meetings were tabled for confirmation at every succeeding ARMC meeting.

The Directors of the key subsidiaries and members of senior management were invited to the ARMC meetings to facilitate direct communication as well as to provide clarification on the Group's operations and area of concerns. The Internal Auditors attended the ARMC meetings to table the Internal Audit report and assist Risk Management Working Group to present the Risk Management reports.

The previous External Auditors ("EA") of the Company, Messrs. UHY had attended two (2) ARMC meetings held during FPE2025 during their tenure as the EA. One (1) private session held on 23 May 2024 between the ARMC and Messrs. UHY, without the presence of the executive members and management. Messrs. UHY had presented the Audit Planning Memorandum ("APM") and draft Audited Financial Statements for the financial year ended 31 March 2024 before the same were proposed for the Board's approval. Messrs. UHY also briefed on the audit findings, significant risks, audit focus areas, financial assertion risks and also the summary of planned audit approach for each key audit areas.

Messrs. UHY was then resigned as EA of the Company on 12 November 2024 and the Company had appointed Messrs. Morison LC PLT ("Messrs. Morison") as the new EA of the Company on 20 November 2024. Messrs. Morison attended three (3) ARMC meetings and three (3) private sessions with ARMC during the FPE2025 without the presence of the Executive Director and the management. Messrs. Morison had on 20 February 2025 tabled the APM prior to the commencement of audit of financial statements for FPE2025. The main particulars outlined included audit timeline, deliberation on key areas of audit focus etc. Due to change of financial year end from 31 March to 30 September, Messrs. Morison tabled the APM on 25 August 2025 which outlined new audit timeline, key areas of audit focus and proposed audit fees.

The EA were encouraged to raise any matters they considered important to bring to the attention of the ARMC. The Chairman of the ARMC also ensured that there were communication and flow of information between the EA and the management which were necessary to allow unrestricted access to information for the EA to perform their duties effectively.

The Chairman of the ARMC presented the ARMC's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the Chairman of the ARMC would convey to the Board matters of significant concern raised by the Internal Auditors or EA.

# Audit and Risk Management Committee Report (Cont'd)

## SUMMARY OF WORKS DURING THE FINANCIAL PERIOD ENDED 2025

During the FPE2025 and up to the date of this report, the summary of works undertaken by the ARMC to meet its responsibilities in the discharge of its function and duties comprised the followings:-

### 1. Overview of Financial Performance and Reporting

- Reviewed the unaudited quarterly financial results for the quarters ended 31 March 2024, 30 June 2024, 30 September 2024, 31 December 2024, 31 March 2025, 30 June 2025 and 30 September 2025 before recommending the same for the Board's approval;
- Reviewed the financial performance and financial highlights of the Group;
- Reviewed the identified significant matters pursuant to Rule 15.12(1)(g)(ii) of the ACE LR;
- Reviewed the draft audited financial statements for the FPE2025 before recommending the same for the Board's approval;
- Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.

### 2. Oversight of External Auditors

- Evaluated External Auditors by considering their qualification, credentials, reputation and experience prior to re-appointment;
- Reviewed the Audit Planning Memorandum for the FPE2025 prepared by the External Auditors, entailing mainly the overview of audit approach and areas of audit emphasis of the Group;
- Met four (4) times with the External Auditors without the presence of the Executive Directors and management throughout the FPE2025;
- Reviewed and monitored the suitability and independence of the External Auditors. As part of the annual audit exercise, assurance from the External Auditors was sought in confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; Upon reviewed and being satisfied with the results, the same has been recommended to the Board for approval.

### 3. Oversight of Internal Auditors

- Met with the Internal Auditors to discuss on the development of Internal Audit Plan for the FPE2025 based on the business direction of the Group;
- Reviewed and adopted the risk-based Internal Audit Plan for the FPE2025, upon agreeing on the auditable areas and the timing of the audits;
- Reviewed the Internal Audit Reports for the FPE2025 and assessed the Internal Auditors' findings and the management's responses and made the necessary recommendations to the Board of Directors for approval.

### 4. Review of Related Party Transactions and Conflict of Interest

- Reviewed any related party transaction and conflict of interest situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises the questions on management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts.

### 5. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the ARMC meetings;
- Reviewed the disclosures in Corporate Governance Overview Statement for the inclusion in the Annual Report 2025;
- Reviewed the disclosures in ARMC Report and Statement on Risk Management and Internal Control to be included in the Annual Report 2025.

# Audit and Risk Management Committee Report (Cont'd)

## SUMMARY OF WORKS DURING THE FINANCIAL PERIOD ENDED 2025 (CONT'D)

### 6. Employees' Share Option Scheme ("ESOS")

- Reviewed and verified options allocated and granted during the financial period pursuant to the Company's ESOS were in accordance with the allocation criteria approved by the ESOS Committee and in compliance with the By-Laws of the ESOS.

### 7. Risk Management

- Reviewed the Risk Management Reports for the FPE2025 and assessed the report's findings and the management's responses and made the necessary recommendations to the Board of Directors for approval.

The Board is satisfied that the ARMC has carried out its responsibilities and duties in accordance with the ARMC's Terms of Reference.

## INTERNAL AUDIT FUNCTION

### 1. Appointment of Internal Auditors

The Group has appointed an independent professional firm of consultant to support the internal audit function, namely Finfield Corporate Services Sdn. Bhd.. The outsourced Internal Auditors report directly to the ARMC, providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the ARMC, assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

### 2. Summary of Internal Audit and Risk Management ("IARM") Reviews during the FPE2025

During the FPE2025, IARM reviews were conducted in accordance with the risk-based audit plan approved by the ARMC. The reviews encompassed the following areas: -

- Revenue and account receivables cycle – focusing on customer concentration risk, effectiveness of debt collection, profit margins and costing, unmet customer orders, contractual terms with customers, management of bad debts and related legal actions, as well as controls over customer returns, discounts and credit notes;
- Purchasing and payables cycle – covering key suppliers and subcontractors, availability and pricing of raw materials, new supplier approvals, purchase authorisations, accuracy of purchasing and creditor reporting, management of prepayments, compliance with customs procedures for imports and Licensed Manufacturing Warehouse, identification of common and special material purchases, Sales and Service Tax compliance and adherence to the Unclaimed Moneys Act;
- Information Technology ("IT") - including the evaluation of the Group's IT control environment, IT assets and procurement management, cybersecurity measures, data backup and recovery process and CCTV system backup adequacy;
- Risk management – facilitating identification, assessment, and monitoring of key risks, including evaluation of their likelihood and potential impact, and updating the risk register for ongoing oversight.

The Internal Auditors also reviewed implementation of corrective action plans or agreed course of action on the findings reported. The findings and recommendations were highlighted to the management for their comments and further action. Internal audit reports were presented to the ARMC and also reported to the Board.

# Audit and Risk Management Committee Report (Cont'd)

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## INTERNAL AUDIT FUNCTION (CONT'D)

### 3. Total costs incurred for the FPE2025

Total costs incurred for the outsourced internal audit and risk management function of the Group for the FPE2025 is RM41,300 (FY2024:RM48,850).

## CORPORATE GOVERNANCE PRACTICES

Apart from discharging its duties with respect to the internal audit, financial reporting and external audit, the ARMC also reviewed the disclosures made in respect of the financial results and Annual Report of the Company in line with the principles and spirit set out in the MCCG, other applicable laws, rules, directives and guidelines. In addition, before finalising the various governance disclosures in the Annual Report, the ARMC together with all other Board Members and management had reviewed the Corporate Governance Overview Statement, Corporate Governance Report, ARMC Report, Statement on Risk Management and Internal Control together with other compliance disclosures.

# Statement on Risk Management and Internal Control

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## INTRODUCTION

The Board of Directors of Erdasan Group Berhad acknowledges the importance of maintaining a sound system of internal control and effective risk management as part of its ongoing efforts to practice good corporate governance. The Board is pleased to provide the following Statement on Risk Management and Internal Control for the FPE2025. This Statement is made in compliance with Rule 15.26(b) of the ACE LR and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD'S RESPONSIBILITIES

The Board is responsible for the Group's risk management and internal control system as well as reviewing its adequacy and effectiveness on an on-going basis. Whilst acknowledging its responsibilities, the Board is aware of the limitations that are inherent in any system of internal controls. Such a system is designed to identify and manage the Group's risk within the acceptable risk profile, rather than eliminating the risk of failure to achieve business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud. The key areas covered by the Group's risk management and system of internal controls are financial, organisational, operational, environmental and compliance controls.

## RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group's business objectives. The Group is committed to integrating good risk management practices into all business processes and operations to drive effective and accountable action, decision making and management practice.

The implementation of the Group's risk management process is the responsibility of the Risk Management Group ("RMG") comprising Executive Director, Directors and/or Senior Managers of the key subsidiaries/business units of the Group. The RMG is chaired by the Executive Director to undertake the following tasks:-

- The implementation and maintenance of the risk management process;
- To ensure the effectiveness of the risk management process and the implementation of risk management policies;
- To identify risks relevant to the Group that may impede the achievement of its objectives;
- To identify significant changes to the Group's risks including emerging risks and take actions as appropriate to communicate to Audit and Risk Management Committee ("ARMC") and the Board.

The Group adopts the control self-assessment methodology to formalise the risk management process. Each key subsidiary has its own risk management working group which is headed by the Directors and consists of general managers, heads of department and key personnel while Internal Auditors act as coordinator. The risk management working group is tasked to identify major business and compliance risks concerning their respective business units, oversees and ensures integration of risk management into their business processes. The risk management working group of each key subsidiary reports to the RMG and the RMG will then discuss and evaluate the working groups' reports for adoption. Thereafter, the RMG will report to the ARMC annually about key risks and risk management activities carried out during the period. The key aspects of the risk management process of the Group are:-

- Risk management working groups are required to update their risk profiles on on-going basis and in this regard, issue letters of assurance at the end of each yearly review to confirm that they have reviewed the risk profiles, risk reports and related business processes and are also monitoring the implementation of action plans;
- On annual basis, a risk management report detailing status of risk reviews, significant risk issues identified and the progress of implementation of action plans shall be reviewed and discussed by respective risk management working group prior to being tabled to the RMG;
- The risk reports from the key subsidiaries are consolidated for annual reporting and tabled to RMG, before being presented to the ARMC for review, deliberation and recommendation for endorsement by the Board.

# Statement on Risk Management and Internal Control (Cont'd)

## INTERNAL CONTROL

### **Key Internal Control Processes**

The key elements of the Group's internal control systems are described below:-

- The Board has established an organisational structure with clearly defined lines of responsibilities, authority limits and accountability aligned to business and operations requirements which support the maintenance of a strong control environment;
- The Board has established the Board Committees with clearly defined delegation of responsibilities within the definition of Terms of Reference. These committees include ARMC, Remuneration Committee, Nominating Committee, Investment Committee and ESOS Committee which have been set up to assist the Board to perform its oversight functions. The Committees have the authority to examine all matters within their scope and report their recommendations to the Board.

### **Key Elements of Internal Control**

The following sets out the key elements of the Group's internal control, which have been in place throughout the FPE2025 and up to 10 November 2025, being the date of this Statement on Risk Management and Internal Control:-

- Management structure exists with clearly defined responsibility and appropriate levels of delegation to ensure checks and balances through segregation of duties. The Management team is responsible for implementing the Group's strategies and managing day-to-day business. The Management team performs regular monitoring and review of the Group's financial results and operational matters. Meetings are held at operational and management levels regularly to identify, discuss and resolve business and operational issues;
- Quarterly financial results, annual financial statements, annual report and other information are provided timely to the ARMC for review before approval by the Board for public release. Areas of concerns as well as exceptions or deviation to the Group's policies and weaknesses on the internal control systems are highlighted and discussed during the meetings. This oversight review allows the Board to monitor and evaluate the Group's performance in achieving its corporate objectives;
- The Group practises annual budgeting and monitoring process as follows:-
  - a) Budget is prepared annually for each area of business, followed by reviewed and adoption by the Board;
  - b) Actual performance would be compared with budget monthly, together with explanation of any major variance. Action plans are formulated to address any areas of concern.
- Comprehensive financial accounts and management reports are prepared and reviewed monthly for effective monitoring and decision-making;
- Accounting policies and operating procedures approved by the Board are applicable to the whole Group. These policies and procedures are subject to periodic reviews, updates and continuous improvements to reflect the changing risks and operational needs;
- The Code of Conduct is implemented within the Group for Directors, Management and employees of the Group. This code is established to promote a corporate culture which produces ethical conduct throughout the Group;
- Staff professionalism, industrial skill sets and job competency are progressively developed through broad based training and development programmes;
- Appropriate insurance coverage and physical safeguards over major assets are in place to ensure that the assets of the Group are adequately covered against any mishap that may result in material losses to the Group.
- The Group has established and put in place a Whistleblowing policy to provide an avenue for the Board, officers and employees as well as members of the public a safe channel of reporting of concerns about possible improprieties. Allegation of improprieties, if any, is reported at the ARMC meetings.
- Related party transactions, if any are dealt with in accordance with the Listing Requirements and reviewed by the ARMC and the Board at the respective meeting.
- Subsidiaries of the Group have been accredited certifications, licenses and qualifications by global group certification bodies. Documented internal procedures and Standard Operating Procedures ("SOPs") have been put in place since their accreditation. Surveillance audits are conducted by assessors of the ISO certification bodies to ensure that the SOPs are implemented. Continuous training and development programmes are also provided to enhance employees' competencies and maintain a risk adverse and control conscious culture.

# Statement on Risk Management and Internal Control (Cont'd)

## INTERNAL CONTROL (CONT'D)

### *Internal Audit Function*

The ARMC is responsible for reviewing and monitoring the adequacy and effectiveness of the Group's system of internal control. The review and monitoring are carried out through the internal audit function by an outsourced independent professional firm of consultant, Finfield Corporate Services Sdn. Bhd. ("Internal Auditors"). Being an independent function, the audit work is conducted with impartiality, proficiency and due professional care. The internal audit plan is developed based on the risk profile and analysis of the businesses of the Group, as well as on past experience. The internal audit will focus its resources on areas of high risks which will be audited more frequently than low risk areas. For purposes of identifying and prioritising risks, the Internal Auditors will first discuss with the RMG and respective risk management working group, review management reports and financial statements.

The findings of internal audits, including its recommendations and management's responses were tabled at the ARMC meetings for deliberation and the ARMC's expectations on the corrective measures were communicated to the respective heads of departments and business units. The Management is responsible for ensuring that corrective actions to control weaknesses are implemented within a defined time frame. The status of implementation is monitored through follow-up audits which are also reported to the ARMC.

In addition, the deficiencies noted by the External Auditors' and Management's responsiveness to the control recommendations on deficiencies noted during financial audits provide added assurance that control procedures on functions with financial impact are in place, and are being monitored. In assessing the adequacy and effectiveness of the system of internal control and accounting control procedures of the Group, the ARMC reports to the Board its activities, significant results, findings and the necessary recommendations for improvements.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE LR, the External Auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guides 3 issued by the Malaysian Institute of Accountants, for inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that this statement, in all material respect:-

- (i) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- (ii) is factually inaccurate.

## CONCLUSION

The Board, having received assurance from the Executive Directors, is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system for the period under review and up to the date of approval of this Statement. There were no material internal control weaknesses which had resulted in material losses, uncertainties or contingencies that would require disclosure in this Annual Report.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 27 January 2026.

# Additional Compliance Information

(In accordance with Rule 9.25 of the ACE LR as set out in Appendix 9C)

## 1.0 EMPLOYEES' SHARE OPTION SCHEME

### 1.1 Employees' Share Option Scheme

The Group implemented Employees' Share Option Scheme ("ESOS") of not more than 30% of the issued shares of the Company with effect from 20 April 2021 and the ESOS is governed by its By-Laws approved by the shareholders at an Extraordinary General Meeting held on 12 April 2021. The information in relation to the ESOS is as follows:-

- (a) Total number of options granted, exercised and outstanding during the financial period under review are as follows:-

Number of options	Grand Total	Directors and Senior Management
Outstanding as at 1 April 2024	-	-
Granted	2,600,000	2,600,000
Vested	2,600,000	2,600,000
Exercised	(2,600,000)	(2,600,000)
Lapsed	-	-
Outstanding as at 30 September 2025	-	-

- (b) Percentages of options applicable to Directors and senior management under the ESOS during the financial period and since its commencement up to the financial period ended 30 September 2025 are set out below:-

Directors and senior management	Percentage of options (%)	
	During the financial period	Since commencement up to 30 September 2025
(i) Aggregate maximum allocation	80.00%	80.00%
(ii) Actual options granted	100.00%	25.41%

- (c) No options were granted to the Non-Executive Directors under the ESOS since its commencement up to the financial period ended 30 September 2025.

# Additional Compliance Information (Cont'd)

(In accordance with Rule 9.25 of the ACE LR as set out in Appendix 9C)

## 2.0 AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for the financial period ended 30 September 2025 are as follows:-

	Group (RM'000)	Company (RM'000)
Audit fees	409	312
Non-audit fees	5	5
Total	414	317

## 3.0 MATERIAL CONTRACTS

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

## 4.0 RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

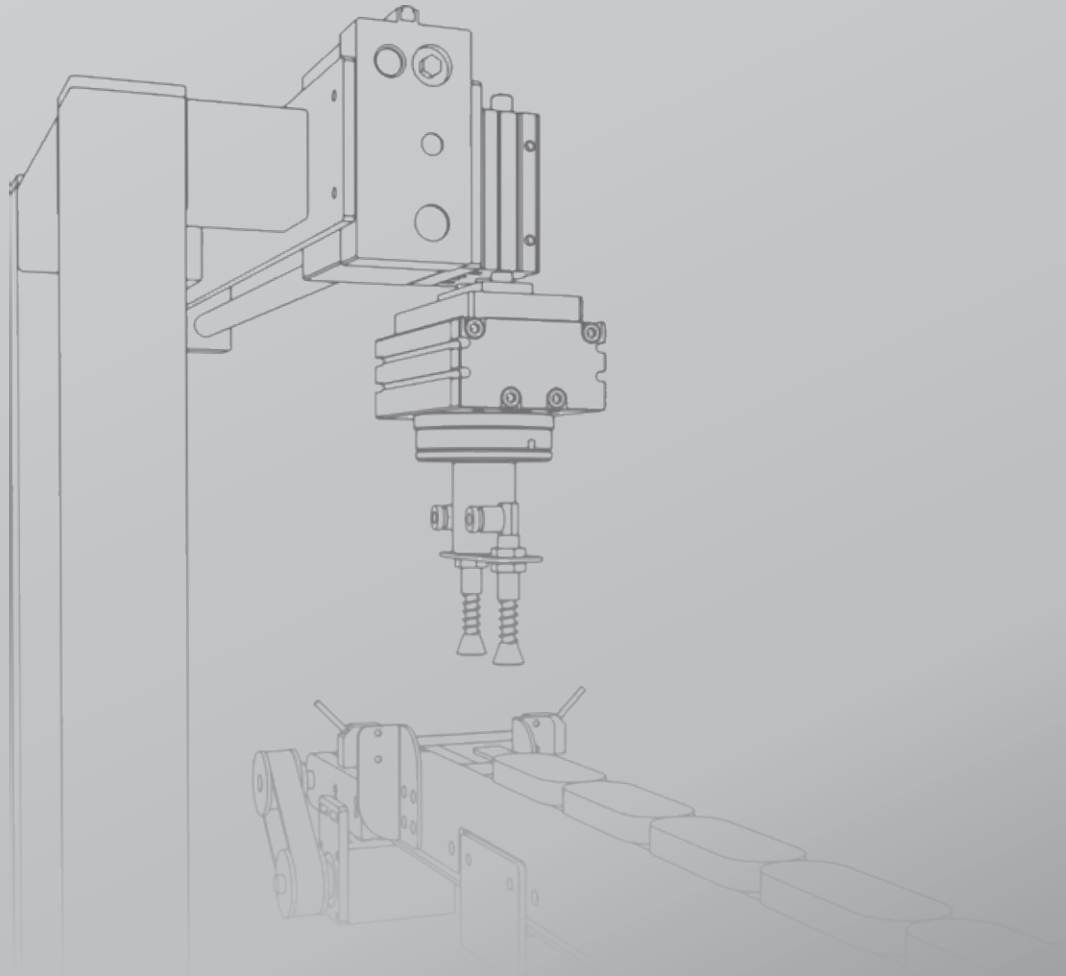
The Company does not have any recurrent related party transactions of revenue or trading nature during the financial period ended 30 September 2025.

# Directors' Responsibility Statement In Respect of Annual Audited Financial Statements

As required under the Companies Act 2016 ("Act") in Malaysia, the Directors of Erdasan Group Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025 and of the financial performance of the Group and of the Company for the financial period ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the financial period. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the systems of risk management and internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.



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# Directors' Report

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## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 April 2024 to 30 September 2025.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries.

The information on the name of the subsidiary companies, principal place of business, principal activities and effective interest held by the Company in its subsidiary companies is disclosed in Note 12 to the financial statements.

## CHANGE OF FINANCIAL YEAR END

The Company changed its financial year end from 31 March to 30 September. Therefore, the financial period covered in these financial statements is for a period of 18 months, from 1 April 2024 to 30 September 2025. Thereafter, the financial year of the Company shall revert to 12 months ending 30 September, for each subsequent year.

## RESULTS OF OPERATIONS

	Group RM	Company RM
Loss for the financial period	<u>(9,665,836)</u>	<u>(69,492,853)</u>
Attributable to:		
Owners of the Company	<u>(9,665,836)</u>	<u>(69,492,853)</u>

## DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial period.

## RESERVES AND PROVISIONS

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

# Directors' Report (Cont'd)

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## **BAD AND DOUBTFUL DEBTS**

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that adequate allowance had been made for doubtful debts and that all known bad debts had been written off.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

## **CURRENT ASSETS**

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## **VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## **CONTINGENT AND OTHER LIABILITIES**

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

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

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

## **CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

# Directors' Report (Cont'd)

## ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors, except for as disclosed in the financial statements:

- (i) the results of the operations of the Group and of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period 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 period in which this report is made.

## ISSUE OF SHARES AND DEBENTURES

On 9 April 2024, the Company completed the share capital reduction by reducing the issued share capital from RM487,942,699 to RM227,942,699 by way of offsetting against accumulated losses of RM260,000,000. The capital reduction does not involve any reduction in the number of ordinary shares in issue and has no effect on the Company's net assets, cash flows or business operations.

On 25 October 2024, the Company granted 2,600,000 share options under its Employees' Share Option Scheme ("ESOS") at an exercise price of RM0.18 per share. The options carried no vesting conditions and were exercisable immediately. All options were fully exercised during the financial period, resulting in the issuance of 2,600,000 new ordinary shares.

The new ordinary shares issued during the financial period rank *pari passu* in all respects with the existing ordinary shares of the Company.

Subsequently, on 8 July 2025, the Company completed the share capital reduction by reducing the issued share capital from RM228,423,179 to RM128,423,179 by way of offsetting against accumulated losses of RM100,000,000. The capital reduction does not involve any reduction in the number of ordinary shares in issue and has no effect on the Company's net assets, cash flows or business operations.

