

MQ

TECHNOLOGY BERHAD

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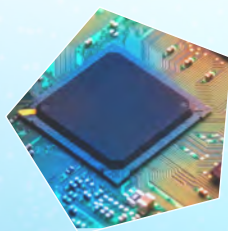
ACCELERATING THROUGH INNOVATION



ANNUAL REPORT 2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Nurulhidayah Binti Ahmad Zahid

Independent Non-Executive Chairman

Dato' Lim Char Boo

Senior Independent Non-Executive Vice Chairman

Terence Cheah Eu Lee

Executive Director

Gerald Nicholas Tan Eng Hoe

Independent Non-Executive Director

Dr. Koay Boon Hooi

Independent Non-Executive Director

Abdul Rahim Rajah Bin Abdullah

Executive Director

(Appointed on 16 October 2024 and Resigned on 3 June 2025)

AUDIT COMMITTEE

Dr. Koay Boon Hooi

Chairman

Independent Non-Executive Director

Dato' Lim Char Boo

Member

Senior Independent Non-Executive Vice Chairman

Gerald Nicholas Tan Eng Hoe

Member

Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Lim Char Boo

Chairman

Senior Independent Non-Executive Vice Chairman

Gerald Nicholas Tan Eng Hoe

Member

Independent Non-Executive Director

Dr. Koay Boon Hooi

Member

Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Dr. Koay Boon Hooi

Chairman

Independent Non-Executive Director

Dato' Lim Char Boo

Member

Senior Independent Non-Executive Vice Chairman

Gerald Nicholas Tan Eng Hoe

Member

Independent Non-Executive Director

NOMINATION COMMITTEE

Dato' Lim Char Boo

Chairman

Senior Independent Non-Executive Vice Chairman

Dr. Koay Boon Hooi

Member

Independent Non-Executive Director

Gerald Nicholas Tan Eng Hoe

Member

Independent Non-Executive Director

CORPORATE INFORMATION (CONT'D)**COMPANY SECRETARY**

Lim Li Heong (MAICSA 7054716)
SSM Practising Certificate No. 202008001981

Wong Mee Kiat (MAICSA 7058813)
SSM Practising Certificate No. 202008001958

PRINCIPAL PLACE OF BUSINESS

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47400 Petaling Jaya
Selangor Darul Ehsan
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Web: www.mqtech.com.my

AUDITORS

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No. 62-1, 1st Floor, Jalan 2/23A
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Taman Danau Kota, Setapak
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W.P. Kuala Lumpur

Tel: (603) 7984 8988
Fax: (603) 7984 4402

SOLICITORS

Lim Ooi & Partners
Wei Chien & Partners
Kai & Co.

REGISTERED OFFICE

Level 7, Mercu 3, No. 3, Jalan Bangsar,
KL Eco City,
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Tel: (603) 2280 6388
Fax: (603) 2280 6399
Email: listcomalaysia@acclime.com

PRINCIPAL BANKERS

Hong Leong Bank Berhad
RHB Bank Berhad

HEAD OFFICE

Unit 310, Block C, Damansara Intan
No. 1, Jalan SS20/27
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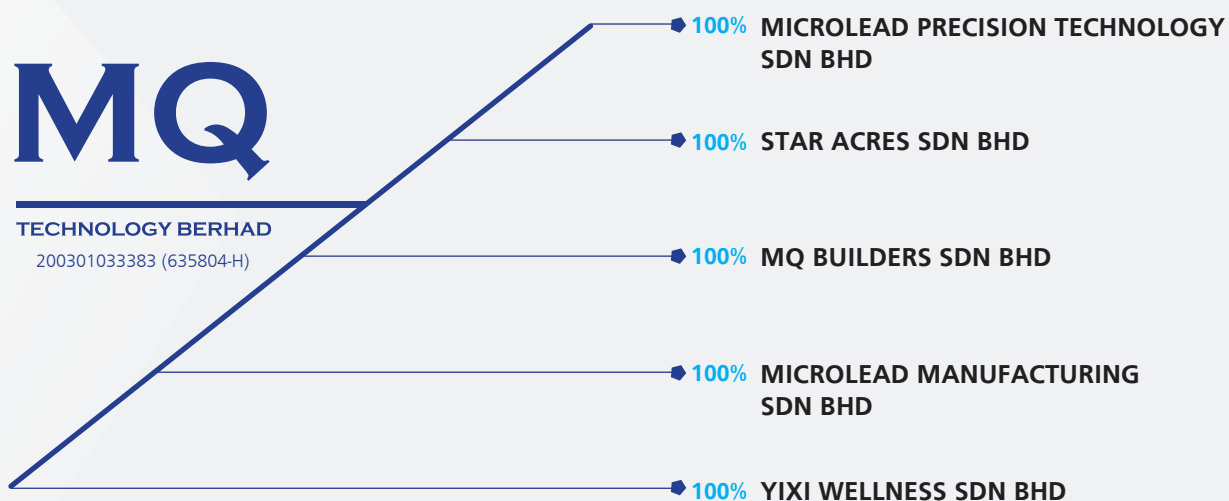
SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
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STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: MQTECH
Stock Code: 0070