During the financial period, no debentures were issued by the Company.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company has established and implemented a new ESOS of not more than 30% of the issued shares of the Company with effect from 20 April 2021 and the ESOS is governed by its By-Laws approved by the shareholders at an Extraordinary General Meeting held on 12 April 2021.

The movements of options over unissued shares of the Company granted under ESOS during the financial period are disclosed in Note 22.4 to the financial statements.

The salient features of the ESOS are disclosed in Note 22.4 to the financial statements.

# Directors' Report (Cont'd)

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## WARRANTS

### Warrants 2020/2025 ("Warrants C")

On 22 May 2020, the Company listed and quoted 743,383,150 Warrants C pursuant to the renounceable rights issue. The Warrants C are constituted by the Deed Poll dated 26 February 2020 ("Deed Poll C").

Salient features of the Warrants C are as follows:

- (a) Each Warrant C entitles the warrant holders to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.035 during the 5-year period expiring on and including 17 May 2025 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll C;
- (b) At the expiry of the Exercise Period, any Warrants C which have not been exercised shall automatically lapse and cease to be valid for any purposes; and
- (c) Warrant holders must exercise the Warrants C in accordance with the procedures set out in the Deed Poll C and shares allotted and issued upon such exercise shall rank pari passu in all respects with the existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

In the previous financial year, the exercise price of the Warrants C was adjusted from RM0.035 to RM1.05 after the share consolidation as disclosed in Note 21 to the Financial Statements, on the basis of 30 ordinary shares into 1 ordinary share.

Warrants C were valid for exercise for a period of 5 years from its issue date, expiring on 17 May 2025. During the financial period, the Warrants C composed of 15,634,256 units of warrants are lapsed.

## DIRECTORS

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

### Directors of the Company

Dr. Ch'ng Huck Khoon	
Tan Lay Chee	
Chou Sing Hoan	(Appointed on 23 April 2025)
Datuk Chong Loong Men	(Appointed on 10 March 2025)
Lee Lisa	(Appointed on 21 November 2025)
Ling Chi Hoong	(Appointed on 21 November 2025)
Choong Lee Aun	(Resigned on 28 April 2025)
Datin Ong Poh Lin Abdullah	(Resigned on 31 October 2025)
Dato' Nik Ismail bin Dato' Nik Yusoff	(Resigned on 27 May 2025)
Mak Siew Wei	(Removed on 8 May 2025)

# Directors' Report (Cont'd)

## DIRECTORS (CONT'D)

### Directors of the subsidiaries of the Company

Pursuant to Section 253 of the Companies Act, 2016 in Malaysia, the directors of the subsidiaries in office during the financial period and during the period from the end of the financial period to the date of the report are:

Chou Sing Hoan	(Appointed on 22 May 2025)
Choong Lee Aun	(Appointed on 9 May 2024, resigned on 31 December 2025)
Yong Man Chai	(Appointed on 11 March 2025, resigned on 4 August 2025)
Mak Siew Wei	(Removed on 14 April 2025)

## DIRECTORS' INTERESTS

None of the directors in office at the end of the financial period had any interest in ordinary shares of the Company or its related corporations during the financial period.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in the section on Directors' Remuneration in this report) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial period, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Company's ESOS.

## DIRECTORS' REMUNERATION

	Group RM	Company RM
<b>Directors of the Company</b>		
<b>Executive directors:</b>		
Salaries, bonuses and allowances	962,652	180,000
Defined contribution plan	123,024	24,731
ESOS expense	12,480	12,480
Estimated monetary value of benefits-in-kind	35,630	-
	1,133,786	217,211
<b>Non-executive directors:</b>		
Fees	275,000	275,000
	1,408,786	492,211

# Directors' Report (Cont'd)

## DIRECTORS' REMUNERATION (CONT'D)

	Group RM	Company RM
<b><u>Directors of the subsidiaries</u></b>		
Salaries, bonuses and allowances	7,155	-
Defined contribution plan	1,069	-
Estimated monetary value of benefits-in-kind	2,900	-
	11,124	-
	<u>1,419,910</u>	<u>492,211</u>

Included in the analysis above is remuneration for the directors of the Company and its subsidiaries for their services to the Company and its subsidiaries in accordance with the requirements of the Companies Act, 2016 in Malaysia.

## INDEMNITY AND INSURANCE COSTS

During the financial period, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group and of the Company were RM3,000,000 and RM37,450 respectively. No indemnity was given to or insurance effected for auditors of the Company.

## SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Details of significant events during the financial period are disclosed in Note 31 to the financial statements.

## AUDITORS' REMUNERATION

The details of auditors' remuneration of the Group and of the Company for the financial period from 1 April 2024 to 30 September 2025 as follows:

	Group RM	Company RM
Auditors' remuneration:		
Statutory audit	409,000	312,000
Non-statutory audit	5,000	5,000
	<u>414,000</u>	<u>317,000</u>

# Directors' Report (Cont'd)

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## AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....  
**CHOU SING HOAN**  
Director

.....  
**TAN LAY CHEE**  
Director

Date: 27 January 2026

# Statements Of Profit Or Loss And Other Comprehensive Income

For the Financial Period from 1 April 2024 to 30 September 2025

	Note	Group		Company	
		01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
Revenue	5	54,975,493	32,584,563	-	-
Cost of sales		(46,202,929)	(34,895,517)	-	-
<b>Gross profit/(loss)</b>		8,772,564	(2,310,954)	-	-
Other income		24,872,006	9,487,749	82,600	96,802,811
Administrative and general expenses		(17,440,468)	(13,451,313)	(4,793,591)	(3,279,353)
Selling and distribution expenses		(72,366)	(80,166)	-	-
		(17,512,834)	(13,531,479)	(4,793,591)	(3,279,353)
Net loss of impairment on financial assets		(3,336,936)	(71,133)	-	-
Other expenses		(16,269,515)	(59,599,186)	(64,774,306)	(225,053,952)
Loss from operations		(3,474,715)	(66,025,003)	(69,485,297)	(131,530,494)
Finance costs		(704,636)	(1,420,957)	(5,779)	(739,863)
Share of results of associates		(5,485,293)	(13,080,253)	-	-
Loss before tax	6	(9,664,644)	(80,526,213)	(69,491,076)	(132,270,357)
Income tax expense	7	(1,192)	(336,724)	(1,777)	(334,510)
<b>Loss for the financial period/year</b>		<b>(9,665,836)</b>	<b>(80,862,937)</b>	<b>(69,492,853)</b>	<b>(132,604,867)</b>

# Statements Of Profit Or Loss And Other Comprehensive Income (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
<b>Other comprehensive income/(loss):</b>				
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Net change in fair value of equity instrument designated at fair value through other comprehensive income ("FVOCI")	(4,960,024)	(11,393,593)	(4,751,056)	(11,393,593)
Revaluation of lands and buildings	28,191,018	-	-	-
<i>Item that may be reclassified subsequently to profit or loss</i>				
Share of other comprehensive income of associates	69,485	647,953	-	-
<b>Total comprehensive income/(loss) for the financial period/year</b>	<b>13,634,643</b>	<b>(91,608,577)</b>	<b>(74,243,909)</b>	<b>(143,998,460)</b>
<b>Loss for the financial period/year attributable to:</b>				
Owners of the Company	(9,665,836)	(80,862,937)	(69,492,853)	(132,604,867)
<b>Total comprehensive income/(loss) for the financial period/year attributable to:</b>				
Owners of the Company	<b>13,634,643</b>	<b>(91,608,577)</b>	<b>(74,243,909)</b>	<b>(143,998,460)</b>
<b>Loss per share attributable to owners of the Company (sen)</b>				
Basic and diluted	8 (4.24)	(35.80)		

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

# Statements of Financial Position

As at 30 September 2025

Note	Group			Company		
	30.09.2025 RM	31.03.2024 RM (Restated)	01.04.2023 RM (Restated)	30.09.2025 RM	31.03.2024 RM	
<b>ASSETS</b>						
<b>Non-current Assets</b>						
Property, plant and equipment	9	40,483,646	55,012,006	89,793,722	188,641	278,528
Right-of-use assets	10	18,462,972	25,789,130	27,064,937	1	1
Investment properties	11	67,400,000	-	-	-	-
Investment in subsidiaries	12	-	-	-	126,610,014	122,137,102
Investment in associates	13	-	27,337,168	88,681,994	-	-
Marketable securities	14	20,650,357	19,070,862	11,565,474	4,517,722	9,268,777
Receivables, deposits and prepayments	16	-	4,325,200	4,325,200	-	-
<b>Total Non-current Assets</b>		<b>146,996,975</b>	<b>131,534,366</b>	<b>221,431,327</b>	<b>131,316,378</b>	<b>131,684,408</b>
<b>Current Assets</b>						
Inventories	15	5,702,731	6,277,865	9,302,721	-	-
Receivables, deposits and prepayments	16	15,626,840	8,501,238	11,990,877	84,252	70,672,892
Tax assets	17	126,918	118,735	251,899	131,821	124,330
Money market instruments	18	14,754,564	16,338,345	21,097,320	14,754,564	16,338,345
Cash and bank balances	19	3,889,003	4,848,622	39,325,946	61,269	518,036
		40,100,056	36,084,805	81,968,763	15,031,906	87,653,603
Assets held for sale	20	-	18,635,527	18,635,527	-	-
<b>Total Current Assets</b>		<b>40,100,056</b>	<b>54,720,332</b>	<b>100,604,290</b>	<b>15,031,906</b>	<b>87,653,603</b>
<b>Total Assets</b>		<b>187,097,031</b>	<b>186,254,698</b>	<b>322,035,617</b>	<b>146,348,284</b>	<b>219,338,011</b>

# Statements of Financial Position (Cont'd)

As at 30 September 2025

	Note	Group			Company	
		30.09.2025 RM	31.03.2024 RM (Restated)	01.04.2023 RM (Restated)	30.09.2025 RM	31.03.2024 RM
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital	21	128,423,179	487,942,699	480,443,830	128,423,179	487,942,699
Other reserves	22	12,395,958	(378,389)	16,708,748	(16,144,649)	(2,132,285)
Accumulated losses		7,013,505	(353,786,139)	(272,939,470)	33,011,190	(266,757,265)
<b>Total Equity</b>		<b>147,832,642</b>	<b>133,778,171</b>	<b>224,213,108</b>	<b>145,289,720</b>	<b>219,053,149</b>
<b>Non-current Liabilities</b>						
Loans and borrowings	23	3,958,801	8,389,537	10,340,472	-	41,744
Deferred tax liabilities	24	4,416,177	181,524	186,661	-	-
<b>Total Non-current Liabilities</b>		<b>8,374,978</b>	<b>8,571,061</b>	<b>10,527,133</b>	<b>-</b>	<b>41,744</b>
<b>Current Liabilities</b>						
Loans and borrowings	23	2,454,763	3,757,702	34,782,364	19,299	42,498
Payables, deposits received and accruals	25	28,434,648	39,662,997	52,028,245	1,039,265	200,620
Contract liabilities	26	-	484,767	484,767	-	-
<b>Total Current Liabilities</b>		<b>30,889,411</b>	<b>43,905,466</b>	<b>87,295,376</b>	<b>1,058,564</b>	<b>243,118</b>
<b>Total Liabilities</b>		<b>39,264,389</b>	<b>52,476,527</b>	<b>97,822,509</b>	<b>1,058,564</b>	<b>284,862</b>
<b>Total Equity and Liabilities</b>		<b>187,097,031</b>	<b>186,254,698</b>	<b>322,035,617</b>	<b>146,348,284</b>	<b>219,338,011</b>

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

# Statements of Changes in Equity

For The Financial Period from 1 April 2024 to 30 September 2025

	Non-distributable				Distributable			Total Equity RM
	Share Capital RM	Share Options Reserve RM	Revaluation Reserve RM	Warrants Reserve RM	Fair Value Adjustment Reserve RM	Translation Reserve RM	Accumulated Losses RM	
<b>Group</b>								
<b>As at 1 April 2024, as restated</b>	487,942,699	-	1,762,728	9,261,847	(11,393,593)	(9,371)	(353,786,139)	133,778,171
<b>Comprehensive income</b>								
Loss for the financial period	-	-	-	-	-	-	(9,665,836)	(9,665,836)
Fair value on quoted investment at FVOCI	-	-	-	-	(4,960,024)	-	-	(4,960,024)
Realisation of revaluation surplus upon depreciation	-	-	(16,268)	-	-	-	16,268	-
Release of reserve upon derecognition of associate	-	-	(1,187,903)	(538)	-	(60,114)	1,187,903	(60,652)
Revaluation of lands and buildings	-	-	28,191,018	-	-	-	-	28,191,018
Share of other comprehensive income of associates	-	-	-	-	-	69,485	-	69,485
<b>Total comprehensive income for the financial period</b>	-	-	26,986,847	(538)	(4,960,024)	9,371	(8,461,665)	13,573,991
<b>Transactions with owners:</b>								
Expiry of warrant C	-	-	-	(9,261,309)	-	-	9,261,309	-
Share-based payments	-	12,480	-	-	-	-	-	12,480
Exercise of share options	480,480	(12,480)	-	-	-	-	-	468,000
Share capital reduction	(360,000,000)	-	-	-	-	-	360,000,000	-
	(359,519,520)	-	-	(9,261,309)	-	-	369,261,309	480,480
<b>As at 30 September 2025</b>	128,423,179	-	28,749,575	-	(16,353,617)	-	7,013,505	147,832,642

# Statements of Changes in Equity (Cont'd)

For The Financial Period from 1 April 2024 to 30 September 2025

Group	Non-distributable			Distributable			Total Equity RM	
	Share Capital RM	Share Options Reserve RM	Revaluation Reserve RM	Warrants Reserve RM	Fair Value Adjustment Reserve RM	Translation Reserve RM		Accumulated Losses RM
<b>As at 1 April 2023</b>	480,443,830	35,430	5,629,614	9,261,382	-	1,191,229	(239,283,394)	257,278,091
As previously stated	-	-	591,093	-	-	-	(33,656,076)	(33,064,983)
Prior years' adjustments (Note 35)	-	-	-	-	-	-	-	-
As restated	480,443,830	35,430	6,220,707	9,261,382	-	1,191,229	(272,939,470)	224,213,108
<b>Comprehensive loss</b>								
Loss for the financial year	-	-	-	-	-	-	(85,814,912)	(85,814,912)
As previously stated	-	-	-	-	-	-	4,951,975	4,951,975
Prior years' adjustments (Note 35)	-	-	-	-	-	-	(80,862,937)	(80,862,937)
As restated	-	-	-	-	-	-	-	-
Fair value on quoted investment at FVOCI	-	-	-	-	(11,393,593)	-	-	(11,393,593)
Realisation of revaluation surplus upon depreciation	-	-	(16,268)	-	-	-	16,268	-
Release of reserve upon derecognition of associate	-	-	(5,335,621)	-	-	(989,608)	-	(6,325,229)
Share of other comprehensive income of associates	-	(35,430)	893,910	465	-	(210,992)	-	647,953
<b>Total comprehensive loss for the financial year</b>	-	(35,430)	(4,457,979)	465	(11,393,593)	(1,200,600)	(80,846,669)	(97,933,806)
<b>Transactions with owners:</b>								
Private placements	5,460,564	-	-	-	-	-	-	5,460,564
Share issuance expenses	(108,117)	-	-	-	-	-	-	(108,117)
Exercise of share options	2,146,422	(477,642)	-	-	-	-	-	1,668,780
Share-based payments	-	477,642	-	-	-	-	-	477,642
	7,498,869	-	-	-	-	-	-	7,498,869
<b>As at 31 March 2024 (as restated)</b>	487,942,699	-	1,762,728	9,261,847	(11,393,593)	(9,371)	(353,786,139)	133,778,171

# Statements of Changes in Equity (Cont'd)

For The Financial Period from 1 April 2024 to 30 September 2025

	Attributable to owners of the Company				Total Equity RM
	Share Capital RM	Share Options Reserve RM	Warrants Reserve RM	Fair Value Adjustment Reserve RM	
<b>Company As at 1 April 2024</b>	487,942,699	-	9,261,308	(11,393,593)	219,053,149
<b>Comprehensive loss</b>	-	-	-	-	(69,492,853)
Loss for the financial period	-	-	-	(4,751,056)	(4,751,056)
Fair value on quoted investment at FVOCI	-	-	-	(4,751,056)	(74,243,909)
<b>Total comprehensive loss for the financial period</b>	-	-	-	(4,751,056)	(74,243,909)
<b>Transactions with owners:</b>					
Expiry of Warrant C	-	-	(9,261,308)	-	9,261,308
Share-based payments	480,480	12,480	-	-	12,480
Exercise of share options	(360,000,000)	(12,480)	-	-	468,000
Share capital reduction	(359,519,520)	-	(9,261,308)	-	360,000,000
<b>As at 30 September 2025</b>	128,423,179	-	-	(16,144,649)	480,480
				33,011,190	145,289,720

Company

As at 1 April 2024

Comprehensive loss

Loss for the financial period

Fair value on quoted investment at FVOCI

Total comprehensive loss

for the financial period

Transactions with owners:

Expiry of Warrant C

Share-based payments

Exercise of share options

Share capital reduction

As at 30 September 2025

# Statements of Changes in Equity (Cont'd)

For The Financial Period from 1 April 2024 to 30 September 2025

	Attributable to owners of the Company				Total Equity RM
	Share Capital RM	Non-distributable Share Options Reserve RM	Warrants Reserve RM	Distributable Fair Value Adjustment Reserve RM	
<b>As at 1 April 2023</b>	480,443,830	-	9,261,308	-	355,552,740
<b>Comprehensive loss</b>	-	-	-	-	(132,604,867)
Loss for the financial year	-	-	-	-	(11,393,593)
Fair value on quoted investment at FVOCI	-	-	-	(11,393,593)	(11,393,593)
<b>Total comprehensive loss for the financial year</b>	-	-	-	(11,393,593)	(143,998,460)
<b>Transactions with owners</b>					
Private placements	5,460,564	-	-	-	5,460,564
Share issuance expenses	(108,117)	-	-	-	(108,117)
Exercise of share options	2,146,422	(477,642)	-	-	1,668,780
Share-based payments	-	477,642	-	-	477,642
	7,498,869	-	-	-	7,498,869
<b>As at 31 March 2024</b>	487,942,699	-	9,261,308	(11,393,593)	219,053,149

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

# Statements Of Cash Flows

For the Financial Period Ended 30 September 2025

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
<b>Cash flows from/(used in) operating activities</b>				
Loss before tax	(9,664,644)	(80,526,213)	(69,491,076)	(132,270,357)
Adjustments for:-				
Capital reduction in a subsidiary	-	-	-	189,900,000
Depreciation of property, plant and equipment	6,617,794	8,113,144	89,887	60,087
Depreciation of right-of-use assets	2,611,429	2,676,222	-	-
Distribution income on money market instruments	-	(136,092)	-	(136,092)
Fair value loss on investment in quoted shares	2,055,905	1,811,480	-	-
(Gain)/Loss on disposal of investment in a subsidiary	(651,600)	-	99,998	-
Gain on disposal of property, plant and equipment	(11,839,592)	-	-	(12,499)
Gain on termination on lease contract	(8,126)	-	-	-
Impairment loss on:				
- receivables	3,542,265	81,614	-	-
- investment in associates	-	1,348,965	-	-
- investment in subsidiaries	-	-	64,603,777	-
- property, plant and equipment	-	31,018,374	-	-
Interest income	(75,127)	(692,180)	(1,813)	(675,414)
Interest expenses	704,636	1,420,957	5,779	739,863
Loss/(Gain) on derecognition of investment in associates	13,402,277	25,046,461	-	35,052,045
Loss/(Gain) on disposal of investment in quoted shares	23,645	(103,736)	-	-
Provision on slow moving inventories	286,980	-	-	-
Reversal of impairment loss on:				
- receivables	(205,329)	(10,481)	-	-
- investment in associates	-	(3,070,484)	-	-
- investment in subsidiaries	-	-	-	(46,824,262)
- property, plant and equipment	(2,926,146)	(1,580)	-	-
- right-of-use assets	(5,837,441)	-	-	-
Reversal of provision on slow moving inventories	(274,149)	-	-	-
Share-based payment under ESOS	12,480	477,642	12,480	101,907
Share of result of associates	5,485,293	13,080,253	-	-
Unrealised loss/(gain) on foreign exchange, net	1,645,444	(657,936)	1,579,059	(653,371)
Write off of:				
- property, plant and equipment	6,308	243,637	-	234,206
- receivables	58,050	-	58,050	-
- deposits	306,000	-	-	-
Operating profit/(loss) before changes in working capital	5,276,352	120,047	(3,043,859)	45,516,113

# Statements Of Cash Flows (Cont'd)

For the Financial Period Ended 30 September 2025

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
Changes in working capital:				
Inventories	562,303	3,024,856	-	-
Receivables	(11,191,863)	3,388,443	1,353,901	437,565
Payables	11,356,022	(15,030,417)	838,644	74,825
Amount due from subsidiaries	-	-	-	(57,768,268)
Cash generated from/(used in) operations	6,002,814	(8,497,071)	(851,314)	(11,739,765)
Tax refund	31,442	39,693	26,728	-
Tax paid	(45,952)	(248,390)	(35,996)	(240,015)
Net cash from/(used in) operating activities	5,988,304	(8,705,768)	(860,582)	(11,979,780)
<b>Cash flows from/(used in) investing activities</b>				
Distribution income on money market instruments	-	136,092	-	136,092
Interest received	38,733	753,681	1,813	675,414
Proceeds from disposal of investment in quoted shares	29,916	2,863,736	-	-
Proceeds from disposal of investment in associates	2,392,435	-	-	-
Proceeds from disposal of property, plant and equipment	-	377,639	-	12,500
Proceeds from disposal of investment in subsidiaries	(18)	-	2	-
Purchase of marketable securities	(3,193,310)	(4,208,106)	-	(1,400,015)
Acquisition of property, plant and equipment	(195,103)	(329,645)	-	(250,974)
Acquisition of right-of-use assets	-	(570,000)	-	-
Net cash from/(used in) investing activities	(927,347)	(976,603)	1,815	(826,983)

# Statements Of Cash Flows (Cont'd)

For the Financial Period Ended 30 September 2025

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
<b>Cash flows (used in)/from financing activities</b>				
Proceeds from private placements	-	5,460,564	-	5,460,564
Proceeds from share options	468,000	1,668,780	468,000	1,668,780
Share issuance expenses	-	(108,117)	-	(108,117)
Interest paid	(704,636)	(1,420,957)	(5,779)	(739,863)
Placement of deposits pledged with licensed banks	-	(560,000)	-	-
Upliftment of deposits pledged with licensed bank	-	32,215,997	-	30,064,356
Net repayment of lease liabilities	(2,297,639)	(3,094,726)	(64,943)	(39,310)
Net repayment of term loans and revolving credit	(2,233,987)	(32,412,351)	-	(30,135,625)
Net cash (used in)/from financing activities	<u>(4,768,262)</u>	<u>1,749,190</u>	<u>397,278</u>	<u>6,170,785</u>
<b>Net changes in cash and cash equivalents</b>	292,695	(7,933,181)	(461,489)	(6,635,978)
Effects of exchange rate changes on cash and cash equivalents	(1,513,200)	682,900	(1,579,059)	653,371
Cash and cash equivalents at the beginning of the financial period/year	<u>19,153,822</u>	<u>26,404,103</u>	<u>16,856,381</u>	<u>22,838,988</u>
<b>Cash and cash equivalents at the end of the financial period/year</b>	<u><u>17,933,317</u></u>	<u><u>19,153,822</u></u>	<u><u>14,815,833</u></u>	<u><u>16,856,381</u></u>
<b>Cash and cash equivalents comprise:</b>				
Deposits placed with licensed banks	710,250	2,033,145	-	-
Cash and bank balances	3,178,753	2,815,477	61,269	518,036
Money market instruments	14,754,564	16,338,345	14,754,564	16,338,345
	<u>18,643,567</u>	<u>21,186,967</u>	<u>14,815,833</u>	<u>16,856,381</u>
Less: Deposits pledged with licensed banks	<u>(710,250)</u>	<u>(2,033,145)</u>	<u>-</u>	<u>-</u>
	<u><u>17,933,317</u></u>	<u><u>19,153,822</u></u>	<u><u>14,815,833</u></u>	<u><u>16,856,381</u></u>

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

# Notes to the Financial Statements

For the Financial Period from 1 April 2024 to 30 September 2025

## 1. CORPORATE INFORMATION

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

The registered office of the Company is located at 1-10, Medan Perniagaan Pauh Jaya, Jalan Baru, 13700 Perai, Pulau Pinang, Malaysia.

The principal place of business of the Company is located at DF2-07-03, Level 7, Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor, Malaysia.

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 12.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 January 2026.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

### 2.2 Adoption of amendments to MFRSs

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

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

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and have no any significant effect on the financial statements of the Group and of the Company.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 2. BASIS OF PREPARATION (CONT'D)

### 2.3 New MFRSs and amendments to MFRSs in issue but not yet effective

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

Amendments to MFRS 121	Lack of Exchangeability <sup>1</sup>
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11 <sup>2</sup>
MFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> Effective date deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new MFRSs and amendments to MFRSs may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the said new MFRSs and amendments to MFRSs until the Group and the Company undertake a detailed review.

### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

### 2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial periods presented in the financial statements of the Group and of the Company.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 2. BASIS OF PREPARATION (CONT'D)

### 2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### 3.1 Basis of consolidation

#### Subsidiaries and business combination

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of the business and control is transferred to the Group.

### 3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and investment in associate are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.11(b).

### 3.3 Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments 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.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.3 Associates (cont'd)

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence 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 decreases but does not result in a loss of significant influence, any retained interest is not remeasured. 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.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

### 3.4 Revenue and other income

The Group and the Company recognise revenue from the following sources:

#### (a) Fabrication and automation services

Fabrication and automation services include the design, fabrication, assembly, installation and commissioning of customised industrial equipment, precision-engineered components and automation systems for customers across various industries. Revenue is derived mainly from long-term fabrication and automation projects, as well as the sale of fabricated parts and related engineering services.

Revenue from fabrication and automation services is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from fabrication and automation services is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.4 Revenue and other income (cont'd)

#### (b) Solar renewable energy

Revenue from solar renewable energy is derived from the sale of electricity generated by the Group's solar photovoltaic (PV) plant to Tenaga Nasional Berhad ("TNB") under a 21-year renewable energy power purchase agreement ("PPA").

Under the PPA, the Group is contracted to generate and supply electricity to TNB at a fixed tariff rate for a period of 21 years from the commencement date of commercial operation.

Revenue is recognised over time based on the electricity generated and supplied to TNB, as verified through metering data and confirmed by TNB on a monthly basis. The amount of revenue recognised corresponds to the energy output delivered during the month multiplied by the applicable tariff rate under the PPA.

Receivables from TNB are recognised when invoices are issued, and payments are typically received on a monthly billing cycle.

#### (c) Sales of gloves

Revenue from sales of gloves was recognised at a point in time, when control of the goods has been transferred to the customer, generally upon delivery or acceptance depending on the terms of sale.

Revenue was measured at the transaction price agreed with the customer, net of trade discounts, rebates and returns.

The Group and the Company recognise other income from the following sources:

#### (a) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

#### (b) Interest income

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

### 3.5 Employee benefits

#### Share-based payment transactions

##### Equity-settled share-based payment transaction

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.5 Employee benefits

#### Share-based payment transactions

##### Equity-settled share-based payment transaction

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

### 3.6 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.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

#### (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.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.6 Financial instruments (cont'd)

#### (iii) Financial instrument categories and subsequent measurement (cont'd)

##### (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 3.11(a)) where the effective interest rate is applied to the amortised cost.

##### (b) Fair value through other comprehensive income

###### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI") on an investment-by-investment basis.

Financial assets categorised as fair value through other comprehensive income ("FVOCI") are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value adjustment reserve in equity. For equity instruments, the gains or losses are never reclassified to profit or loss.

##### (c) Fair value through profit or loss

All financial assets not measured at amortised cost 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 recognized in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 3.11).

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.6 Financial instruments (cont'd)

#### (ii) Financial instrument categories and subsequent measurement (cont'd)

##### *Financial liabilities*

The subsequent measurement of financial liabilities depends on their classification as follows:

##### (a) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition. Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

##### (b) Amortised cost

Subsequent to initial recognition, other financial liabilities not measured at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Gains or losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

#### (iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee issued are initially measured at fair value. Subsequently, they are measured at the higher of:

- (a) the amount of the loss allowance; and
- (b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

#### (iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.6 Financial instruments (cont'd)

#### (iv) Regular way purchase or sale of financial assets (cont'd)

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:-

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Any changes in the fair value of the asset to be received during the period between the trade date and settlement date is accounted in the same way as it accounts for the acquired asset.

#### (v) 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 transferred, or control of the assets is not retained or substantially all of the risks and rewards of ownership of the financial assets are transferred to another party. 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 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 expired. A financial liability is also derecognized when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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 noncash assets transferred or liabilities assumed, is recognised in profit or loss.

### 3.7 Property, plant and equipment

#### (a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Buildings under revaluation model are measured at fair value, based on valuations by independent professional valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the buildings does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.7 Property, plant and equipment (cont'd)

#### (b) Subsequent costs

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

#### (c) Depreciation

Capital work-in-progress are not depreciated until such time when the asset is available for use.

Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Buildings	2%
Solar photovoltaic plants	5%
Plant, machinery, tools and equipment	7% - 20%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	15% - 20%
Renovation	10%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

#### (d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

### 3.8 Leases

#### As a lessee

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

The right-of-use asset (other than leasehold land under revaluation model) 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.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.8 Leases (cont'd)

The lease terms of the right-of-use asset is as follows:

Leasehold lands	33 to 90 years
Plant, machinery, tools and equipment	5 to 10 years
Motor vehicles	3 to 5 years
Factory	3 years
Parking spaces	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflect the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Leasehold lands under revaluation model are measured at fair value, based on valuations by independent professional valuers, less accumulated depreciation and any accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the leasehold lands does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The revaluation reserve is transferred to retained earnings as the asset is used. The amount of revaluation reserve transferred is the difference between the depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

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 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 Group's and the Company's incremental borrowing rate. Generally, the Group and the Company use its incremental borrowing rate as the discount rate.

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 a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Group and the Company change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, 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.

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

#### As a lessor

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term as part of other income.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.9 Investment properties

Investment properties are measured at fair value with gains and losses arising from changes in the fair value of investment properties recognised in profit or loss for the period in which they arise.

### 3.10 Inventories

Inventories are measured at lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in, first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in, first-out basis.

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

### 3.11 Impairment

#### (a) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.11 Impairment (cont'd)

#### (b) Other assets

The carrying amounts of other assets (except for inventories and non-current assets classified as held for sale) are reviewed at the end of each reporting period 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 generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in 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 cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

In respect of other assets, 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 financial year in which the reversals are recognised.

### 3.12 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment are not depreciated once classified as held for sale.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.13 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. In the case of engineering contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include payments received from customers and other deferred income where the Group has billed or has collected the payment before the goods are delivered or services are provided to the customers. Contract liabilities are recognised as revenue when the Group satisfies its performance obligation under the contract.

### 3.14 Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents comprise cash and bank balances, deposits with licensed banks and money market instruments that are readily convertible into cash with insignificant risk of changes in value against which bank overdrafts are deducted.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the report amounts.

### (a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements, except for:

#### Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

### (b) Key sources of estimation uncertainty

Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, except for:

#### Revaluation of leasehold lands and buildings

The Group measures its leasehold lands and buildings at fair value under the revaluation model. The fair values were determined based on independent valuations carried out by external professional valuers as at 31 March 2025.

In determining the fair values of the Group's leasehold lands and buildings, a combination of valuation method was adopted, including the sales comparison approach, cost approach, and the income approach by way of the investment method, where appropriate to the nature and use of the respective assets.

Under the sales comparison approach, recent comparable sales and asking prices of similar properties were analysed and adjusted for differences in key attributes such as location, tenure, land area, lease type and physical characteristics. Significant judgement was applied in the selection of suitable comparables and in determining the degree of adjustments required.

Under the cost approach, the value of the buildings is based on the estimated replacement costs less depreciation. The estimated replacement costs adjusted to reflect the buildings' specifications, age, current condition and functional utility. Further deductions were made to account for physical deterioration, functional obsolescence and economic obsolescence, where applicable.

For properties held to generate rental income, the income approach by way of the investment method was applied, whereby the fair value was derived by capitalising the estimated net annual income based on prevailing market yields for comparable investment properties, taking into consideration occupancy levels, lease terms and market rental rates.

The valuation method and key valuation assumptions applied in determining the fair values of the Group's leasehold lands and buildings, which are classified as property, plant and equipment, right-of-use assets and investment properties, are disclosed in Notes 9, 10 and 11 respectively.

#### Useful lives of property, plant and equipment and right-of-use assets

The cost of property, plant and equipment and right-of-use assets depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment and right-of-use assets to be within 3 to 50 years. These are common life expectancies applied in the manufacturing industry and investment holding. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amounts of the property, plant and equipment and right-of-use assets are disclosed in Notes 9 and 10 respectively.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

### (b) Key sources of estimation uncertainty (cont'd)

#### Impairment of investment in subsidiaries and associates

The directors review the investments in subsidiaries and associates for impairment when there is an indication of impairment. This involves measuring the recoverable amount which includes fair value less costs to sell and valuation techniques. Valuation techniques include discounted cash flows analysis and, in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation. The carrying amounts of the investment in subsidiaries are disclosed in Note 12 and investment in associates are disclosed in Note 13.

#### Impairment of non-financial assets

The Group assesses whether there is any indication that non-financial assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use.

For certain non-financial assets, fair value less cost to sell is determined based on valuation prepared by independent valuer. The fair value is estimated based on a combination of (i) market transacted price for similar assets with necessary adjustments, and (ii) the estimation on the current costs of replacing an asset with its modern equivalent asset less reduction for physical deterioration and all relevant forms of obsolescence and optimisation.

The carrying amounts of the non-financial assets are disclosed in Notes 9 and 10 respectively.

#### Write-down of obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on the assessment of its estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories. The carrying amounts of the Group's inventories are disclosed in Note 14.

#### Provision for expected credit loss of trade receivables at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Note 15.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 5. REVENUE

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
<b>Revenue from contract with customers:</b>				
Fabrication and automation services	53,948,636	30,236,577	-	-
Solar renewable energy	1,026,857	720,246	-	-
Sales of gloves	-	1,627,740	-	-
	<u>54,975,493</u>	<u>32,584,563</u>	<u>-</u>	<u>-</u>
<b>Timing of revenue recognition:</b>				
At a point in time	53,506,436	31,864,317	-	-
Over time	1,469,057	720,246	-	-
	<u>54,975,493</u>	<u>32,584,563</u>	<u>-</u>	<u>-</u>

## 6. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting):

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
Auditors' remuneration:				
- statutory audit				
- current year	409,000	265,000	312,000	160,000
- underprovision in prior year	-	32,000	-	32,000
- non-statutory audit				
- current year	5,000	39,000	5,000	39,000
- underprovision in prior year	55,000	-	55,000	-
Depreciation of property, plant and equipment	6,617,794	8,113,144	89,887	60,087
Depreciation of right-of-use assets	2,611,429	2,676,222	-	-
Gain on disposal of property, plant and equipment	(11,839,592)	-	-	(12,499)
Capital reduction in a subsidiary	-	-	-	189,900,000
Distribution income on money market instruments	-	(136,092)	-	(136,092)
Dividend income	-	-	-	(48,500,000)
Fair value loss on investment in quoted shares	2,055,905	1,811,480	-	-
Loss/(Gain) on disposal of investment in quoted shares	23,645	(103,736)	-	-
(Gain)/Loss on disposal of a subsidiary	(651,600)	-	99,998	-
Gain on termination of lease contract	(8,126)	-	-	-

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 6. LOSS BEFORE TAX (CONT'D)

Loss before tax is arrived at after charging/(crediting): (cont'd)

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
Impairment loss:				
- receivables	3,542,265	81,614	-	-
- property, plant and equipment	-	31,018,374	-	-
- investment in subsidiaries	-	-	64,603,777	-
- investment in associates	-	1,348,965	-	-
Interest expenses on:				
- bank overdraft	-	499	-	-
- lease liabilities	353,580	380,544	5,779	7,838
- term loans and revolving credit	351,056	1,039,914	-	732,025
Interest income from:				
- banks	(49,588)	(683,789)	(1,813)	(674,584)
- non banks	(25,539)	(8,391)	-	(830)
Loss on derecognition of investment in associates	13,402,277	25,046,461	-	35,052,045
Net (gain)/loss on foreign exchange:				
- realised	330,717	(289,478)	-	(220)
- unrealised	1,645,444	(657,936)	1,579,059	(653,371)
Personnel expenses (including key management personnel) (Note 6(a))				
- fees, salaries, bonuses and allowances	10,215,158	9,076,180	1,025,609	990,750
- defined contribution plan	1,028,941	950,776	115,872	123,835
Provision on slow moving inventories	286,980	-	-	-
Reversal of impairment loss:				
- receivables	(205,329)	(10,481)	-	-
- investment in associates	-	(3,070,484)	-	-
- investment in subsidiaries	-	-	-	(46,824,262)
- property, plant and equipment	(2,926,146)	(1,580)	-	-
- right-of-use assets	(5,837,441)	-	-	-
Reversal of provision on slow moving inventories	(274,149)	-	-	-
Lease expenses relating to short-term leases				
- premises	128,440	88,807	128,440	83,307
- equipments	1,307,720	826,800	-	-
Rental income	(2,521,650)	(599,500)	-	-
Share-based payment under ESOS	12,480	477,642	12,480	101,907
Written off:				
- property, plant and equipment	6,308	243,637	-	234,206
- receivables	64,050	-	58,050	-
- deposits	306,000	-	-	-

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 6. LOSS BEFORE TAX (CONT'D)

- (a) Included in personnel expenses are the aggregate amounts of remuneration received and receivable by the directors of the Group and of the Company during the financial period as follows:

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
<b><u>Directors of the Company</u></b>				
<b>Executive directors:</b>				
Salaries, bonuses and allowances	962,652	609,873	180,000	163,500
Defined contribution plan	123,024	73,500	24,731	19,620
ESOS expense	12,480	-	12,480	-
Estimated monetary value of benefits-in-kind	35,630	32,000	-	-
	<u>1,133,786</u>	<u>715,373</u>	<u>217,211</u>	<u>183,120</u>
<b>Non-executive directors:</b>				
Fees	275,000	191,500	275,000	191,500
<b><u>Directors of the subsidiaries</u></b>				
Salaries, bonuses and allowances	7,155	60,000	-	-
Defined contribution plan	1,069	7,800	-	-
Estimated monetary value of benefits-in-kind	2,900	17,400	-	-
	<u>11,124</u>	<u>85,200</u>	<u>-</u>	<u>-</u>
	<u>1,419,910</u>	<u>992,073</u>	<u>492,211</u>	<u>374,620</u>

## 7. INCOME TAX EXPENSE

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
<b>Current tax:-</b>				
- Current year	10,494	87,168	-	79,817
- (Over)/Under provision in prior financial year	(4,165)	254,693	1,777	254,693
	<u>6,329</u>	<u>341,861</u>	<u>1,777</u>	<u>334,510</u>
<b>Deferred tax (Note 24):-</b>				
- Relating to crystallisation of deferred tax liabilities upon depreciation	(5,137)	(5,137)	-	-
	<u>1,192</u>	<u>336,724</u>	<u>1,777</u>	<u>334,510</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 7. INCOME TAX EXPENSE (CONT'D)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (31.03.2024: 24%) of the estimated assessable profit for the financial period.

The reconciliation of the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM (Restated)	01.04.2024 to 30.09.2025 (18 months) RM	01.04.2023 to 31.03.2024 (12 months) RM
Loss before tax	<u>(9,664,644)</u>	<u>(80,526,213)</u>	<u>(69,491,076)</u>	<u>(132,270,357)</u>
Tax at the Malaysian statutory income tax rate of 24% (31.03.2024: 24%)	(2,319,515)	(19,326,291)	(16,677,858)	(31,744,886)
Non-deductible expenses	552,478	11,820,701	16,677,858	54,964,605
Non-taxable income	(8,790)	(1,264,087)	-	(23,145,360)
Deferred tax assets not recognised during the financial period/year	2,648,173	5,712,447	-	5,458
Utilisation of deferred tax not recognised previously	(2,183,459)	-	-	-
Effect of share of results of associates	1,316,470	3,139,261	-	-
(Under)/Over provision of current tax in prior financial year	(4,165)	254,693	1,777	254,693
	<u>1,192</u>	<u>336,724</u>	<u>1,777</u>	<u>334,510</u>

## 8. LOSS PER SHARE

Basic loss per share is calculated by dividing the Group's loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:

	Group	
	01.04.2024 to 30.09.2025 (18 months)	01.04.2023 to 31.03.2024 (12 months) (Restated)
Loss for the financial period/year attributable to owners of the Company (RM)	<u>(9,665,836)</u>	<u>(80,862,937)</u>
Weighted average number of ordinary shares in issue (unit)	<u>227,753,608</u>	<u>225,891,517</u>
<b>Loss per share (sen):</b>		
Basic and diluted	<u>(4.24)</u>	<u>(35.80)</u>

The diluted loss per share is equivalent to the basic loss per share as the Company does not have any dilutive potential ordinary shares during the financial period.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 9. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Solar Photovoltaic Plants RM	Plant, Machinery, Tools and Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Capital Work-in Progress RM	Total RM
<b>Cost/Valuation</b>								
As at 1 April 2024 (As restated)								
At cost	-	8,498,545	101,601,083	12,889,011	4,302,153	1,734,542	769,324	129,794,658
At valuation	30,870,257	-	-	-	-	-	-	30,870,257
	<u>30,870,257</u>	<u>8,498,545</u>	<u>101,601,083</u>	<u>12,889,011</u>	<u>4,302,153</u>	<u>1,734,542</u>	<u>769,324</u>	<u>160,664,915</u>
Additions	-	-	6,800	118,728	45,223	24,352	-	195,103
Disposals	-	-	(45,981,034)	(140,280)	(189,223)	(12,000)	-	(46,322,537)
Write off	-	-	-	(7,025)	-	-	-	(7,025)
Reclassification	-	-	769,324	-	-	-	(769,324)	-
Revaluation adjustments	2,779,743	-	-	-	-	-	-	2,779,743
Transfer to investment properties	(10,900,000)	-	-	-	-	-	-	(10,900,000)
Transfer from right-of-use assets	-	-	3,345,000	-	-	-	-	3,345,000
As at 30 September 2025	<u>22,750,000</u>	<u>8,498,545</u>	<u>59,741,173</u>	<u>12,860,434</u>	<u>4,158,153</u>	<u>1,746,894</u>	<u>-</u>	<u>109,755,199</u>
Representing								
At cost	-	8,498,545	59,741,173	12,860,434	4,158,153	1,746,894	-	87,005,199
At valuation	22,750,000	-	-	-	-	-	-	22,750,000
	<u>22,750,000</u>	<u>8,498,545</u>	<u>59,741,173</u>	<u>12,860,434</u>	<u>4,158,153</u>	<u>1,746,894</u>	<u>-</u>	<u>109,755,199</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Buildings RM	Solar Photovoltaic Plants RM	Plant, Machinery, Tools and Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Capital Work-in Progress RM	Total RM
<b>Accumulated Depreciation</b>								
As at 1 April 2024 (As restated)	1,481,248	3,177,812	27,374,889	7,770,901	3,429,509	703,163	-	43,937,522
Charge for the financial period	850,295	610,690	2,935,011	1,528,069	480,640	213,089	-	6,617,794
Disposals	-	-	(9,455,767)	(93,893)	(188,021)	(10,200)	-	(9,747,881)
Write off	-	-	-	(717)	-	-	-	(717)
Revaluation adjustments	(1,422,318)	-	-	-	-	-	-	(1,422,318)
Transfer from right-of-use assets	-	-	1,525,361	-	-	-	-	1,525,361
As at 30 September 2025	909,225	3,788,502	22,379,494	9,204,360	3,722,128	906,052	-	40,909,761
<b>Accumulated Impairment Loss</b>								
As at 1 April 2024 (As restated)	2,926,146	356,018	56,001,035	1,861,548	317,634	253,006	-	61,715,387
Disposals	-	-	(30,946,858)	-	-	-	-	(30,946,858)
Reversal	(2,926,146)	-	-	-	-	-	-	(2,926,146)
Transfer from right-of-use assets	-	-	519,409	-	-	-	-	519,409
As at 30 September 2025	-	356,018	25,573,586	1,861,548	317,634	253,006	-	28,361,792
<b>Net Carrying Amount</b>								
At cost	-	4,354,025	11,788,093	1,794,526	118,391	587,836	-	18,642,871
At valuation	21,840,775	-	-	-	-	-	-	21,840,775
As at 30 September 2025	21,840,775	4,354,025	11,788,093	1,794,526	118,391	587,836	-	40,483,646

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Note	Buildings RM	Photovoltaic Plants RM	Solar Machinery, Tools and Equipment RM	Plant, Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Capital Work-in Progress RM	Total RM
<b>Cost/Valuation</b>									
As at 1 April 2023									
As previously stated									
At cost		51,126,665	8,498,545	106,991,030	13,255,583	4,374,573	1,686,032	1,125,834	187,058,262
At valuation		14,720,257	-	-	-	-	-	-	14,720,257
		65,846,922	8,498,545	106,991,030	13,255,583	4,374,573	1,686,032	1,125,834	201,778,519
Prior years' adjustments	35(a)	(34,796,714)	-	(11,558,452)	-	-	-	-	(46,355,166)
	35(b)	(179,951)	-	-	-	-	-	-	(179,951)
		(34,976,665)	-	(11,558,452)	-	-	-	-	(46,535,117)
As restated									
At cost		-	8,498,545	95,432,578	13,255,583	4,374,573	1,686,032	1,125,834	124,373,145
At valuation		30,870,257	-	-	-	-	-	-	30,870,257
		30,870,257	8,498,545	95,432,578	13,255,583	4,374,573	1,686,032	1,125,834	155,243,402
Additions		-	-	2,680,441	258,962	12,000	48,510	-	2,999,913
Disposals		-	-	(1,576,992)	-	(84,420)	-	-	(1,661,412)
Write off		-	-	-	(625,534)	-	-	-	(625,534)
Reclassification		-	-	356,510	-	-	-	(356,510)	-
Transfer from right-of-use assets		-	-	4,708,546	-	-	-	-	4,708,546
As at 31 March 2024		30,870,257	8,498,545	101,601,083	12,889,011	4,302,153	1,734,542	769,324	160,664,915
Representing									
At cost		-	8,498,545	101,601,083	12,889,011	4,302,153	1,734,542	769,324	129,794,658
At valuation		30,870,257	-	-	-	-	-	-	30,870,257
		30,870,257	8,498,545	101,601,083	12,889,011	4,302,153	1,734,542	769,324	160,664,915

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Buildings RM	Solar Photovoltaic Plants RM	Plant, Machinery, Tools and Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Capital Work-in Progress RM	Total RM
<b>Accumulated Depreciation</b>								
As at 1 April 2023	1,873,624	2,770,686	21,911,132	6,782,992	3,183,023	556,368	-	37,077,825
As previously stated	(589,562)	-	(685,424)	-	-	-	-	(1,274,986)
Prior years' adjustments	(389,881)	-	-	-	-	-	-	(389,881)
	(979,443)	-	(685,424)	-	-	-	-	(1,664,867)
As restated	894,181	2,770,686	21,225,708	6,782,992	3,183,023	556,368	-	35,412,958
<b>Charge for the financial year</b>								
As previously stated	1,145,854	407,126	5,810,222	1,369,806	330,905	146,795	-	9,210,708
As previously stated	(589,562)	-	(538,777)	-	-	-	-	(1,128,339)
Prior years' adjustments	30,775	-	-	-	-	-	-	30,775
	(558,787)	-	(538,777)	-	-	-	-	(1,097,564)
As restated	587,067	407,126	5,271,445	1,369,806	330,905	146,795	-	8,113,144
Disposals	-	-	(1,199,354)	-	(84,419)	-	-	(1,283,773)
Write off	-	-	-	(381,897)	-	-	-	(381,897)
Transfer from right-of-use assets	-	-	2,077,090	-	-	-	-	2,077,090
As at 31 March 2024	1,481,248	3,177,812	27,374,889	7,770,901	3,429,509	703,163	-	43,937,522

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Buildings RM	Photovoltaic Plants RM	Solar Machinery, Tools and Equipment RM	Plant, Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Capital Work-in Progress RM	Total RM
<b>Accumulated Impairment Loss</b>								
As at 1 April 2023	9,963,484	356,018	28,182,427	1,863,128	317,634	253,006	-	40,935,697
As previously stated	(5,318,596)	-	(3,861,637)	-	-	-	-	(9,180,233)
Prior years' adjustments	(1,718,742)	-	-	-	-	-	-	(1,718,742)
35(b)	(7,037,338)	-	(3,861,637)	-	-	-	-	(10,898,975)
As restated	2,926,146	356,018	24,320,790	1,863,128	317,634	253,006	-	30,036,722
<b>Charge for the financial year</b>								
As previously stated	-	-	34,893,258	-	-	-	-	34,893,258
Prior years' adjustments	-	-	(3,874,884)	-	-	-	-	(3,874,884)
35(a)	-	-	31,018,374	-	-	-	-	31,018,374
As restated	-	-	-	(1,580)	-	-	-	(1,580)
<b>Reversal</b>								
Transfer from right-of-use assets	-	-	661,871	-	-	-	-	661,871
As at 31 March 2024	2,926,146	356,018	56,001,035	1,861,548	317,634	253,006	-	61,715,387
<b>Net Carrying Amount</b>								
At cost	-	4,964,715	18,225,159	3,256,562	555,010	778,373	769,324	28,549,143
At valuation	26,462,863	-	-	-	-	-	-	26,462,863
As at 31 March 2024	26,462,863	4,964,715	18,225,159	3,256,562	555,010	778,373	769,324	55,012,006

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor Vehicles RM	Furniture, Fittings and Office Equipment RM	Total RM
<b>Company</b>			
<b>Cost</b>			
As at 1 April 2024/30 September 2025	26,101	273,521	299,622
<b>Accumulated Depreciation</b>			
As at 1 April 2024	7,782	13,312	21,094
Charge for the financial period	7,831	82,056	89,887
As at 30 September 2025	15,613	95,368	110,981
<b>Net Carrying Amount</b>			
As at 30 September 2025	10,488	178,153	188,641
<b>Cost</b>			
As at 1 April 2023	98,521	649,381	747,902
Addition	12,000	238,974	250,974
Disposal	(84,420)	-	(84,420)
Write off	-	(614,834)	(614,834)
As at 31 March 2024	26,101	273,521	299,622
<b>Accumulated Depreciation</b>			
As at 1 April 2023	88,181	337,873	426,054
Charge for the financial year	4,020	56,067	60,087
Disposal	(84,419)	-	(84,419)
Write off	-	(380,628)	(380,628)
As at 31 March 2024	7,782	13,312	21,094
<b>Net Carrying Amount</b>			
As at 31 March 2024	18,319	260,209	278,528

### Revaluation of buildings

#### *Owner-occupied properties*

The buildings were revalued by independent professional valuers, Laurelcap (Sel) Sdn Bhd. as at 31 March 2025. The valuation was carried out using the cost approach, which determines the fair value of the buildings based on the estimated current replacement cost, which was derived from actual recent construction cost data of similar buildings and adjusted by reference to market-derived comparable data, where appropriate.

The valuation also takes into consideration the fair value of the underlying land, determined by comparison with recent transactions of comparable land, and makes deductions for physical deterioration, functional and economic obsolescence, if any.

The revaluation surplus arising from the revaluation of buildings has been recognised in other comprehensive income and accumulated in revaluation reserve within equity, in accordance with MFRS 116 *Property, Plant and Equipment*.

The buildings were last valued by an independent professional valuer as at 31 March 2025. Based on management's assessment of market conditions and available information, the directors consider that there were no material changes in fair value between 31 March 2025 and 30 September 2025, and accordingly no further valuation was performed.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Revaluation of buildings (cont'd)

#### *Transfer to investment properties*

During the financial period, one building was transferred to investment properties because it was no longer used by the Group and it was leased to third parties.

Immediately before the transfer, the Group remeasured the property at fair value and recognised a gain of RM1,198,376 in other comprehensive income. The valuation techniques and significant unobservable inputs used in measuring the fair value of the building at the date of transfer were the same as those applied to investment properties at the reporting date. The fair value information relating to this transfer is disclosed in Note 11.

#### Fair value information

In the prior financial year, the building carried at valuation was classified within Level 2 of the fair value hierarchy, as the valuation technique included observable market inputs for land and buildings with similar characteristics. The valuation using the market comparison method that makes reference to recent transactions and sales evidences involving other similar properties in the vicinity. The most significant input to this valuation approach is price per square feet of comparable properties. In the current financial period, the valuation of the buildings carried at valuation has been based on the cost approach, which incorporates significant unobservable inputs, including replacement cost estimates, depreciation adjustments, and comparable land values. Accordingly, the fair value measurements of the buildings are categorised as Level 3 under the fair value hierarchy of MFRS 13 *Fair Value Measurement*.

Had such buildings been carried at historical cost less accumulated depreciation and accumulated impairment losses, the carrying amounts that would have been recognised in the financial statements are as follows:

	Group	
	2025	2024
	RM	RM
Buildings	<u>16,203,255</u>	<u>10,629,803</u>

The following table shows the valuation techniques used in the determination of fair value of the owner-occupied properties within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation techniques	Significant unobservable input	Relationship of unobservable inputs
Buildings	Cost approach	Estimated replacement cost per square foot	The estimated fair value would increase/(decrease) if the replacement cost per square foot is higher/(lower).

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period. The movement from Level 2 to Level 3 relates solely to changes in valuation techniques and the use of significant unobservable inputs.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Assets pledged as security

The carrying amounts of property, plant and equipment of the Group that have been pledged as securities for credit facilities granted to subsidiaries of the Group as disclosed in Note 23 are as follows:

	Group	
	2025	2024
	RM	RM
Buildings	17,398,274	12,740,301

### Acquisition of property, plant and equipment

During the financial period, the acquisition of the Group's and the Company's property, plant and equipment were satisfied as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash payments	195,103	329,645	-	250,974
Payables	-	2,670,268	-	-
	<u>195,103</u>	<u>2,999,913</u>	<u>-</u>	<u>250,974</u>

### Impairment loss on property, plant and equipment

During the financial period, the Group carried out impairment reviews on its non-financial assets with indication of impairments in view of the loss-making performance of cash-generating units. As a result, the Group recorded net impairment losses of RM Nil (31.03.2024: RM31,018,374) for property, plant and equipment during the financial period. The impairment losses recognised in prior financial year were in respect of the assets of glove business.

Separately, a reversal of impairment amounting to RM2,926,146 was recognised on buildings during the financial period following a revaluation exercise which resulted in the fair value of the buildings exceeding their carrying amounts after taking into account prior impairment losses. The reversal was recognised in profit or loss to the extent that it reversed previous impairment losses, with any surplus recognised in other comprehensive income.

In previous financial year, the recoverable amounts of plant, machinery, tools and equipment and furniture, fittings and office equipment in glove business is determined based on the fair value less cost to sell. The estimates of fair value have been determined with reference to an independent valuer on the basis of recent transacted market value with necessary adjustments and depreciated replacement cost method.

The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used. There is a transfer from Level 2 to Level 3 due to an increase in unobservable inputs being used in the valuation.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Impairment loss on property, plant and equipment (cont'd)

The level 3 or unobservable inputs include:

Service life	The expected lifetime, or the acceptable period of use in service. It is the time that any manufactures item can be expected to be 'serviceable' or supported by its manufacturer.
Liquidation value with a shortened marketing period	Certain percentage of the market value which is calculated by the estimated service life.

The following table shows the valuation techniques used in determination of the value as measured at Level 3, as well as the significant unobservable inputs and in the valuation model.

Description	Valuation techniques	Significant unobservable input	Relationship of unobservable inputs
Plant, machinery, tools and equipment	Depreciated replacement cost method	Service life (5 years)	The longer the service life, the higher the fair value
		Liquidation value with a shortened marketing period (25% to 30% from the market value calculated by the estimated service life)	The higher the percentage, the higher the fair value

If the service life of the plant, machinery, tools and equipment had been reduced by 1 year and other variables remain constant, there will be an additional impairment to the carrying amount of plant, machinery, tools and equipment at the end of the reporting period of RM4,451,367.

If the liquidation value with shortened marketing period of the plant, machinery, tools and equipment had been decreased by 5% and other variables remain constant, there will be an impairment to the carrying amount of plant, machinery, tools and equipment at the end of the reporting period of RM2,044,687.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 10. RIGHT-OF-USE ASSETS

Group	Leasehold lands RM	Plant, machinery, tools and equipment RM	Motor vehicles RM	Factory RM	Parking spaces RM	Total RM
<b>Cost/Valuation</b>						
As at 1 April 2024 (As restated)						
At cost	-	10,131,800	1,318,518	2,125,419	-	13,575,737
At valuation	23,241,870	-	-	-	-	23,241,870
	23,241,870	10,131,800	1,318,518	2,125,419	-	36,817,607
Additions	-	-	-	-	101,996	101,996
Disposal	-	-	(266,297)	-	-	(266,297)
Termination of lease contract	-	-	-	(2,125,419)	-	(2,125,419)
Transfer from assets held for sale	20,484,000	-	-	-	-	20,484,000
Revaluation adjustments	27,024,130	-	-	-	-	27,024,130
Transfer to investment properties	(56,500,000)	-	-	-	-	(56,500,000)
Transfer to property, plant and equipment	-	(3,345,000)	-	-	-	(3,345,000)
	14,250,000	6,786,800	1,052,221	-	101,996	22,191,017
Representing						
At cost	-	6,786,800	1,052,221	-	101,996	7,941,017
At valuation	14,250,000	-	-	-	-	14,250,000
As at 30 September 2025	14,250,000	6,786,800	1,052,221	-	101,996	22,191,017

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 10. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold lands RM	Plant, machinery, tools and equipment RM	Motor vehicles RM	Factory RM	Parking spaces RM	Total RM
<b>Accumulated Depreciation</b>						
As at 1 April 2024 (As restated)	1,892,726	2,272,761	873,930	826,552	-	5,865,969
Charge for the financial period	1,123,276	1,275,094	148,353	59,040	5,666	2,611,429
Transfer from assets held for sale	229,927	-	-	-	-	229,927
Disposal	-	-	(182,554)	-	-	(182,554)
Termination of lease contract	-	-	-	(885,592)	-	(885,592)
Transfer to property, plant and equipment	-	(1,525,361)	-	-	-	(1,525,361)
Revaluation adjustments	(2,782,326)	-	-	-	-	(2,782,326)
As at 30 September 2025	463,603	2,022,494	839,729	-	5,666	3,331,492
<b>Accumulated Impairment Loss</b>						
As at 1 April 2024 (As restated)	4,218,895	813,470	130,143	-	-	5,162,508
Transfer from assets held for sale	1,618,546	-	-	-	-	1,618,546
Disposal	-	-	(27,651)	-	-	(27,651)
Reversal	(5,837,441)	-	-	-	-	(5,837,441)
Transfer to property, plant and equipment	-	(519,409)	-	-	-	(519,409)
As at 30 September 2025	-	294,061	102,492	-	-	396,553
<b>Net Carrying Amount</b>						
At cost	-	4,470,245	110,000	-	96,330	4,676,575
At valuation	13,786,397	-	-	-	-	13,786,397
As at 30 September 2025	13,786,397	4,470,245	110,000	-	96,330	18,462,972

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 10. RIGHT-OF-USE ASSETS (CONT'D)

Group	Note	Leasehold lands		Plant, machinery, tools and equipment		Motor vehicles		Factory		Total
		RM	RM	RM	RM	RM	RM	RM	RM	
<b>Cost/Valuation</b>										
As at 1 April 2023										
As previously stated										
At cost		3,730,000	11,470,346	1,318,518	2,125,419					18,644,283
At valuation		19,191,870	-	-	-	-	-	-	-	19,191,870
		22,921,870	11,470,346	1,318,518	2,125,419					37,836,153
Prior years' adjustments	35(b)	320,000	-	-	-	-	-	-	-	320,000
As restated										
At cost		-	11,470,346	1,318,518	2,125,419					14,914,283
At valuation		23,241,870	-	-	-	-	-	-	-	23,241,870
		23,241,870	11,470,346	1,318,518	2,125,419					38,156,153
Additions		-	3,370,000	-	-	-	-	-	-	3,370,000
Transfer to property, plant and equipment		-	(4,708,546)	-	-	-	-	-	-	(4,708,546)
		23,241,870	10,131,800	1,318,518	2,125,419					36,817,607
Representing										
At cost		-	10,131,800	1,318,518	2,125,419					13,575,737
At valuation		23,241,870	-	-	-	-	-	-	-	23,241,870
As at 31 March 2024		23,241,870	10,131,800	1,318,518	2,125,419					36,817,607

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 10. RIGHT-OF-USE ASSETS (CONT'D)

Note	Leasehold lands		Plant, machinery, tools and equipment		Motor vehicles		Factory		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Accumulated Depreciation</b>										
As at 1 April 2023	1,640,721		3,028,849		727,012		118,079		5,514,661	
As previously stated	(247,824)		-		-		-		(247,824)	
Prior years' adjustments										
As restated	1,392,897		3,028,849		727,012		118,079		5,266,837	
Charge for the financial year										
As previously stated	474,219		1,321,002		146,918		708,473		2,650,612	
Prior years' adjustments	25,610		-		-		-		25,610	
As restated	499,829		1,321,002		146,918		708,473		2,676,222	
Transfer to property, plant and equipment										
As at 31 March 2024	-	(2,077,090)			-		-		(2,077,090)	
	1,892,726	2,272,761			873,930		826,552		5,865,969	
<b>Accumulated Impairment Loss</b>										
As at 1 April 2023	4,744,024		1,475,341		130,143		-		6,349,508	
As previously stated	(525,129)		-		-		-		(525,129)	
Prior years' adjustments										
As restated	4,218,895		1,475,341		130,143		-		5,824,379	
Transfer to property, plant and equipment										
As at 31 March 2024	-	(661,871)			-		-		(661,871)	
	4,218,895	813,470			130,143		-		5,162,508	
<b>Net Carrying Amount</b>										
At cost	-		7,045,569		314,445		1,298,867		8,658,881	
At valuation	17,130,249		-		-		-		17,130,249	
As at 31 March 2024	17,130,249		7,045,569		314,445		1,298,867		25,789,130	

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 10. RIGHT-OF-USE ASSETS (CONT'D)

	Motor vehicles RM	Total RM
<b>Company</b>		
<b>Cost</b>		
As at 1 April 2024/2023/30 September 2025/31 March 2024	397,057	397,057
<b>Accumulated Depreciation</b>		
As at 1 April 2024/2023/30 September 2025/31 March 2024	397,056	397,056
<b>Net Carrying Amount</b>		
As at 30 September 2025/31 March 2024	1	1

### Additions of right-of-use assets

During the financial period, the Group recognised a right-of-use (“ROU”) asset in respect of a parcel of leasehold land leased from the Office of the State Secretary, Penang (Chief Minister’s Incorporated) for the purpose of car park usage. The lease period is three years.

During the financial period, the additions of the Group’s right-of-use assets were satisfied as follows:

	Group	
	2025 RM	2024 RM
Cash payments	-	570,000
Lease liabilities	101,996	2,800,000
	<u>101,996</u>	<u>3,370,000</u>

### Revaluation of leasehold lands

#### *Owner-occupied properties*

Leasehold lands were revalued by independent professional valuers, Laurelcap (Sel) Sdn Bhd. as at 31 March 2025. The valuation was carried out using the comparison method that makes reference to recent transactions and sales evidences involving other similar properties in the vicinity. The most significant input to this valuation approach is price per square feet of comparable properties.

The leasehold lands were last valued by an independent professional valuer as at 31 March 2025. Based on management’s assessment of market conditions and available information, the directors consider that there were no material changes in fair value between 31 March 2025 and 30 September 2025, and accordingly no further valuation was performed.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 10. RIGHT-OF-USE ASSETS (CONT'D)

### Revaluation of leasehold lands (cont'd)

#### *Transfer from assets held for sale*

During the financial period, certain leasehold lands previously classified as non-current assets held for sale were reclassified to right-of-use ("ROU") assets as the Group no longer intends to dispose of these assets and instead holds them for long-term capital appreciation. Upon reclassification, the Group made the relevant adjustments to depreciation to align with the amounts that would have been recorded had the assets not been classified as held for sale. Subsequently, these leasehold lands had been transferred to investment properties.

#### *Transfer to investment properties*

During the financial period, certain leasehold lands were transferred to investment properties because they were no longer used by the Group. One of the leasehold lands has been leased to third parties while certain lands are held for long-term capital appreciation.

Immediately before the transfer, the Group remeasured the property at fair value and recognised a gain of RM25,184,329 in other comprehensive income. The valuation techniques and significant unobservable inputs used in measuring the fair value of the building at the date of transfer were the same as those applied to investment properties at the reporting date. The fair value information relating to this transfer is disclosed in Note 11.

### Fair value information

Had such leasehold lands been carried at historical cost less accumulated depreciation and accumulated impairment losses, the carrying amounts that would have been recognised in the financial statements are as follows:

	Group	
	2025	2024
	RM	RM
Leasehold land	<u>5,877,330</u>	<u>13,153,180</u>

The following table shows the valuation techniques used in the determination of fair value of the owner-occupied properties within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation techniques	Significant unobservable input	Relationship of unobservable inputs
Leasehold land	Sales comparison approach	Market price per square foot	The estimated fair value would increase/(decrease) if the market price per square foot is higher/(lower).

### Assets pledged as security

The carrying amount of right-of-use assets that have been pledged as securities for banking facilities granted to certain subsidiaries as disclosed in Note 23 to the financial statements are as follows:

	Group	
	2025	2024
	RM	RM
Leasehold lands	<u>13,786,397</u>	<u>14,595,122</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 11. INVESTMENT PROPERTIES

	<b>Group 30.09.2025 RM</b>
<b>Fair value</b>	
As at 1 April 2024	-
Transfer from property, plant and equipment	10,900,000
Transfer from right-of-use assets	56,500,000
As at 30 September 2025	<u>67,400,000</u>

During the financial period, certain leasehold lands and buildings have been transferred from property, plant and equipment and right-of-use assets since the properties were no longer used by the Group and would be leased to third parties.

In accordance with MFRS 140 *Investment Property*, these properties were measured at fair value immediately before transfer and subsequently carried at fair value at the reporting date.

The investment properties were last valued by an independent professional valuer as at 31 March 2025. Based on management's assessment of market conditions and available information, the directors consider that there were no material changes in fair value between 31 March 2025 and 30 September 2025, and accordingly no further valuation was performed.

### Fair value information

The following table shows the valuation techniques used in the determination of fair value within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation techniques	Significant unobservable input	Relationship of unobservable inputs
Leasehold land	Sales comparison approach	Market price per square foot	The estimated fair value would increase/(decrease) if the market price per square foot is higher/(lower).
Building	Combination of cost approach and income approach by way of the investment method	Replacement cost per square foot and capitalisation yield	The estimated fair value would increase/(decrease) if the cost per square foot is higher/(lower). Conversely, the fair value would (decrease)/increase if the capitalisation yield were higher/(lower).

### Assets pledged as security

As at the end of the financial period, certain investment properties of the Group with a carrying amount of RM28,600,000 (31.03.2024: RM Nil) were pledged as security for banking facilities granted to the Group as disclosed in Note 23.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 11. INVESTMENT PROPERTIES (CONT'D)

### Income and expenses recognised in profit or loss

Rental income and direct operating expenses disclosed below related only to the period from 1 April 2025 to 30 September 2025, being the period since the transfer of the properties to investment properties.

The following are recognised in profit or loss in respect of investment properties:

	<b>Group</b> <b>01.04.2024</b> <b>to</b> <b>30.09.2025</b> <b>(18 months)</b> <b>RM</b>
Rental income	1,028,700
Direct operating expenses	(247,499)

## 12. INVESTMENT IN SUBSIDIARIES

	<b>Company</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost		
As at beginning of the financial period/year	197,423,130	386,947,395
Capitalisation of amount due from subsidiaries	69,176,689	-
Share options granted to subsidiaries pursuant to ESOS	-	375,735
Disposal of a subsidiary	(100,000)	-
Capital reduction on investment in subsidiary	-	(189,900,000)
As at end of the financial period/year	<u>266,499,819</u>	<u>197,423,130</u>
Less: Accumulated impairment losses	<u>(139,889,805)</u>	<u>(75,286,028)</u>
	<u>126,610,014</u>	<u>122,137,102</u>

Movements in the allowance for impairment losses of subsidiary companies are as follows:

	<b>Company</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
At the beginning of the financial period/year	75,286,028	122,110,290
Impairment losses recognised during the year	64,603,777	-
Reversal of impairment losses	-	(46,824,262)
At the end of the financial period/year	<u>139,889,805</u>	<u>75,286,028</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 12. INVESTMENT IN SUBSIDIARIES (CONT'D)

During the financial period, the Company capitalised an amount due from subsidiaries amounting to RM69,176,689 by way of debt-to-equity conversion, resulting in the recognition of additional equity investments in the subsidiaries.

Following the capitalisation, the Company performed an assessment of the recoverable amounts of its investments in subsidiaries due to losses reported by the subsidiaries, which indicated the existence of an impairment.

The Company has concluded that there is impairment require to reduce the carrying amount of the investments as the carrying amount are currently higher than their estimated recoverable amount. The recoverable amount of the investments is based in the fair value less cost to sell, which is determined based on the net assets value of its subsidiaries. A total impairment of RM64,603,777 were made.

In previous financial year, the wholly-owned subsidiary company, AT Glove Engineering Sdn. Bhd. ("ATGE") had reduced its issued and paid up share capital via the cancellation of the issued and paid up share capital of RM189,900,000 pursuant to Section 117 of Companies Act 2016. The Company has concluded that there is reversal of impairment require as the carrying amount are currently lower than its estimated recoverable amount. The recoverable amount of the investment is based in the fair value less cost to sell, which is determined based on the net assets value of its subsidiary. A reversal of impairment loss of RM46,824,262 were made.

The particulars of subsidiaries are as follows:

Name of Company	Principal place of business	Principal Activities	Effective Equity Interest	
			30.09.2025	31.03.2024
AT Engineering Solution Sdn. Bhd. ("ATES")	Malaysia	Design and manufacture of industrial automation systems and machinery; renewable energy operator and producer; fabrication of sheet metal parts	100%	100%
AT Precision Tooling Sdn. Bhd. ("ATP")	Malaysia	Fabrication of industrial and engineering parts; renewable energy operator and producer	100%	100%
AT Glove Engineering Sdn. Bhd. ("ATGE")	Malaysia	Manufacture and sale of gloves including medical gloves	-	100%
<b>Subsidiary of AT Precision Tooling Sdn. Bhd.</b>				
AT Technology Solution Sdn. Bhd.	Malaysia	Fabrication of industrial and engineering parts	-*	100%

All the above subsidiaries are audited by Morison LC PLT.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 12. INVESTMENT IN SUBSIDIARIES (CONT'D)

### Strike-Off of a Subsidiary

During the financial period, AT Technology Solution Sdn. Bhd., a subsidiary of the Group, was struck off. The strike-off did not have any financial impact to the Group.

### Disposal of AT Glove Engineering Sdn. Bhd.

On 17 April 2024, the Company entered into a conditional Share Sale Agreement (“SSA”) with 2 individuals for the proposed disposal of the entire 100,000 ordinary shares in ATGE for a consideration of RM2. The proposed disposal was completed on even date.

The effect of the disposal of ATGE on the financial position of the Group as at the date of disposal was as follows:

	RM
Receivables, deposits and prepayments	4,632,050
Fixed deposits pledged with licensed bank	1,359,289
Cash and bank balances	20
Payables, deposits received and accruals	(6,642,957)
Total net liabilities	(651,598)
Gain on disposal	651,600
Proceeds from disposal	2
Less: cash and bank balances disposal	(20)
Net cash outflows from disposal	(18)

## 13. INVESTMENT IN ASSOCIATES

	Group		Company	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	RM	RM	RM	RM
Quoted shares in Malaysia, at cost	-	94,237,885	-	-
Share of post-acquisition results and reserves	-	(45,185,704)	-	-
	-	49,052,181	-	-
Less: Accumulated impairment losses	-	(21,715,013)	-	-
	-	27,337,168	-	-
Market value of interest in associates:				
- Quoted shares	-	26,662,078	-	-
- Quoted warrants	-	675,090	-	-
	-	27,337,168	-	-

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 13. INVESTMENT IN ASSOCIATES (CONT'D)

The movement in allowance for impairment loss of investment in associates are as follows:

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
At the beginning of the financial period/year	21,715,013	51,405,552	-	20,459,056
Charge for the financial period/year	-	1,348,965	-	-
Reversal of impairment loss for the financial period/year	-	(3,070,484)	-	-
Reversal of impairment loss due to derecognition	(21,715,013)	(27,969,020)	-	(20,459,056)
At the end of the financial period/year	-	21,715,013	-	-

The particulars of the associate companies are as follows:

Name of Company	Principal place of business	Principal Activities	Effective Equity Interest	
			30.09.2025	31.03.2024
<b>Held through subsidiaries:</b>				
Trive Property Group Berhad ("Trive")	Malaysia	Investment Holding	-	25.68%
AE Multi Holdings Berhad ("AEM")	Malaysia	Investment Holding	-	31.34%

Both Trive and AEM were consolidated as associates up to their respective derecognition dates, being 20 June 2025 for Trive and 1 July 2025 for AEM.

The financial year end of Trive and AEM is 31 July 2024 and 31 March 2025 respectively. For the purpose of applying equity method of accounting, the audit financial statements of Trive and AEM for the financial year ended 31 July 2024 and 31 March 2025 have been used and appropriate adjustments have been made for the effect of significant transactions between the financial year end to the date of derecognition.

### Changes of interests in associates

During the financial period, the Group disposed part of its equity interests in the associates. As a result of the disposal, the Group's effective equity interests in Trive were reduced from 25.68% to 19.88% while AEM were reduced from 31.34% to 19.32%. Accordingly, the Group no longer has significant influence over the financial and operating policies of those entities. The investments were therefore derecognised as associates and accounted for as financial assets in accordance with MFRS 9 *Financial Instruments* subsequent to derecognition.

In previous financial year, pursuant to the issuance of new ordinary shares arising from the right issue exercise, the Company's equity interest in D'nonce has decreased from 25.62% to 14.61%. Additionally, one of the Company's directors resigned from D'nonce and only one of the Company's directors continue to serve as non-executive director in D'nonce. These resulted the Company to lose significant influence over D'nonce and D'nonce has ceased to be an associate of the Company.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 13. INVESTMENT IN ASSOCIATES (CONT'D)

### Impairment of investment in associates

During the previous financial year, the Group assessed whether there are any indications of impairment under review. In doing this, management considered the business environments and performance of its associates. Management has considered the drop in market values of quoted shares and/or warrants in certain associates as well as results reported by certain associates as impairment indications.

#### (i) Trive

As at 31 March 2024, the fair value of the Group's investment in quoted shares and warrants of Trive are based on Level 1 of the fair value hierarchy. The recoverable amount, being the market value of these Group's interest, representing its fair value as at 31 March 2024 is RM17,848,907.

Accordingly, as at 31 March 2024, the recoverable amount is lower than its carrying value, hence an impairment loss of RM1,348,965 was recognised.

#### (ii) AEM

As at 31 March 2024, the fair value of the Group's investment in quoted shares and warrants of AEM are based on Level 1 of the fair value hierarchy. The recoverable amount, being the market value of these Group's interest, representing its fair value as at 31 March 2024 is RM9,488,261.

Accordingly, as at 31 March 2024, the recoverable amount is higher than its carrying value, hence a reversal of impairment loss of RM3,070,484 was recognised.

The summarised financial information of the associates is as follows:

Group	Trive *	AEM *	Total
	RM	RM	RM
<b>30.09.2025</b>			
<b>Results:</b>			
Revenue	11,065,684	130,005,410	141,071,094
Loss for the financial period	(5,068,590)	(13,351,457)	(18,420,047)
Total comprehensive loss for the financial period	<u>(5,068,590)</u>	<u>(13,129,708)</u>	<u>(18,198,298)</u>
Share of results of associates during the financial period	<u>(1,301,614)</u>	<u>(4,183,679)</u>	<u>(5,485,293)</u>
Share of other comprehensive income during the financial period	<u>-</u>	<u>69,485</u>	<u>69,485</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 13. INVESTMENT IN ASSOCIATES (CONT'D)

Group	Trive RM	AEM RM	D'nonce * RM	Total RM
<b>31.03.2024</b>				
<b>Assets and liabilities</b>				
Non-current assets	95,541,672	36,508,166	N/A	132,049,838
Current assets	28,742,118	113,933,919	N/A	142,676,037
Non-current liabilities	(2,572,226)	(90,892,460)	N/A	(93,464,686)
Current liabilities	(2,657,583)	(1,574,899)	N/A	(4,232,482)
Net assets	<u>119,053,981</u>	<u>57,974,726</u>	<u>N/A</u>	<u>177,028,707</u>
<b>Results:</b>				
Revenue	3,021,308	110,390,502	176,382,920	289,794,730
Profit/(loss) for the financial year	29,311	(20,508,358)	(8,276,358)	(28,755,405)
Total comprehensive income/(loss) for the financial year	<u>29,311</u>	<u>(20,319,153)</u>	<u>(7,524,950)</u>	<u>(27,814,792)</u>
Share of results of associates during the year	<u>(5,231,556)</u>	<u>(6,264,706)</u>	<u>(1,583,991)</u>	<u>(13,080,253)</u>
Share of other comprehensive income/(loss) during the year	<u>(37,321)</u>	<u>263,140</u>	<u>422,134</u>	<u>647,953</u>

\* Up to date of derecognition

Reconciliation of summarised financial information of the associates to the carrying amount of interest in associates are as follows:

Group	Trive RM	AEM RM
<b>31.03.2024</b>		
<b>Reconciliation of net assets/(liabilities) to carrying amount:</b>		
Net assets	119,053,981	57,974,726
Proportion of ownership interest held by the Group	25.680%	31.335%
Equity attributable to the Group	<u>30,573,062</u>	<u>18,166,380</u>
Impairment loss	(13,036,894)	(8,678,119)
Goodwill on acquisition	312,739	-
Carrying amount in the statement of financial position	<u>17,848,907</u>	<u>9,488,261</u>
Market value of associates	<u>17,848,907</u>	<u>9,488,261</u>

The Group does not have any capital commitment of contingent liabilities in relation to its interest in the associates as at 31 March 2024.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 14. MARKETABLE SECURITIES

	Note	Group		Company	
		30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>Quotes shares, in Malaysia</b>					
- at fair value through other comprehensive income	(a)	10,792,688	9,268,777	4,517,722	9,268,777
- at fair value through profit or loss	(b)	9,857,669	9,802,085	-	-
		<u>20,650,357</u>	<u>19,070,862</u>	<u>4,517,722</u>	<u>9,268,777</u>

- (a) The Group and the Company designated the equity instrument to be measured at fair value through other comprehensive income as the Group and the Company intend to hold for long-term strategic purposes.

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>Fair value</b>				
D'nonce Technology Berhad	4,517,722	9,268,777	4,517,722	9,268,777
AE Multi Holdings Berhad	2,507,617	-	-	-
Trive Property Group Berhad	3,767,349	-	-	-
	<u>10,792,688</u>	<u>9,268,777</u>	<u>4,517,722</u>	<u>9,268,777</u>

- (b) The Group designated the equity instruments to be measured at fair value through profit or loss as the Group intends to hold for mid-term purposes.

## 15. INVENTORIES

	Group	
	30.09.2025 RM	31.03.2024 RM
<b>At cost:</b>		
Raw materials	2,225,406	2,194,654
Work-in-progress	1,978,209	3,198,824
Finished goods	1,923,008	302,703
	<u>6,126,623</u>	<u>5,696,181</u>
Allowance for slow moving inventories	(423,892)	(411,061)
	<u>5,702,731</u>	<u>5,285,120</u>
<b>At net realisable value:</b>		
Finished goods	-	992,745
	<u>5,702,731</u>	<u>6,277,865</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	20,265,226	15,800,534
Inventories written down to net realisable value	1,330,813	-
Provision for slow moving stock	286,980	-
Reversal of provision for slow moving stock	(274,149)	-
	<u>20,265,226</u>	<u>15,800,534</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 16. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>Non-Current</b>				
Deposit	-	4,400,000	-	-
Less: Accumulated impairment losses	-	(74,800)	-	-
	<u>-</u>	<u>4,325,200</u>	<u>-</u>	<u>-</u>
<b>Current</b>				
Trade receivables	13,172,126	4,567,560	-	664,597
Less: Accumulated impairment losses	(129,590)	(307,729)	-	-
Trade receivables, net	<u>13,042,536</u>	<u>4,259,831</u>	<u>-</u>	<u>664,597</u>
Other receivables:				
- Subsidiaries	-	-	-	69,841,459
- Third parties	5,441,260	2,657,880	1,805,435	1,860,934
	<u>5,441,260</u>	<u>2,657,880</u>	<u>1,805,435</u>	<u>71,702,393</u>
Less: Accumulated impairment losses				
- Third parties	(5,347,159)	(1,832,084)	(1,780,084)	(1,780,084)
Other receivables, net	<u>94,101</u>	<u>825,796</u>	<u>25,351</u>	<u>69,922,309</u>
Deposits	1,766,489	2,766,799	48,730	67,057
Prepayments	723,714	648,812	10,171	18,929
	<u>15,626,840</u>	<u>8,501,238</u>	<u>84,252</u>	<u>70,672,892</u>
	<u>15,626,840</u>	<u>12,826,438</u>	<u>84,252</u>	<u>70,672,892</u>

The foreign currency exposure profile of receivables, deposits and prepayments of the Group is as follows:

	Group	
	30.09.2025 RM	31.03.2024 RM
United States Dollar	<u>3,290,594</u>	<u>896,390</u>

### (a) Trade receivables

#### Credit term

The Group's normal trade credit term extended to customers ranged from 30 to 90 days (2024: 30 to 90 days).

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 16. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

### (a) Trade receivables (Cont'd)

#### Ageing analysis

The ageing analysis of the trade receivables of the Group and Company is as follows:

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
Neither past due nor impaired	3,968,690	519,275	-	-
<b>Past due but not impaired</b>				
1 to 30 days past due but not impaired	4,856,886	1,042,259	-	-
31 to 120 days past due but not impaired	3,725,485	2,066,753	-	-
More than 121 days past due but not impaired	491,475	631,544	-	664,597
	9,073,846	3,740,556	-	664,597
Impaired	129,590	307,729	-	-
	<u>13,172,126</u>	<u>4,567,560</u>	<u>-</u>	<u>664,597</u>

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with long term relationship and good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

#### Receivables that are past due but not impaired

Trade receivables that are past due but not impaired are creditworthy debtors who, by past trade practices, have paid after the expiry of the trade credit terms and the Group and the Company are currently still in active trading with the debtors. The Group and the Company do not anticipate recovery problems in respect of these debtors.

#### Receivables that are impaired

The trade receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Group	
	30.09.2025 RM	31.03.2024 RM
At the beginning of the financial period/year	307,729	236,596
Charge for the financial period/year:		
- Individually assessed	-	113
- Collectively assessed	27,190	81,501
Reversal of impairment loss:		
- Individually assessed	(205,329)	(9,667)
- Collectively assessed	-	(814)
At the end of the financial period/year	<u>129,590</u>	<u>307,729</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 16. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

### (b) Other receivables

- (i) Amounts owing by subsidiaries are unsecured, interest free and is repayable on demand in cash.
- (a) In prior financial year, deposit and advancement of RM4,325,200 included in deposits of the Group, was paid by ATGE in relation to the Share Sale Agreement ("SSA") for the proposed acquisition of the entire issued share capital of Pearl Glove (Malaysia) Sdn Bhd ("PGSB"). In previous financial year, due to the non-fulfilment of the condition precedent of the SSA, the Group issued a notice of termination to the vendors on 11 November 2020 and requested a refund of the deposit and advance. A civil suit was subsequently commenced against the vendors of PGSB on 31 December 2020. Following the disposal of ATGE during the financial period, the related deposit was no longer recognised by the Group.
- (ii) The movements in allowance for impairment loss of other receivables are as follows:

	Group		Company	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	RM	RM	RM	RM
At the beginning of the financial period/year	1,906,884	1,954,277	1,780,084	1,780,084
Charge for the financial period/year:				
- other receivables	3,515,075	-	-	-
Disposal of a subsidiary	(74,800)	-	-	-
Written off	-	(47,393)	-	-
At the end of the financial period/year	<u>5,347,159</u>	<u>1,906,884</u>	<u>1,780,084</u>	<u>1,780,084</u>

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

## 17. TAX ASSETS

Income tax which is recoverable in future from tax authorities.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 18. MONEY MARKET INSTRUMENTS

	Group		Company	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	RM	RM	RM	RM
Short term fund	14,754,564	16,338,345	14,754,564	16,338,345

Short term fund is low risk, highly liquid short-term money market instruments.

The currency exposure profile of the Group's money market instruments is as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM
Australia Dollar	14,754,564	16,338,345

## 19. CASH AND BANK BALANCES

	Group		Company	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	RM	RM	RM	RM
Deposits placed with licensed banks	710,250	2,033,145	-	-
Cash and bank balances	3,178,753	2,815,477	61,269	518,036
	<u>3,889,003</u>	<u>4,848,622</u>	<u>61,269</u>	<u>518,036</u>

The deposits placed with licensed banks earn interest at 1.50% to 3.10% (2024: 1.50% to 2.70%) per annum and are pledged with licensed banks for term loan and revolving credit facilities granted to the Group as mentioned in Note 23.

The currency exposure profile of the Group's cash and bank balances is as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM
Singapore Dollar	1,299	10,855
United States Dollar	1,276,446	331,372
Others	<u>7,146</u>	<u>1,917</u>

## 20. ASSETS HELD FOR SALE

	Group	
	30.09.2025	31.03.2024
	RM	RM
Leasehold lands held for sale	-	<u>18,635,527</u>

During the financial period, the Group undertook an internal restructuring exercise. Following the internal restructuring, management assessed that the leasehold lands no longer met the criteria for classification as assets held for sale under MFRS 5 and are intended to be held for long-term capital appreciation. As a result, the leasehold lands were reclassified from assets held for sale to right-of-use assets ("ROU").

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 21. SHARE CAPITAL

	Group/Company			
	30.09.2025		31.03.2024	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
<b>Ordinary shares</b>				
<b>Issued and fully paid: (no par value)</b>				
At the beginning of the financial period/year	226,192,659	487,942,699	6,000,621,899	480,443,830
Issuance of shares:				
- Exercise of share options	2,600,000	480,480	185,420,000	2,146,422
- Private placement	-	-	600,062,000	5,460,564
Share issuance expenses	-	-	-	(108,117)
Capital restructuring:				
- Share consolidation	-	-	(6,559,911,240)	-
- Share capital reduction	-	(360,000,000)	-	-
At the end of the financial period/year	<u>228,792,659</u>	<u>128,423,179</u>	<u>226,192,659</u>	<u>487,942,699</u>

During the financial period, the Company had undertaken the following:

- (i) On 9 April 2024, the Company completed the share capital reduction by reducing the issued share capital from RM487,942,699 to RM227,942,699 by way of offsetting against accumulated losses of RM260,000,000.
- (ii) On 7 November 2024, the Company issued 2,600,000 new ordinary shares pursuant to the Company's Employees' Share Option Scheme at exercise prices of RM0.18 per ordinary shares.
- (iii) On 8 July 2025, the Company completed the share capital reduction by reducing the issued share capital from RM228,423,179 to RM128,423,179 by way of offsetting against accumulated losses of RM100,000,000.

During the previous financial year, the ordinary shares of the Company was decreased from 6,000,621,899 units to 226,192,659 units pursuant to the following:

- (i) Private placement of 600,062,000 new ordinary shares of RM0.0091 each;
- (ii) 185,420,000 options exercised under the Employees' Share Option Scheme at an exercise price of RM0.009 per ordinary share; and
- (iii) Share consolidation of every 30 ordinary shares in the Company into 1 share ("Consolidated Shares") following the listing and quotation of 226,192,659 Consolidated Shares on the Ace Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual interests.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 22. OTHER RESERVES

	Note	Group		Company	
		30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
Warrants reserve	22.1	-	9,261,847	-	9,261,308
Revaluation reserve	22.2	28,749,575	1,762,728	-	-
Translation reserve	22.3	-	(9,371)	-	-
Share options reserve	22.4	-	-	-	-
Fair value adjustment reserve	22.5	(16,353,617)	(11,393,593)	(16,144,649)	(11,393,593)
		<u>12,395,958</u>	<u>(378,389)</u>	<u>(16,144,649)</u>	<u>(2,132,285)</u>

### 22.1 Warrants reserve

Included in the warrants reserve mainly is in respect of the Company's Warrants C, which was listed on 22 May 2020.

The main features of the Warrants C are as follow:

	Tenure year	Issued date	Expiry date	Exercise price
Warrants C	5	22-May-20	17-May-25	RM1.05

On 12 January 2024, the exercise price of the Warrants C was adjusted from RM0.035 to RM1.05 after the share consolidation as disclosed in Note 21 on the basis of 30 ordinary shares into 1 ordinary share.

Warrants C were valid for exercise for a period of 5 years from its issue date, expiring on 17 May 2025. During the financial period, the Warrants C composed of 15,634,256 units of warrants are lapsed.

The movement of the Warrants during the financial period and previous financial year are as follows:

	Number of Warrants over ordinary shares				
	As at 01.04.2024	Issued	Lapsed	Share consolidation	As at 30.09.2025
Warrants C	15,634,256	-	(15,634,256)	-	-
	As at 01.04.2023	Issued	Converted	Share consolidation	As at 31.03.2024
Warrants C	469,053,650	-	-	(453,419,394)	15,634,256

### 22.2 Revaluation reserve

Revaluation reserves represent the surplus on revaluation of the Group's interest in freehold lands, leasehold lands, and buildings, net of tax, and share of associates' revaluation reserve, and are not available for distribution to the shareholders by way of dividends.

### 22.3 Translation reserve

This is in respect of the Group's share of associates' translation reserve.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 22. OTHER RESERVES (CONT'D)

### 22.4 Share options reserve

The Group operates an equity-settled share options pursuant to the Company's Employees' Share Option Scheme ("ESOS"). The share options reserve represents the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the equity-settled share options, and is reduced by the expiry or exercise of the share options.

On 12 April 2021, the Company obtained approval from the shareholders at the Extraordinary General Meeting for the issuance of share options under ESOS of not exceeding in aggregate thirty percent (30%) of the Company's total issued share capital at any point of time during the duration of the ESOS with effect from 20 April 2021. The ESOS shall be allocated to any eligible employees of the Company and its subsidiaries who fulfilled the eligibility criteria for participation in the ESOS.

Each ESOS option entitles the eligible employees to subscribe for such number of ordinary shares in the Company pursuant to an offer duly accepted by the eligible employees at the exercise price to be determined by the ESOS Committee at its discretion based on the 5-day weighted average market price (5D-VWAMP) of the Company's shares as quoted in Bursa Securities, immediately prior to the date of offer made by the ESOS Committee with a discount of not more than 10%, if deemed appropriate.

The ESOS shall be valid for a duration of five years from the effective date of the ESOS, and may upon the recommendation of the ESOS Committee, be extended for a further five years.

The movements in the Company's ESOS are as follows:

Date of offer	Exercise price	Number of options over ordinary shares				As at 30.09.2025 '000
		As at 01.04.2024 '000	Granted '000	Lapsed '000	Exercised '000	
		25 October 2024	RM0.180	-	2,600	

Date of offer	Exercise price	Number of options over ordinary shares				As at 31.03.2024 '000
		As at 01.04.2023 '000	Granted '000	Lapsed '000	Exercised '000	
		5 April 2023	RM0.009	-	185,420	

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 22. OTHER RESERVES (CONT'D)

### 22.4 Share options reserve (cont'd)

The fair value of the share options granted under the ESOS is estimated at the grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the instruments were granted. The fair values of the share options measured at grant date and the assumptions used are as follows:

ESOS	Granted on 25 October 2024	Granted on 5 April 2023
Fair value of share options at the grant date	0.0048	0.0026
Option tenure (days)	12	6
Share price on grant date (RM)	0.180	0.010
Exercise price (RM)	0.180	0.009
Expected volatility (%)	36.07	424.30
Expected dividends (%)	-	-
Risk free interest rate (%)	3.865	3.400

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. No other feature of the option was incorporated into the measurement of fair value.

During the financial period, share options expenses of RM12,480 and RM12,480 (31.03.2024: RM477,642 and RM101,907) had been recognized in the Group and in the Company respectively as share-based payment.

### 22.5 Fair value adjustment reserve

The fair value adjustment reserve comprises the cumulative net change in fair value of equity securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 23. LOANS AND BORROWINGS

	Note	Group		Company	
		30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>Non-current liabilities:</b>					
<b>Secured</b>					
Term loan I	(a)	299,615	681,358	-	-
Term loan II	(b)	-	178,059	-	-
Term loan III	(c)	2,199,218	3,318,878	-	-
Lease liabilities	(e)	1,396,282	3,614,119	-	41,744
		<u>3,895,115</u>	<u>7,792,414</u>	<u>-</u>	<u>41,744</u>
<b>Unsecured</b>					
Lease liabilities	(e)	63,686	597,123	-	-
		<u>3,958,801</u>	<u>8,389,537</u>	<u>-</u>	<u>41,744</u>
<b>Current liabilities:</b>					
<b>Secured</b>					
Term loan I	(a)	257,222	238,804	-	-
Term loan II	(b)	-	498,194	-	-
Term loan III	(c)	731,780	656,604	-	-
Term loan IV	(d)	-	149,925	-	-
Lease liabilities	(e)	1,432,822	1,504,488	19,299	42,498
		<u>2,421,824</u>	<u>3,048,015</u>	<u>19,299</u>	<u>42,498</u>
<b>Unsecured</b>					
Lease liabilities	(e)	32,939	709,687	-	-
		<u>2,454,763</u>	<u>3,757,702</u>	<u>19,299</u>	<u>42,498</u>
<b>Total loans and borrowings</b>					
		<u>6,413,564</u>	<u>12,147,239</u>	<u>19,299</u>	<u>84,242</u>
Term loans		3,487,835	5,721,822	-	-
Lease liabilities		2,925,729	6,425,417	19,299	84,242
		<u>6,413,564</u>	<u>12,147,239</u>	<u>19,299</u>	<u>84,242</u>

### (a) Term loan I

The term loan I bears interest at a rate of 4.95% (31.03.2024: 4.95%) per annum and is repayable over a period of 15 years by 180 equal monthly instalments of RM23,250 commencing upon full disbursement of the facility or the first day of the 37<sup>th</sup> month from the date of first drawdown, whichever is earlier.

The term loan I is secured by:

- (i) fixed legal charge over the property, plant and equipment and right-of-use assets of the Group (Notes 9 and 10); and
- (ii) corporate guarantee by the Company.

### (b) Term loan II

The term loan II bears interest at a rate of 5.45% (31.03.2024: 5.45%) per annum and is repayable over a period of 10 years by 120 equal monthly instalments of RM43,600 commencing upon full disbursement of the facility or the first day of the 37<sup>th</sup> month from the date of first drawdown, whichever is earlier.

The term loan II is secured by:

- (i) fixed legal charge over the property, plant and equipment and right-of-use assets of the Group (Notes 9 and 10); and
- (ii) corporate guarantee by the Company.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 23. LOANS AND BORROWINGS (CONT'D)

### (c) Term loan III

The term loan III bears interest at a rate of 5.35% (31.03.2024: 5.35%) per annum and is repayable over a period of 10 years by 120 equal monthly instalments of RM74,740 commencing upon full disbursement of the facility or the first day of the 37<sup>th</sup> month from the date of first drawdown, whichever is earlier.

The term loan III is secured by:

- (i) fixed legal charge over the property, plant and equipment, right-of-use assets and investment properties of the Group (Notes 9, 10 and 11);
- (ii) fixed deposit of the Group (Note 19);
- (iii) rental proceeds derived from the property, plant and equipment and right-of-use assets of the Group (Notes 9 and 10); and
- (iv) corporate guarantee by the Company.

### (d) Term loan IV

The term loan IV bears interest at a rate of 5.72% (31.03.2024: 5.72%) per annum and is repayable over a period of 4 years by 48 equal monthly instalments of RM31,854 commencing upon full disbursement of the facility.

The term loan IV is secured by:

- (i) fixed legal charge over the property, plant and equipment and right-of-use assets of the Group (Notes 9 and 10); and
- (ii) corporate guarantee by the Company.

### (e) Unsecured Lease Liabilities and Lease Liabilities

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
Unsecured lease liabilities	96,625	1,306,810	-	-
Secured lease liabilities	2,829,104	5,118,607	19,299	84,242
	<u>2,925,729</u>	<u>6,425,417</u>	<u>19,299</u>	<u>84,242</u>

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
At the beginning of the financial period/year	6,425,417	6,720,143	84,242	123,552
Additions	101,996	2,800,000	-	-
Disposal	(56,092)	-	-	-
Interest expenses	353,580	380,544	5,779	7,838
Interest payment	(353,580)	(380,544)	(5,779)	(7,838)
Payment of principal	(2,297,639)	(3,094,726)	(64,943)	(39,310)
Termination of lease contract	(1,247,953)	-	-	-
At the end of the financial period/year	<u>2,925,729</u>	<u>6,425,417</u>	<u>19,299</u>	<u>84,242</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 23. LOANS AND BORROWINGS (CONT'D)

### (e) Unsecured Lease Liabilities and Lease Liabilities

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
Gross instalment payments	3,112,856	6,974,083	19,631	90,353
Less: Future finance charges	(187,127)	(548,666)	(332)	(6,111)
Total present value of lease liabilities	<u>2,925,729</u>	<u>6,425,417</u>	<u>19,299</u>	<u>84,242</u>

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>Current</b>				
Payable within 1 year				
Gross instalment payments	1,592,413	2,531,098	19,631	47,148
Less: Future finance charges	(126,652)	(316,923)	(332)	(4,650)
Present value of finance lease liabilities	1,465,761	2,214,175	19,299	42,498
<b>Non-current</b>				
Payable after 1 year but not later than 2 years				
Gross instalment payments	1,035,565	2,227,077	-	43,205
Less: Future finance charges	(51,041)	(135,924)	-	(1,461)
Present value of finance lease liabilities	984,524	2,091,153	-	41,744
Payable after 2 years but not later than 5 years				
Gross instalment payments	484,878	2,215,908	-	-
Less: Future finance charges	(9,434)	(95,819)	-	-
Present value of finance lease liabilities	475,444	2,120,089	-	-
Total present value of finance lease liabilities	<u>2,925,729</u>	<u>6,425,417</u>	<u>19,299</u>	<u>84,242</u>
Analysed as:-				
Payable within 1 year	1,465,761	2,214,175	19,299	42,498
Payable after 1 year	1,459,968	4,211,242	-	41,744
	<u>2,925,729</u>	<u>6,425,417</u>	<u>19,299</u>	<u>84,242</u>

The Group and the Company do not face a significant liquidity risk with regard to their lease liabilities.

The unsecured lease liabilities bear discounted rate of 3.75% (31.03.2024: 3.15%) per annum.

The lease liabilities of the Group bear effective interest at rates ranging from 2.4% to 3.75% (31.03.2024: 2.16% to 3.88%) per annum and secured by corporate guarantee by the Company.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 24. DEFERRED TAX LIABILITIES

	Group	
	30.09.2025	31.03.2024
	RM	RM (Restated)
At the beginning of the financial period/year	181,524	186,661
Recognised in profit or loss (Note 7)		
- Relating to crystallisation of deferred tax liabilities upon depreciation	(5,137)	(5,137)
Recognised in other comprehensive income		
- Gain on revaluation of lands and buildings	4,239,790	-
At the end of the financial period/year	<u>4,416,177</u>	<u>181,524</u>

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM (Restated)
Deferred tax liabilities	10,280,559	5,337,854
Deferred tax assets	(5,864,382)	(5,156,330)
	<u>4,416,177</u>	<u>181,524</u>

The components and movements of deferred tax liabilities and assets are as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM (Restated)
<b>Deferred tax assets (before offsetting)</b>		
Unused tax losses	4,482,393	3,910,677
Unutilised reinvestment allowances	4,844,118	4,844,118
Unabsorbed capital allowances	7,557,315	7,611,592
Lease liabilities	23,190	313,634
Other temporary differences	3,952,098	3,006,327
	<u>20,859,114</u>	<u>19,686,348</u>
Offsetting	(5,864,382)	(5,156,330)
Deferred tax assets not recognised (after offsetting)	<u>14,994,732</u>	<u>14,530,018</u>
<b>Deferred tax liabilities (before offsetting)</b>		
Property, plant and equipment	5,841,263	4,844,602
Right-of-use assets	23,119	311,728
Revaluation gain on lands and buildings	4,416,177	181,524
	<u>10,280,559</u>	<u>5,337,854</u>
Offsetting	(5,864,382)	(5,156,330)
Deferred tax liabilities (after offsetting)	<u>4,416,177</u>	<u>181,524</u>

At the end of the reporting period, the Group has unabsorbed capital allowances, unutilised reinvestment allowances and unused tax losses that are available for offsetting against future taxable profits, subject to the agreement with the tax authorities.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 24. DEFERRED TAX LIABILITIES (CONT'D)

The details of unabsorbed capital allowances, unutilised reinvestment allowances and unused tax losses are as follows:

	Group	
	30.09.2025 RM	31.03.2024 RM
Unabsorbed capital allowances	31,488,810	31,714,963
Unutilised reinvestment allowances	20,183,827	20,183,827
Unused tax losses	<u>18,676,638</u>	<u>16,294,489</u>

The comparative information has been restated to reflect the revised unabsorbed capital allowances, unutilised reinvestment allowances and unused tax losses and to conform with the actual income tax computation submitted to the tax authorities.

Based on existing tax legislation:

- (i) The unabsorbed capital allowances and unabsorbed reinvestment allowances do not expire under current tax legislation.
- (ii) The unused tax losses can be carried forward for 10 (31.03.2024: 10) consecutive year of assessment ("YA") immediately following that YA.

The unused tax losses will expire in the following years of assessment:

Year of Assessment:	Group	
	30.09.2025 RM	31.03.2024 RM
2035	2,382,149	-
2034	3,283,854	3,283,854
2033	2,096,791	2,096,791
2032	2,472,091	2,472,091
2031	1,902,958	1,902,958
2030	1,899,822	1,899,822
2029	2,452,818	2,452,818
2028	<u>2,186,155</u>	<u>2,186,155</u>
	<u>18,676,638</u>	<u>16,294,489</u>

## 25. PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
Trade payables	9,138,758	2,902,076	-	-
Other payables:				
Third parties	1,205,065	6,755,817	976,751	5,323
Deposits received	16,868,667	28,459,015	-	-
Accruals	1,222,158	1,546,089	62,514	195,297
	<u>19,295,890</u>	<u>36,760,921</u>	<u>1,039,265</u>	<u>200,620</u>
	<u>28,434,648</u>	<u>39,662,997</u>	<u>1,039,265</u>	<u>200,620</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 25. PAYABLES, DEPOSITS RECEIVED AND ACCRUALS (CONT'D)

The foreign currency exposure profile of trade payables of the Group is as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM
United States Dollar	-	2,134,794

### (a) Trade payables

Trade payables are unsecured, interest-free and the normal trade credit terms granted to the Group ranged from 30 to 90 days (2024: 30 to 90 days).

### (b) Other payables

- (i) Amounts owing to third parties mainly consist of sundry payables for operating expenses and payable for construction of power substation and structural works for waste water treatment plant, canteen and building works, which are generally due within 14 to 90 days (31.03.2024: 14 to 90 days).
- (ii) Included in deposits received of the Group is refundable deposit of RM15,545,017 (31.03.2024: RM27,019,104) received for glove orders from the customers.

## 26. CONTRACT LIABILITIES

	Group	
	30.09.2025	31.03.2024
	RM	RM
Contract liabilities relating to contract works	-	484,767

- (i) The contract liabilities represent the time differences in revenue recognition and the milestone billings in respect of the contract projects.
- (ii) The significant changes to contract liabilities during the financial period/year are as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM
At the beginning of the financial period/year	484,767	484,767
Revenue recognised during the financial period/year	(442,200)	-
Others	(42,567)	-
At the end of the financial period/year	-	484,767

The Group recognised RM442,200 (31.03.2024: RM Nil) of revenue during the financial period that was included in the contract liabilities at the beginning of the financial period.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured and how income and expense including fair values gains or losses are recognised.

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Fair value through profit or loss;
- (ii) Financial assets at amortised cost; and
- (iii) Financial liabilities at amortised cost.

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>Financial assets at fair value through profit or loss</b>				
Marketable securities	9,857,669	9,802,085	-	-
<b>Financial assets at fair value through other comprehensive income</b>				
Marketable securities	10,792,688	9,268,777	4,517,722	9,268,777
<b>Financial assets at amortised cost</b>				
Receivables and deposits, net of prepayments	14,903,126	12,177,626	74,081	70,653,963
Money market instruments	14,754,564	16,338,345	14,754,564	16,338,345
Cash and bank balances	3,889,003	4,848,622	61,269	518,036
	<u>33,546,693</u>	<u>33,364,593</u>	<u>14,889,914</u>	<u>87,510,344</u>
<b>Financial liabilities at amortised cost</b>				
Payables and accruals, net of deposits received	11,565,981	11,203,982	1,039,265	200,620
Loans and borrowings	6,413,564	12,147,239	19,299	84,242
	<u>17,979,545</u>	<u>51,810,236</u>	<u>1,058,564</u>	<u>284,862</u>

### (b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk.

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst minimising the potential adverse impacts of financial risks on their financial position, performance and cash flows. The Group and the Company operate within clearly defined guidelines that are approved by the Board of Directors. It is, and has been throughout the current financial period and previous financial year, the Group's and Company's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below:

#### (i) Credit risk

##### Trade and other receivables

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

As at the end of the reporting period, the maximum exposure to credit risk arising from trade and other receivables is represented by their carrying amounts in the statements of financial position.

The carrying amount of trade and other receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group and the Company use ageing analysis to monitor the credit quality of the trade receivables. The ageing of trade receivables as at the end of the financial year is disclosed in Note 16. Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. A significant portion of these trade receivables are regular customers that have been transacting with the Group and the Company. Management has taken reasonable steps to ensure that trade receivables are stated at their realisable values. Impairment is made on specific receivables when there is objective evidence that the Group and the Company will not be able to collect all amounts due.

##### Credit risk concentration profile

As at 30 September 2025, there were 2 (31.03.2024: 2) major customers that accounted for 10% or more of the Group's total trade receivables and the total outstanding balances due from these major customers amounted to RM10,315,152 (2024: RM3,183,033).

##### Inter-company balances

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries on monthly basis. The Company does not specifically monitor the ageing of the advances to the subsidiaries. Nevertheless, these advances are not regarded as overdue and are repayable on demand. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### (i) Credit risk (cont'd)

##### Other financial assets

For other financial assets (including other investments and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

##### Financial guarantees

The Company is exposed to credit risk in relation to financial guarantees given to financial institutions for credit facilities granted to subsidiaries and to certain suppliers for credit term granted to subsidiaries. The maximum exposure to credit risk in relation to the financial guarantees given amounted to approximately RM6,297,640 (31.03.2024: RM11,089,256) as at the end the reporting period, representing the outstanding banking facilities with the financial institutions and trade payables with certain trade suppliers by the subsidiaries as at the end of financial year.

The Company monitors the results of the subsidiaries and their repayment on an on-going basis. At the reporting date, there was no indication that any subsidiaries would default on repayment. The financial guarantees have not been recognised as it is unlikely the subsidiaries will default within the guarantee period.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### (ii) Liquidity risk (cont'd)

#### Maturity analysis

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM	Contractual Undiscounted Cash Flows					Total RM
		On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM		
<b>Group</b>							
<b>30.09.2025</b>							
<b>Financial liabilities:</b>							
Payables and accruals, net of deposits received	11,565,981	11,565,981	-	-	-	11,565,981	
Lease liabilities	2,925,729	1,592,413	1,035,565	484,878	-	3,112,856	
Term loans	3,487,835	1,836,497	1,340,892	2,213,173	987,245	6,377,807	
	<u>17,979,545</u>	<u>14,994,891</u>	<u>2,376,457</u>	<u>2,698,051</u>	<u>987,245</u>	<u>21,056,644</u>	
<b>31.03.2024</b>							
<b>Financial liabilities:</b>							
Payables and accruals, net of deposits received	11,203,982	11,203,982	-	-	-	11,203,982	
Lease liabilities	6,425,417	2,531,098	2,227,077	2,215,908	-	6,974,083	
Term loans	5,721,822	1,836,497	1,340,892	2,213,173	987,245	6,377,807	
	<u>23,351,221</u>	<u>15,571,577</u>	<u>3,567,969</u>	<u>4,429,081</u>	<u>987,245</u>	<u>24,555,872</u>	

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### (ii) Liquidity risk (cont'd)

#### Maturity analysis (cont'd)

The maturity analysis of the Company's financial guarantees showing the remaining maturities are as follows:

	←-----	Contractual Undiscounted Cash Flows ----->				
	Carrying amount RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	Total RM
<b>Company</b>						
<b>30.09.2025</b>						
<b>Financial liabilities:</b>						
Payables and accruals,	1,039,265	1,039,265	-	-	-	1,039,265
net of deposits received	19,299	19,631	-	-	-	19,631
Lease liabilities	1,058,564	1,058,896	-	-	-	1,058,896
<b>31.03.2024</b>						
<b>Company</b>						
<b>Financial liabilities:</b>						
Payables and accruals,	200,620	200,620	-	-	-	200,620
net of deposits received	84,242	47,148	43,205	-	-	90,353
Lease liabilities	284,862	247,768	43,205	-	-	290,973

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### (ii) Liquidity risk (cont'd)

##### Maturity analysis (cont'd)

The maturity analysis of the Company's financial guarantees based on the maximum amount that can be called for under the financial guarantee contracts are as follows:

	Maximum amount RM	Contractual Undiscounted Cash Flows ----->				Total RM
		On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	
<b>Company</b>						
<b>30.09.2025</b>						
Financial guarantee contracts	6,297,640	2,424,304	2,000,069	1,873,267	-	6,297,640
<b>31.03.2024</b>						
Financial guarantee contracts	11,089,256	3,338,585	2,573,834	5,176,837	-	11,089,256

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### (iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies. The functional currency within the Group is Ringgit Malaysia ("RM") whereas the major foreign currency transacted is United States Dollar ("USD"), Singapore Dollar ("SGD") and Australia Dollar ("AUD").

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk.

#### Sensitivity analysis for foreign currency risk

The following demonstrates the sensitivity of the Group's profit or loss after tax and equity to a 10% strengthening in the USD, SGD and AUD against the RM, with all other variables held constant and based on the financial assets and liabilities that are exposed to foreign currency risk as at the end of the reporting period:-

		Group	
		30.09.2025	31.03.2024
		RM	RM
		Effect on profit or loss for the financial period/year and equity	
USD	-strengthened by 10% (31.03.2024:10%)	347,095	(68,934)
	-weakened by 10% (31.03.2024:10%)	(347,095)	68,934
SGD	-strengthened by 10% (31.03.2024:10%)	99	825
	-weakened by 10% (31.03.2024:10%)	(99)	(825)
AUD	-strengthened by 10% (31.03.2024:10%)	1,121,347	1,241,714
	-weakened by 10% (31.03.2024:10%)	(1,121,347)	(1,241,714)

#### (iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments would fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. Interest bearing financial assets includes bank balances with licensed banks, deposits placed with a licensed bank and amount owing by subsidiaries. Interest bearing financial liabilities includes lease liabilities and term loans.

The term loans of RM3,487,835 (31.03.2024: RM5,721,822) at floating rates expose the Group to cash flow interest rate risk whilst lease liabilities of RM2,925,729 (31.03.2024: RM6,425,417) at fixed rates expose the Group to fair value interest rate risk.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### (iv) Interest rate risk (cont'd)

The Group adopts a strategy of mixing fixed and floating rate borrowings to minimise exposure to interest rate risk. The Group also reviews its debt portfolio to ensure favourable rates are obtained.

#### Sensitivity analysis for interest rate risk

If the interest rate had been 50 basis point higher/lower and all other variables held constant, the Group's profit or loss after tax and equity would increase/decrease by RM57,592 (31.03.2024: RM58,768) as a result of exposure to floating rate deposits, money market instruments and borrowings.

#### (v) Equity price risk

The Group is exposed to equity price risk arising from its investment in quoted equity instruments.

#### Sensitivity analysis for equity price risk

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 10% higher:

- net loss after tax for the financial period ended 30 September 2025 would decrease by RM749,183 (31.03.2024: decrease by RM744,958) as a result of the changes in fair value of the investments in quoted shares
- other comprehensive loss would decrease by RM1,079,269 (31.03.2024: decrease by RM926,878) as a result of the changes in fair value of the investments in equity instruments.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior year.

### (c) Fair value measurement

The fair value of the following classes of financial assets and liabilities are as follows:

#### (i) Cash and cash equivalents, receivables and payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial assets and liabilities.

#### (ii) Term loans

The carrying amounts of current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of floating rate term loans approximate fair values as the loans will be re-priced to market interest rate on or near reporting date.

#### (iii) Lease liabilities

The fair value of finance lease liabilities is estimated using discounted cash flow analysis, based on current lending rate for similar type of lease arrangements.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Fair value measurement (cont'd)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>								
<b>30.09.2025</b>								
<b>Financial assets at fair value through profit or loss</b>								
- Quoted investment	9,857,669	-	-	-	-	-	9,857,669	9,857,669
<b>Financial assets at fair value through other comprehensive income</b>								
- Quoted investment	10,792,688	-	-	-	-	-	10,792,688	10,792,688

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Fair value measurement (cont'd)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>								
<b>31.03.2024</b>								
<b>Financial assets at fair value through profit or loss</b>								
- Quoted investment	9,802,085	-	-	-	-	-	9,802,085	9,802,085
<b>Financial assets at fair value through other comprehensive income</b>								
- Quoted investment	9,268,777	-	-	-	-	-	9,268,777	9,268,777

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Fair value measurement (cont'd)

The following table provides the fair value measurement hierarchy of the Company's financial instruments:

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>								
<b>30.09.2025</b>								
Financial assets at fair value through other comprehensive income								
- Quoted investment	4,517,722	-	-	-	-	-	4,517,722	4,517,722
<b>31.03.2024</b>								
Financial assets at fair value through other comprehensive income								
- Quoted investment	9,268,777	-	-	-	-	-	9,268,777	9,268,777

During the financial period from 1 April 2024 to 30 September 2025 and the financial year ended 31 March 2024, there was no transfer of financial instruments between fair value measurement hierarchy.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 28. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	As at 01.04.2024 RM	Net Cash Flows RM	Non-cash Changes RM	As at 30.09.2025 RM
<b>Group</b>				
Term loans	5,721,822	(2,233,987)	-	3,487,835
Lease liabilities	6,425,417	(2,353,731)	(1,145,957)	2,925,729
<b>Company</b>				
Lease liabilities	84,242	(64,943)	-	19,299
	As at 01.04.2023 RM	Net Cash Flows RM	Non-cash Changes RM	As at 31.03.2024 RM
<b>Group</b>				
Term loans	7,998,548	(2,276,726)	-	5,721,822
Revolving credit	30,135,625	(30,135,625)	-	-
Lease liabilities	6,720,143	(3,094,726)	2,800,000	6,425,417
<b>Company</b>				
Revolving credit	30,135,625	(30,135,625)	-	-
Lease liabilities	123,552	(39,310)	-	84,242

Non-cash changes represent drawdown of term loans, drawdown of facilities for acquisition of property, plant and equipment through loans and lease financing and termination of lease contracts.

## 29. RELATED PARTIES

### (a) Identity of related parties

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

The Group and the Company have a related party relationship with its subsidiaries, related parties and key management personnel. Related parties refer to companies or enterprise in which certain directors of the Company or persons connected to them have substantial financial interests.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 29. RELATED PARTIES (CONT'D)

### (b) Significant related party transactions

	Group	
	30.09.2025	31.03.2024
	RM	RM
<b>Received or receivable from associates:</b>		
- Sales	-	6,451
- Purchases	136,510	266,297
- Rental income	6,750	204,500
- Rental expenses	1,168,459	606,600

### (c) Compensation of key management personnel

Key management personnel are the persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. This includes any Director, whether executive or otherwise, of the Group and the Company.

The remuneration of members of key management during the financial year are as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM
- Salaries, bonuses and allowances	1,481,464	1,592,770
- Defined contribution plan	188,541	200,417
- Estimated monetary value of benefits-in-kind	38,691	67,631
	<u>1,708,696</u>	<u>1,891,089</u>

## 30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a healthy capital ratio in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group and the Company may return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial period from 1 April 2024 to 30 September 2025 and the financial year ended 31 March 2024.

Pursuant to the requirements of Guidance Note 3 of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the of the issued and paid-up capital (excluding treasury shares). The Company has complied with this requirement for the financial period from 1 April 2024 to 30 September 2025 and the financial year ended 31 March 2024.

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

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 30. CAPITAL MANAGEMENT (CONT'D)

The Group and the Company monitor capital using a gearing ratio, which is total external borrowings divided by total equity. The gearing ratio as at 30 September 2025 and 31 March 2024, which are within the Group's and Company's objectives of capital management are as follows:

	Group		Company	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	RM	RM	RM	RM
Total external borrowings	6,413,564	12,147,239	19,299	84,242
Total equity	147,832,642	133,778,171	145,289,720	219,053,149
Gearing ratio	0.04	0.09	0.00	0.00

## 31. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- (a) On 8 January 2025, M & A Securities Sdn Bhd ("M&A Securities"), on behalf of the Company announced that the Company proposes to undertake proposed reduction of the issued share capital of the Company by RM100 million pursuant to Section 116 of the Companies Act 2016 ("Proposed Share Capital Reduction").

The Proposed Share Capital Reduction approved by the shareholders at an extraordinary general meeting convened on 14 March 2025.

On 8 July 2025, M&A Securities, on behalf of the Company announced that the Company has received the Notice of Confirming Reduction of Share Capital from Companies Commission of Malaysia, that all the requirements with respect to reduction of share capital of the Company, has been complied with. Pursuant thereto, the Share Capital Reduction shall therefore take effect and be deemed completed on 8 July 2025.

- (b) During the financial period, a regulatory authority seized and commenced investigation on certain accounting and financial records of certain entities in the Group. Following the authority's investigation, the Management initiated a detailed internal review on the payments made since prior periods.

On 11 March 2025, the Board of Directors convened a special board meeting and the Management presented the findings of the internal review during the meeting. The review identified an aggregate amount of approximately RM46 million had been paid to multiple recipients ("the Said Transactions") which carried out under the instruction of a Former Executive Director, Mr Mak Siew Wei ("MSW") during the years 2020 and 2021, without proper basis and without any corresponding works performed or services rendered to the Group. Based on the outcome of the special board meeting, the Board of Directors resolved to:

- Appoint lawyer to assist in legal action against MSW in recovery of the Said Transactions; and
- Suspend MSW from all duties, powers and responsibilities as Executive Director of the Company and its subsidiaries.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 31. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (CONT'D)

On 20 March 2025, the Company and its wholly owned subsidiary, AT Precision Tooling Sdn. Bhd. had filed a Writ and Statement of Claim in the High Court in Shah Alam against MSW, as disclosed in Note 32.

On 8 April 2025, the Company announced the proposal to remove MSW as a Director of the Company. The proposal was approved by the shareholders at an extraordinary general meeting convened on 8 May 2025.

## 32. MATERIAL LITIGATION

On 20 March 2025, the Company and its wholly owned subsidiary, AT Precision Tooling Sdn. Bhd. (together, "the Plaintiffs") had filed a Writ and Statement of Claim in the High Court in Shah Alam, Suit Number BA-22NCC-50-03/2025 ("Suit") against MSW for diverting the Plaintiffs' funds to third parties amounting to approximately RM46 million. The Plaintiffs are seeking, among others, the recovery of the Said Transactions as special damages, as well as claims for general, exemplary and aggravated damages.

As at the date of this report, a case management session is scheduled on 10 March 2026 for the parties to update the Court on the progress of the matter. The trial has been fixed by the Court for the period from 23 February 2027 to 25 February 2027.

## 33. SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments based on a similar basis to that for internal reporting. The Group's chief operation decision maker reviews the decision on resource allocation and assesses the performance of the reportable segment.

### (a) Operating segments

The reportable operating segments are as follows:

Fabrication and automation	Fabrication of industrial and engineering parts; Design and manufacturing of industrial automation systems and machinery.
Renewable energy and property	Renewable energy operator and property letting.
Gloves	Manufacturing and sale of medical grade nitrile gloves. *
Others	Investment holding and provision of management services, neither which are of a sufficient size to be reported separately.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 33. SEGMENT INFORMATION (CONT'D)

### (a) Operating segments (cont'd)

- \* During the financial period, the Group completed an internal reorganisation involving the transfer of certain assets and liabilities from ATG to ATES, fellow subsidiaries within the Group. Following the reorganisation, the glove-related assets transferred from ATG are managed together with the renewable energy and property investment segment, reflecting the Group's current utilisation and intended use of these assets.

The Group continues to evaluate various options for the future direction of the glove business and the utilisation of the glove-making facilities, including leasing the facilities for rental income.

Accordingly, the results attributable to glove-related activities are included under the glove segment up to the completion of the disposal of ATG.

The accounting policies of operating segments are the same as those described in the summary of material accounting policy information.

Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

Reconciliations of reportable segment revenue to the corresponding amounts of the Group are as follows:

	Group	
	01.04.2024	01.04.2023
	to	to
	30.09.2025	31.03.2024
	(18 months)	(12 months)
	RM	RM
<b>Revenue</b>		
Total revenue for reportable segments	54,975,493	32,584,563
Elimination of inter-segmental revenue	-	-
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	<u>54,975,493</u>	<u>32,584,563</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 33. SEGMENT INFORMATION (CONT'D)

### (a) Operating segments (cont'd)

	Fabrication and automation RM	Renewable energy and property RM	Gloves RM	Others RM	Total RM
<b>30.09.2025</b>					
<b>Revenue</b>					
External revenue	53,948,636	1,026,857	-	-	54,975,493
Inter-segment revenue	-	-	-	-	-
Total revenue	53,948,636	1,026,857	-	-	54,975,493
<b>Results</b>					
Interest income	28,781	29,557	-	1,813	60,151
Finance costs	(425,512)	(273,345)	-	(5,779)	(704,636)
Share of result in associates	-	-	-	(5,485,293)	(5,485,293)
Segment (loss)/profit	6,887,521	5,465,409	51,517	(22,070,283)	(9,665,836)
Other material non-cash items:					
- Depreciation of property, plant and equipment	(3,928,145)	(2,599,762)	-	(89,887)	(6,617,794)
- Depreciation of right-of-use assets	(1,695,045)	(901,403)	-	(14,981)	(2,611,429)
- Unrealised loss on foreign exchange, net	(66,385)	-	-	(1,579,059)	(1,645,444)
- Fair value loss on investment in quoted shares	(2,055,905)	-	-	-	(2,055,905)
- Loss on derecognition of investment in associates	-	-	-	(13,402,277)	(13,402,277)
- Reversal of impairment loss on:					
Receivables	205,329	-	-	-	205,329
Property, plant and equipment	821,705	2,104,441	-	-	2,926,146
Right-of-use assets	2,231,588	3,605,853	-	-	5,837,441
- Impairment loss on receivables	(27,190)	(3,515,075)	-	-	(3,542,265)
- Gain on disposal of property, plant and equipment	262,976	11,576,616	-	-	11,839,592
- Provision on slow moving inventories	-	(286,980)	-	-	(286,980)
- Reversal of provision on slow moving inventories	274,149	-	-	-	274,149
- Share-based payments	-	-	-	(12,480)	(12,480)

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 33. SEGMENT INFORMATION (CONT'D)

### (a) Operating segments (cont'd)

	Fabrication and automation RM	Renewable energy and property RM	Gloves RM	Others RM	Total RM
<b>31.03.2024</b>					
<b>Revenue</b>					
External revenue	30,236,895	720,246	1,627,422	-	32,584,563
Inter-segment revenue	-	-	-	-	-
Total revenue	30,236,895	720,246	1,627,422	-	32,584,563
<b>Results</b>					
Interest income	16,697	-	69	675,414	692,180
Finance costs	(657,413)	-	(23,681)	(739,863)	(1,420,957)
Share of result in associates	-	-	-	(13,080,253)	(13,080,253)
Segment (loss)/profit	(7,626,840)	611,367	(39,417,160)	(39,382,279)	(85,814,912)
<b>Other material non-cash items:</b>					
- Depreciation of property, plant and equipment	(2,562,997)	(455,853)	(5,034,208)	(60,087)	(8,113,145)
- Depreciation of right-of-use assets	(2,427,579)	(77,900)	(170,743)	-	(2,676,222)
- Unrealised gain/(loss) on foreign exchange, net	5,359	-	(794)	653,371	657,936
- Loss on derecognition of investment in associates	-	-	-	25,046,461	25,046,461
- Reversal of impairment loss on:					
Receivables	10,481	-	-	-	10,481
Investment in associate	-	-	-	3,070,484	3,070,484
Property, plant and equipment	1,580	-	-	-	1,580
- Impairment loss on:					
Receivables	(81,614)	-	-	-	(81,614)
Property, plant and equipment	-	-	(31,018,374)	-	(31,018,374)
Investment in associate	-	-	-	(1,348,965)	(1,348,965)
- Share-based payments	(375,735)	-	-	(101,907)	(477,642)

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 33. SEGMENT INFORMATION (CONT'D)

### (b) Geographical information

The Group's operations, assets and liabilities are in Malaysia, hence no geographical segment is presented.

Segment revenue based on geographical location of the Group's customers is as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM
Malaysia	40,481,217	15,076,880
India	7,524,304	13,667,141
China	6,334,491	3,665,947
Switzerland	90,789	90,789
United States of America	138,375	44,372
Thailand	406,317	28,457
Singapore	-	10,977
	<u>54,975,493</u>	<u>32,584,563</u>

### (c) Major customer information

The following details relate to major customers with revenue equal or more than 10% of the Group's total revenue:

	RM	%
<b>30.09.2025</b>		
<b>Fabrication and automation</b>		
Customer A	34,037,384	62%
Customer B	7,524,304	14%
Customer C	<u>6,334,491</u>	<u>12%</u>
<b>31.03.2024</b>		
<b>Fabrication and automation</b>		
Customer A	14,330,425	44%
Customer B	9,094,476	28%
Customer C	<u>4,158,668</u>	<u>13%</u>

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 35. PRIOR YEARS' ADJUSTMENTS AND RECLASSIFICATION

### *Prior years' adjustments*

In preparing the consolidated financial statements of the Group for the financial period from 1 April 2024 to 30 September 2025, the Directors had noted that its previously issued consolidated financial statements of the Group require restatement.

- (a) As disclosed in Note 31(b), based on the internal reviewed performed, the Said Transactions had been recognised as property, plant and equipment under a subsidiary in prior financial years.

Accordingly, the Said Transactions were derecognised from the opening balances of property, plant and equipment. The effect of the adjustments decreased the Group's property, plant and equipment's cost, accumulated depreciation and accumulated impairment losses of RM46,355,166, RM1,274,986 and RM9,180,233, respectively (aggregating to RM35,899,947) as at 1 April 2023, with a corresponding increase in accumulated losses of RM35,899,947 as at that date. Consequently, as at 31 March 2024, the adjustments are a decrease in the Group's property, plant and equipment's cost, accumulated depreciation and accumulated impairment losses of RM46,355,166, RM2,403,325 and RM13,055,117, respectively (aggregating to RM30,896,724), with a corresponding decrease in cost of sales and other expenses of RM1,128,339 and RM3,874,884, respectively, for the financial year ended 31 March 2024.

- (b) In prior financial years, a subsidiary applied inconsistent accounting policy on the measurement of property, plant and equipment. To applies a uniform accounting policy, the consolidated financial statements have been retrospectively adjusted to reflect the consistent application of the Group's accounting policy.

### *Reclassification of comparative figures*

Certain line items have been reclassified in that statements of profit or loss and other comprehensive income to conform with current financial period's presentation.

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 35. PRIOR YEARS' ADJUSTMENTS AND RECLASSIFICATION (CONT'D)

The adjustments are accounted retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors and the effects of the restatements to the amounts presented in the statements of profit or loss and other comprehensive income and statements of financial position are as per below:

Group	As previously stated RM	Prior years' adjustments		Reclassification RM	As restated RM
		(a) RM	(b) RM		
<b>Statements of financial position as at 1 April 2023</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	123,764,997	(35,899,947)	1,928,672	-	89,793,722
Right-of-use assets	25,971,984	-	1,092,953	-	27,064,937
<b>Equity</b>					
Other reserves	16,117,655	-	591,093	-	16,708,748
Accumulated losses	(239,283,394)	(35,899,947)	2,243,871	-	(272,939,470)
<b>Non-current Liabilities</b>					
Deferred tax liabilities	-	-	186,661	-	186,661
<b>Statements of profit or loss and other comprehensive income for the financial year ended 31 March 2024</b>					
Cost of sales	(36,023,856)	1,128,339	-	-	(34,895,517)
Other income	19,493,333	-	-	(10,005,584)	9,487,749
Administrative and general expenses	(13,394,928)	-	(56,385)	-	(13,451,313)
Net loss of impairment on financial assets	(36,830,922)	-	-	36,759,789	(71,133)
Other expenses	(36,719,865)	3,874,884	-	(26,754,205)	(59,599,186)
Income tax expense	(341,861)	-	5,137	-	(336,724)

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 35. PRIOR YEARS' ADJUSTMENTS AND RECLASSIFICATION (CONT'D)

Group	As previously stated RM	Prior years' adjustments (a) RM	Prior years' adjustments (b) RM	Reclassification RM	As restated RM
<b>Statements of financial position as at 31 March 2024</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	84,010,833	(30,896,724)	1,897,897	-	55,012,006
Right-of-use assets	24,721,787	-	1,067,343	-	25,789,130
<b>Equity</b>					
Other reserves	(953,214)	-	574,825	-	(378,389)
Accumulated losses	(325,098,306)	(30,896,724)	2,208,891	-	(353,786,139)
<b>Non-current Liabilities</b>					
Deferred tax liabilities	-	-	181,524	-	181,524
<b>Statements of cash flows for the financial year ended 31 March 2024</b>					
<b>Cash flows from/(used in) operating activities</b>					
Adjustments for:					
Depreciation of property, plant and equipment	9,210,708	(1,128,339)	30,775	-	8,113,144
Depreciation of right-of-use assets	2,650,612	-	25,610	-	2,676,222
Impairment loss on property, plant and equipment	34,893,258	(3,874,884)	-	-	31,018,374
Fair value loss on investment in quoted shares	36,863,525	-	-	(35,052,045)	1,811,480
Loss on derecognition of investment in associates	(10,005,584)	-	-	35,052,045	25,046,461

# Notes to the Financial Statements (Cont'd)

For the Financial Period from 1 April 2024 to 30 September 2025

## 35. PRIOR YEARS' ADJUSTMENTS AND RECLASSIFICATION (CONT'D)

	As previously stated RM	Prior years' adjustments (a) RM	(b) RM	Reclassification RM	As restated RM
<b>Company</b>					
<b>Statements of profit or loss and other comprehensive income for the financial year ended 31 March 2024</b>					
Net loss of impairment on financial assets	(35,052,045)	-	-	35,052,045	-
Other expenses	(190,001,907)	-	-	(35,052,045)	(225,053,952)
<b>Statements of cash flows for the financial year ended 31 March 2024</b>					
<b>Cash flows from/(used in) operating activities</b>					
Adjustments for:					
Fair value loss on investment in quoted shares	35,052,045	-	-	(35,052,045)	-
Loss on derecognition of investment in associates	-	-	-	35,052,045	35,052,045

# Statement by Directors

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

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We, **CHOU SING HOAN** and **TAN LAY CHEE**, being two of the directors of Erdasan Group Berhad (formerly known as AT Systematization Berhad), do hereby state that, in the opinion of the directors, the accompanying financial statements of the Group and of the Company are drawn up in accordance with the 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 30 September 2025 and of their financial performance and the cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....  
**CHOU SING HOAN**  
Director

.....  
**TAN LAY CHEE**  
Director

Date: 27 January 2026

# Statutory Declaration

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

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I, **CHOU SING HOAN**, being the director primarily responsible for the financial management of Erdasan Group Berhad (formerly known as AT Systematization Berhad), do solemnly and sincerely declare that the financial statements of the Group and of the Company are to the best of my knowledge and belief, 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.

.....  
**CHOU SING HOAN**

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in the State of Selangor Darul Ehsan on 27 January 2026.

Before me,

Commissioner for Oaths

# Independent Auditors' Report

To the Members of Erdasan Group Berhad

## Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the financial statements of Erdasan Group Berhad (formerly known as AT Systematization Berhad), which comprise the statements of financial position as at 30 September 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and a summary of material accounting policy information and other explanatory information, as set out on pages 69 to 159.

In our opinion, except for the possible effects of the matters describe in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### Basis for Qualified Opinion

As disclosed in Notes 31(b), 32 and 35(a) to the financial statements, during the financial period, the Group identified certain prior years' restatements relating to payments that had been previously capitalised as property, plant and equipment ("PPE") of a subsidiary. These matters were identified following an internal review initiated in connection with an investigation by the relevant regulatory authority. Consequently, the Group made retrospective adjustments to the consolidated financial statements in respect of the affected PPE balances as at 1 April 2023 and 31 March 2024.

We were appointed as auditors of the Group and the Company during the current financial period. In accordance with International Standards on Auditing 510 Initial Audit Engagements - Opening Balances, our audit responsibilities include obtaining sufficient appropriate audit evidence regarding whether the opening balances contain misstatements that materially affect the financial statements for the current financial period.

However, we were unable to obtain sufficient appropriate audit evidence in respect of the opening balances of PPE of the said subsidiary as at 1 April 2023 and 31 March 2024, amounting to RM62million and RM28million, respectively. This was because, as part of the regulatory authority's investigation referred to above, certain accounting and financial records ("documents") relating to the said subsidiary for the relevant prior periods were seized and are currently held by the regulatory authority. While arrangements to review these documents were in progress, such review had not yet been conducted, and therefore the documents were not available for our review as at the date of this report.

(Forward)

# Independent Auditors' Report (Cont'd)

To the Members of Erdasan Group Berhad

Accordingly, due to this limitation in the scope of our audit, we were unable to conclude whether the opening balances of PPE of the said subsidiary as at 1 April 2023 and 31 March 2024, and the related transactions and disclosures in the financial statements for the current financial period, including depreciation expenses, revaluation surplus and related deferred tax expenses, were free from material misstatement.

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 qualified opinion.

## *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and 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 information included in the annual report, but does not include the financial statements of the Group and of the Company and auditors' report thereon.

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

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

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

## **Key Audit Matters**

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

(Forward)

# Independent Auditors' Report (Cont'd)

To the Members of Erdasan Group Berhad

We have fulfilled the responsibilities described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements of the Group and of the Company. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How we addressed the key audit matters
<p><b>Revaluation of leasehold lands and buildings under property, plant and equipment and right-of-used assets (other than the related PPE describe in the <i>Basis for Qualified Opinion</i> section)</b></p> <p>Refer to Notes 3, 4, 9 and 10 to the financial statements for the Group's accounting policies on property, plant and equipment and right-of-use assets, key sources of estimation uncertainty and related disclosures.</p> <p>We identified the revaluation for leasehold lands and buildings as a key audit matter due to the significant judgement and estimation involved in determining the fair value of the leasehold lands and buildings, including the selection of appropriate revaluation method and the underlying assumptions applied.</p> <p>The valuations were carried out by independent professional valuers engaged by the Group, and the models used to determine the fair values depend on the nature of the leasehold lands and buildings.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>a) Assessed the competence, capability and objectivity of the independent valuers, and verified their professional qualifications and discussed the scope of their work with management to determine that there were no matters that would have affected their independence and objectivity or imposed scope limitations upon them;</li> <li>b) Interviewed the valuers to understand the methodology and assumptions used in the valuation; and</li> <li>c) Reviewed the valuations prepared by the external valuers by challenging the basis of the key input data and significant assumptions applied.</li> </ul>

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

## Responsibilities of the Directors for the Financial Statements

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

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

(Forward)

# Independent Auditors' Report (Cont'd)

To the Members of Erdasan Group Berhad

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

(Forward)

# Independent Auditors' Report (Cont'd)

To the Members of Erdasan Group Berhad

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

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

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

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that in our opinion, we have not obtained all the information and explanations that we required in relation to the matters as disclosed in the *Basis for Qualified Opinion* section.

## Other Matters

- (i) The financial statements of the Group and of the Company for the financial year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 25 July 2024.
- (ii) This report for the audited financial statement for the financial period from 1 April 2024 to 30 September 2025 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 for this report.

**MORISON LC PLT (AF 002469)**  
**202206000028 (LLP0032572-LCA)**  
**Chartered Accountants**

**OOI CHI YEE**  
**03684/08/2026 J**  
**Chartered Accountant**

Petaling Jaya  
27 January 2026

## List of Landed Properties

Postal Address/ Location of the Property	Description/ Existing Use	Tenure & Date of Expiry of Lease/ Approximate Age of Building	Land Area/ Built-up Area (sq.ft.)	Net Carrying Amount as at 30 September 2025 (RM)	Date of Revaluation/ Acquisition
Plot 49, Hilir Sungai Keluang 2, Taman Perindustrian, Bayan Lepas Fasa 4, 11900, Pulau Pinang.  (H.S. (D) 8750 [H.S.(D) 18966], PN 2998, Lot 12340, Mukim 12, Daerah Barat Daya, Pulau Pinang)	The subject site is erected with:  (i) a double storey detached factory cum office block  (ii) a double storey detached factory cum office block	60 years lease expiring on 18 October 2055  27 Years  10 Years	56,166/ 37,954	16,541,489	31 March 2025 (Date of valuation)
Plot 82, Lintang Bayan Lepas Fasa 4 Taman Perindustrian Bayan Lepas Mk. 12, Pulau Pinang.  (H.S (D) No.16415, P.T. No. 5057, Mukim 12, Daerah Barat Daya, Pulau Pinang)	The subject site is erected with:  (i) a double storey factory  (ii) a 3 storey office block and a double storey production building  (iii) a double storey factory	60 years lease expiring on 22 January 2062  24 Years  19 Years  6 Years	109,426/ 89,845	28,600,000	31 March 2025 (Date of valuation)

## List of Landed Properties (Cont'd)

Postal Address/ Location of the Property	Description/ Existing Use	Tenure & Date of Expiry of Lease/ Approximate Age of Building	Land Area/ Built-up Area (sq.ft.)	Net Carrying Amount as at 30 September 2025 (RM)	Date of Revaluation/ Acquisition
No. 9, Jalan Chepor, 11/7 Kawasan Perusahaan Seramik Chepor, 31200 Chemor, Perak.	The subject site is erected with:	33 years lease expiring on 26 October 2053 for both	Land Area: (i) Lot 207448 - 100,309 (ii) Lot 207449 - 74,185	19,967,655	31 March 2025 (Date of valuation)
(H.S. (D) 29242, (PN 115509 ) Lot 207448, Mukim Hulu Kinta, Daerah Kinta, Perak)	(i) two single storey factory	11 Years	Built-up Area: 76,400		
	(ii) a four storey office building	3 Years	4,962		
(H.S.(D) 28643, (PN 115510 ) Lot 207449, Mukim Hulu Kinta, Daerah Kinta, Perak)	(iii) a single storey office building, a single storey warehouse, toilet and guard house	11 Years	11,876		
Kawasan Perindustrian Kamunting, Mukim Asam Kumbang, District of Larut & Matang, Perak Darul Redzuan.	Land for factory				
(H.S. (D) 29242, (PN 380411), Lot 313646, Mukim Asam Kumbang, Daerah, Larut & Matang, Perak)		99 years lease expiring on 14 June 2111	783,324	21,100,000	31 March 2025 (Date of valuation)
(H.S. (D) 29243, (PN 380412), Lot 313647, Mukim Asam Kumbang, Daerah, Larut & Matang, Perak)		99 years lease expiring on 14 June 2111	569,846	14,000,000	31 March 2025 (Date of valuation)
(H.S. (D) 31938, Lot PT 24244, Mukim Asam Kumbang, Daerah, Larut & Matang, Perak)		99 years lease expiring on 22 July 2113	114,615	3,700,000	31 March 2025 (Date of valuation)

# Analysis of Shareholdings

As at 31 December 2025

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Class of Equity Securities	:	Ordinary Shares
Number of Ordinary Shares	:	228,792,659
Number of holders of Ordinary Shares	:	27,208
Voting Rights	:	One vote per Share

## DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100	5,501	199,511	0.09
100 – 1,000	9,748	4,757,721	2.08
1,001 – 10,000	9,246	33,682,078	14.72
10,001 – 100,000	2,441	69,536,335	30.39
100,001 – <5% of shares	272	120,617,014	52.72
5% and above	0	0	0.00
<b>Total</b>	<b>27,208</b>	<b>228,792,659</b>	<b>100.00</b>

## DIRECTORS' SHAREHOLDING

(As per the Register of Directors' Shareholdings)

Name	Direct Shareholding	%	Indirect Shareholding	%
Chou Sing Hoan	-	-	-	-
Dr. Ch'ng Huck Khoon	-	-	-	-
Datuk Chong Loong Men	-	-	-	-
Tan Lay Chee	-	-	-	-
Ling Chi Hoong	-	-	-	-
Lee Lisa	-	-	-	-

# Analysis of Shareholdings (Cont'd)

As at 31 December 2025

## THIRTY LARGEST SECURITIES HOLDERS

No.	Name	Shareholdings	%
1	Iconworld Resources Sdn. Bhd.	11,198,300	4.89
2	Affin Hwang Nominees (Asing) Sdn. Bhd. - Exempt An For SFGHK Limited (Account Client)	11,000,000	4.81
3	M & A Nominees (Tempatan) Sdn. Bhd. - Exempt An For SFGHK Limited (Account Client)	6,180,666	2.70
4	Jadi Chemicals Sdn. Bhd.	6,080,100	2.66
5	Cubetech Asia Sdn. Bhd.	4,839,600	2.12
6	Cubetech Asia Sdn. Bhd.	3,500,000	1.53
7	Siti Munajat Binti Md Ghazali	2,833,333	1.24
8	M & A Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Soh Choh Piau (M&A)	2,772,870	1.21
9	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Kuek Eng Mong	2,000,066	0.87
10	UOBM Nominees (Asing) Sdn. Bhd. - Exempt An For SFGHK Limited	1,989,800	0.87
11	Muthukumar A/L Ayarpadde	1,973,359	0.86
12	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Exempt An For Lazarus Securities Pty Ltd	1,800,000	0.79
13	K Mayah A/P Kuppusamy @ Naghuran	1,600,000	0.70
14	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Chen Huang Guang (E-TCS)	1,550,133	0.68
15	Leong Wye Keong	1,110,000	0.49
16	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kho Chong Yau (E-TSA)	1,046,666	0.46
17	Yap Yoong Lim	1,020,300	0.45
18	Chen Huang Guang	900,066	0.39
19	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Kong Han (SS2/PIV)	900,000	0.39
20	Tang Wooli Kang	877,000	0.38
21	Yue Fook Cheong	833,333	0.36
22	Tan Leok Kwee	810,000	0.35
23	Ong Teong Yew	746,550	0.33
24	Lim Kok Peng	745,233	0.33
25	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Lim Thiam Wai	725,700	0.32
26	Liew Thau Sen	704,333	0.31
27	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Chee Choon (E-KPG)	650,100	0.28
28	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tey Heong Tiong (E-TCS)	649,933	0.28
29	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tye Nam Wang (7005319)	606,100	0.27
30	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tey Heong Tiong (E-TCS)	600,000	0.26
<b>TOTAL</b>		<b>72,243,541</b>	<b>31.58</b>

# Notice of Twenty-First Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-First (“21<sup>st</sup>”) Annual General Meeting (“AGM”) of ERDASAN GROUP BERHAD (“Erdasan” or the “Company”) will be held at Function Room, Pearl View Hotel, Jalan Baru, Taman Chai Leng, 13700 Perai, Pulau Pinang on Friday, 27 March 2026 at 10:30 a.m. to transact the following business :

## AGENDA

1. To receive the Audited Financial Statements for the period ended 30 September 2025 together with the Directors’ and Auditors’ Reports thereon. (Please refer to Note 3)
2. To approve the payment of Directors’ fees of up to RM80,000.00 for the period from 1 April 2025 to 30 September 2025 to the Directors of the Company and its subsidiaries. Ordinary Resolution 1
3. To approve the payment of Directors’ fees of up to RM300,000.00 for the financial period ending 30 September 2026 to the Directors of the Company and its subsidiaries. Ordinary Resolution 2
4. To approve the payment of benefits other than Directors’ fees of up to RM28,000.00 to the Non-Executive Directors of the Company from 28 March 2026 until the next Annual General Meeting of the Company. Ordinary Resolution 3
5. To re-elect the following Directors retiring under the respective provisions of the Constitution of the Company, and who, being eligible offer themselves for re-election:-
  - (i) Mr. Tan Lay Chee Clause 131 Ordinary Resolution 4
  - (ii) Dr. Ch’ng Huck Khoon Clause 131 Ordinary Resolution 5
  - (iii) Datuk Chong Loong Men Clause 136 Ordinary Resolution 6
  - (iv) Mr. Chou Sing Hoan Clause 136 Ordinary Resolution 7
  - (v) Mr. Ling Chi Hoong Clause 136 Ordinary Resolution 8
  - (vi) Ms. Lee Lisa Clause 136 Ordinary Resolution 9
6. To re-appoint Messrs. Morison LC PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. Ordinary Resolution 10

## AS SPECIAL BUSINESS

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

7. Power to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 Ordinary Resolution 11  
“THAT subject always to the Companies Act 2016 (“Act”), the Constitution of the Company and approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time at such price, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

AND THAT pursuant to Section 85 of the Act read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Act.”

# Notice of Twenty-First Annual General Meeting (Cont'd)

8. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

**ADELINE TANG KOON LING**  
**(LS 0009611)**  
**(SSM PRACTISING CERTIFICATE NO. 202008002271)**

**WONG YUET CHYN**  
**(MAICSA 7047163)**  
**(SSM PRACTISING CERTIFICATE NO. 202008002451)**  
Company Secretaries

Date : 30 January 2026  
Penang

## NOTES:

### **1. Appointment of Proxy**

- (a) Only a Depositor whose name appear in the Record of Depositors as at 16 March 2026 shall be regarded as a member entitled to attend and vote or to appoint a proxy or proxies to attend and vote at the 21<sup>st</sup> Annual General Meeting.
- (b) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- (c) Subject to Paragraph (d) below, a member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (d) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (f) The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or e-mail to [sharereg@prosec.com.my](mailto:sharereg@prosec.com.my) or fax to 03-3008 1124 not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (g) Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out above will be put to vote by way of poll.

# Notice of Twenty-First Annual General Meeting (Cont'd)

## **2. Members entitled to attend the 21<sup>st</sup> AGM**

For the purpose of determining a member who shall be entitled to attend the 21<sup>st</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Clause 81(b) of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 16 March 2026. Only a Depositor whose name appears in the Record of Depositors as at 16 March 2026 shall be regarded as a member entitled to attend and vote or to appoint a proxy or proxies to attend and vote at the 21<sup>st</sup> AGM.

## **3. Audited Financial Statements for the financial period ended 30 September 2025**

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

## **4. Ordinary Resolutions 1 and 2 – Proposed payment of Directors' fees**

Pursuant to Section 230(1) of the Companies Act, the Company shall at every AGM approve the fees of the Directors of the Company and its subsidiaries. The Directors' fees payable to the Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company. The Directors' fees are in accordance with the remuneration framework of the Group.

The proposed Ordinary Resolution 1 is to facilitate the payment of Directors fees from 1 April 2025 to 30 September 2025 following the change of financial year end from 31 March to 30 September.

The proposed Ordinary Resolution 2 is to facilitate the payment of Directors fees on current year basis.

In the event the Directors' fees proposed is insufficient, the Board will seek the approval from the shareholders at the next AGM for additional fees to meet the shortfall.

## **5. Ordinary Resolution 3 – Proposed payment of Directors' benefits (excluding Directors' fees)**

The Directors' benefits (excluding Directors' fees) comprises the allowances and other benefits. The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committee meetings for the period from 28 March 2026 until the next AGM. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

## **6. Ordinary Resolutions 4 and 5 – Re-election of Directors who retire in accordance with Clause 131 of the Constitution of the Company**

Clause 131 of the Constitution of the Company provides that an election of Directors shall take place each year. 1/3 of the Directors for the time being shall retire from office at each AGM but shall be eligible for re-election at the said meeting. If the total number of the Directors is not 3 or a multiple of 3, the number nearest to 1/3 will retire. The Directors to retire in every year shall be those who have been longest in office since their last election.

Mr. Tan Lay Chee and Dr. Ch'ng Huck Khoon who will be retiring and offering themselves for re-election at the 21<sup>st</sup> AGM were evaluated by the Nominating Committee and the Board. Based on the evaluation outcome, the Nominating Committee and the Board were of the view that their performances were satisfactory and recommended their re-election for shareholders' approval.

Based on the assessment conducted on Mr. Tan Lay Chee's independence, the Board is satisfied that he has complied with the criteria of independence prescribed under ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and remain his independence in exercising his judgement and carry out his role as an Independent Director.

# Notice of Twenty-First Annual General Meeting (Cont'd)

## 7. **Ordinary Resolutions 6, 7, 8 and 9 – Re-election of Directors who retire in accordance with Clause 136 of the Constitution of the Company**

Clause 136 of the Constitution of the Company provides that any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Datuk Chong Loong Men, Mr. Chou Sing Hoan, Mr. Ling Chi Hoong and Ms. Lee Lisa were newly appointed to the Board in year 2025 and will be retiring and offering themselves for re-election at the 21<sup>st</sup> AGM.

Based on the assessments conducted on Mr. Ling Chi Hoong and Ms. Lee Lisa's independence, the Board is satisfied that they have complied with the criteria of independence prescribed under ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and remain their independence in exercising their judgement and carry out their roles as the Independent Directors.

## 8. **Ordinary Resolution 11 – Proposed power to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed resolution, if passed, will grant a renewed general mandate ("Renewed Mandate") and empower the Directors of the Company to issue and allot shares up to an amount not exceeding 10% (ten per centum) of the total number of issued shares of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. The Renewed Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment, capital expenditure, working capital and/or acquisitions. In order to avoid any delay and costs involved in convening a general meeting, it is considered appropriate to seek shareholders' approval for a Renewed Mandate. This Renewed Mandate, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

By approving the issuance and allotment of shares pursuant to Sections 75 and 76 of the Companies Act 2016 and the Constitution of the Company, the shareholders having agreed to irrevocably waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 read together with Clause 14 of the Constitution of the Company, which will result in a dilution to their shareholding percentage in the Company.

As at the date of this notice, no shares had been issued pursuant to the general mandate to issue and allot shares granted to the Directors at the Twentieth ("20<sup>th</sup>") AGM held on 24 September 2024 which will lapse at the conclusion of the 21<sup>st</sup> AGM.

### Personal Data Privacy

By registering for the meeting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents) processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

# Administrative Guide for the 21<sup>st</sup> Annual General Meeting (“21<sup>st</sup> AGM”)

Date & Time : Friday, 27 March 2026 at 10:30 a.m.  
Venue : Function Room, Pearl View Hotel,  
Jalan Baru, Taman Chai Leng,  
13700 Perai, Pulau Pinang.

## 1. REGISTRATION AT THE 21<sup>ST</sup> AGM

- (a) Registration will commence at 10:00 a.m. and will end at a time as directed by the Chairman of the Meeting.
- (b) Kindly present your original MyKad or passport (for Non-Malaysian) to the registration personnel at the registration counter for verification.
- (c) Upon verification, you are required to sign the Attendance List and will be given a wristband for entry to the meeting venue. There will be no replacement of wristband in the event you lose or misplace the wristband.
- (d) Registration on behalf of another person even with his/her original MyKad or passport is strictly **NOT ALLOWED**.
- (e) If you are attending the 21<sup>st</sup> AGM as shareholder as well as proxy, you will be registered once and will only be given one wristband.

## 2. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

Only members whose names appear on the Record of Depositors as at 16 March 2026 shall be eligible to participate in the 21<sup>st</sup> AGM or appoint proxy(ies) or corporate representative(s) or attorney(s) and/or the Chairman of the meeting to participate and vote on his/her behalf.

The hard copy of the Form of Proxy and/or documents relating to the appointment of proxy(ies) or corporate representative(s) or attorney(s) for the 21<sup>st</sup> AGM shall be deposited by hand or post with the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not later than **Wednesday, 25 March 2026 at 10:30 a.m.**

The procedures and requisite documents to be submitted by the respective members are summarised below:-

### (I) For Individual Members

If an individual member is unable to participate the 21<sup>st</sup> AGM, he/she is encouraged to appoint proxy(ies) or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

### (II) For Corporate Members

Corporate members [through the appointment of Corporate Representative(s) or proxy(ies)] who wish to participate at the 21<sup>st</sup> AGM is required to deposit the following documents to the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not later than **Wednesday, 25 March 2026 at 10:30 a.m.**

- (a) Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
- (b) Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
- (c) Corporate Representative's or proxy's email address and mobile phone number.

# Administrative Guide for the 21<sup>st</sup> Annual General Meeting (“21<sup>st</sup> AGM”) (Cont'd)

## 2. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY (CONT'D)

### (II) For Corporate Members (Cont'd)

If a corporate member [through the appointment of Corporate Representative(s) or proxy(ies)] is unable to participate the 21<sup>st</sup> AGM, the corporate member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

### (III) For Institutional Members

The beneficiaries of the shares under a Nominee Company's CDS account (“Institutional member(s)”) who wish to participate at the 21<sup>st</sup> AGM may request its Nominee Company to appoint him/her as a proxy to participate at the 21<sup>st</sup> AGM. The Nominee Company is required to deposit the following documents to the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not later than **Wednesday, 25 March 2026 at 10:30 a.m.**:

- (a) Form of Proxy under the seal of the Nominee Company;
- (b) Copy of the proxy's MyKad (front and back)/Passport; and
- (c) Proxy's email address and mobile phone number.

If an institutional member is unable to participate the 21<sup>st</sup> AGM, the institutional member is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

## 3. REVOCATION OF PROXY

Please note that if a Shareholder has submitted his/her Form of Proxy prior to the 21<sup>st</sup> AGM and subsequently decides to personally participate in the 21<sup>st</sup> AGM, the Shareholder must contact the Share Registrar to revoke the appointment of his/her proxy not later than **Wednesday, 25 March 2026 at 10:30 a.m.**

## 4. VOTING AT MEETING

The voting at the 21<sup>st</sup> AGM will be conducted on a poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Company has appointed Prosec Share Registration Sdn. Bhd. as the Poll Administrator and Symphony Corporate Services Sdn. Bhd. as Independent Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the meeting and submit your votes at any time from the commencement of the voting session announced by the Chairman of the meeting.

The Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolution tabled for voting is duly passed or otherwise.

## 5. RESULTS OF THE VOTING

The resolutions proposed at the 21<sup>st</sup> AGM and the results of the voting for the same will be announced at the 21<sup>st</sup> AGM and subsequently via an announcement made by the Company through Bursa Securities at [www.bursamalaysia.com](http://www.bursamalaysia.com).

# Administrative Guide for the 21<sup>st</sup> Annual General Meeting (“21<sup>st</sup> AGM”) (Cont'd)

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## 6. NO RECORDING OR PHOTOGRAPHY

By participating at the 21<sup>st</sup> AGM, you agree that no part of the 21<sup>st</sup> AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

## 7. NO DOOR GIFTS OR VOUCHERS

There will be NO distribution of door gifts or vouchers.

## 8. OTHER INFORMATION FOR ATTENDEES AT THE 21<sup>ST</sup> AGM

- (a) Parking bays (multi-level onsite parking) are available at Pearl View Hotel on a first-come, first-served basis. The car park operates on a cashless payment system; therefore, kindly use a Touch 'n Go card, debit card, or credit card for entry. Parking is charged at RM2.00 per entry.
- (b) Although the wearing of face mask in an enclosed area is now optional, you are encouraged to wear your face mask throughout the meeting session.

## 9. ENQUIRY

If you have any enquiries on the above, please contact the following designated persons during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays):-

### **Prosec Share Registration Sdn. Bhd.**

Name : Mr. Vemalan A/L Naraynan/ Mr. Tee Yee Loon  
Contact No. : 03-3008 1123/ 012-766 8921  
Email : [sharereg@prosec.com.my](mailto:sharereg@prosec.com.my)

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<b>CDS Account No.:</b>	
<b>No. of Shares Held:</b>	

I/We, \_\_\_\_\_ Tel. No.: \_\_\_\_\_

[Full name in block as per NRIC/ Passport]

of \_\_\_\_\_

[Address]

being a member/members of Erdasan Group Berhad, hereby appoint:-

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

and/or (delete as appropriate)

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

or failing whom, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 21<sup>st</sup> Annual General Meeting of the Company to be held at the Function Room, Pearl View Hotel, Jalan Baru, Taman Chai Leng, 13700 Perai, Pulau Pinang on **Friday, 27 March 2026 at 10:30 a.m.** or any adjournment thereof, and to vote as indicated below:-

RESOLUTION		FOR	AGAINST
1.	To approve the payment of Directors' fees of up to RM80,000.00 for the period from 1 April 2025 to 30 September 2025 to the Directors of the Company and its subsidiaries.		
2.	To approve the payment of Directors' fees of up to RM300,000.00 for the financial period ending 30 September 2026 to the Directors of the Company and its subsidiaries.		
3.	To approve the payment of benefits other than Director's fees of up to RM28,000.00 to the Non-Executive Directors of the Company from 28 March 2026 until the next Annual General Meeting of the Company.		
	To re-elect the following Directors retiring under the respective provisions of the Constitution of the Company, and who, being eligible offer themselves for re-election:-		
4.	(i) Mr. Tan Lay Chee	Clause 131	
5.	(ii) Dr. Ch'ng Huck Khoon	Clause 131	
6.	(iii) Datuk Chong Loong Men	Clause 136	
7.	(iv) Mr. Chou Sing Hoan	Clause 136	
8.	(v) Mr. Ling Chi Hoong	Clause 136	
9.	(vi) Ms. Lee Lisa	Clause 136	
10.	To re-appoint Messrs. Morison LC PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
11.	To empower the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.		

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

\_\_\_\_\_  
Signature of Shareholder(s) / Common Seal

**Notes:-**

- Only a Depositor whose name appear in the Record of Depositors as at 16 March 2026 shall be regarded as a member entitled to attend and vote or to appoint a proxy or proxies to attend and vote at the 21<sup>st</sup> Annual General Meeting.
- A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- Subject to Paragraph (d) below, a member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

- (e) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.*
- (f) *The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or e-mail to [sharereg@prosec.com.my](mailto:sharereg@prosec.com.my) or fax to 03-3008 1124 not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*
- (g) *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out above will be put to vote by way of poll.*

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Stamp

The Share Registrar of  
**ERDASAN GROUP BERHAD**  
Registration No. 200401006297 (644800-X)  
DF2-09-02, Level 9, Persoft Tower,  
6B, Persiaran Tropicana,  
Tropicana Golf & Country Resort,  
47410 Petaling Jaya,  
Selangor Darul Ehsan.

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## **ERDASAN GROUP BERHAD**

(formerly known as AT Systematization Berhad)

Registration No. 200401006297 (644800-X)

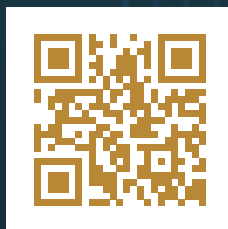
DF2-07-03, Level 7, Persoft Tower  
No. 6B, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

### **Tel**

+603 7499 3889

### **Email**

[info@erdasan.com.my](mailto:info@erdasan.com.my)



[www.erdasan.com.my](http://www.erdasan.com.my)