CORPORATE STRUCTURE



MQ Technology Berhad ("MQ") was incorporated in Malaysia on 2 December 2003 as a private limited company under the name of MQ Technology Sdn Bhd. Subsequently, on 13 February 2004, it was converted to a public limited company and since then assumed its present name.

The details of the subsidiaries of MQ as at the date of this Annual Report are summarised below:-

Company	Date / Place of Incorporation	Effective Equity Interest %	Principal Activities
Microlead Precision Technology Sdn Bhd	12.12.1995/ Malaysia	100.00	(i) Manufacture of moulds, tools, dies, jigs and fixtures mainly for use in the manufacture of hard disk drives (ii) Design, development and manufacture of advanced suspension tooling, progressive tooling, semiconductor cavity/encapsulation moulds for application in hard disk drives and semiconductor industries (iii) Design, development and manufacture of advanced automation modules/ assemblies for digital data storage, medical instrument systems/devices and optoelectronics applications and related components
Star Acres Sdn Bhd	25.11.2014/ Malaysia	100.00	Investment Holding
MQ Builders Sdn Bhd	06.07.2018/ Malaysia	100.00	Property and project development related activities
Microlead Manufacturing Sdn Bhd	16.07.2018/ Malaysia	100.00	Manufacture of car spare parts, plastics moulds, metal moulds and blowing moulds for plastic products, tooling, jig and fixtures for electronic and semiconductor
Yixi Wellness Sdn Bhd	29.12.2022 / Malaysia	100.00	(i) Wholesale of a variety of goods without any particular specialization n.e.c. (ii) Physiotherapy and occupational therapy service (iii) Other human health services n.e.c.

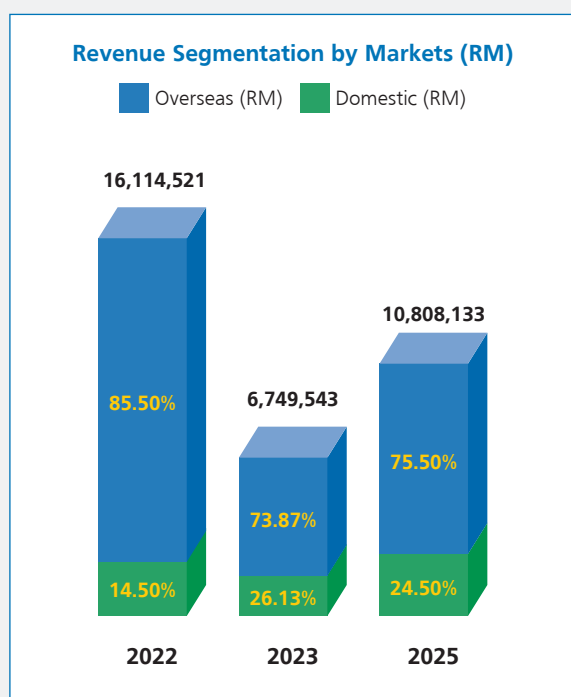
MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

We are pleased to present the Management Discussion and Analysis for our Group for the financial period ended 28 February 2025 ("FPE 2025").

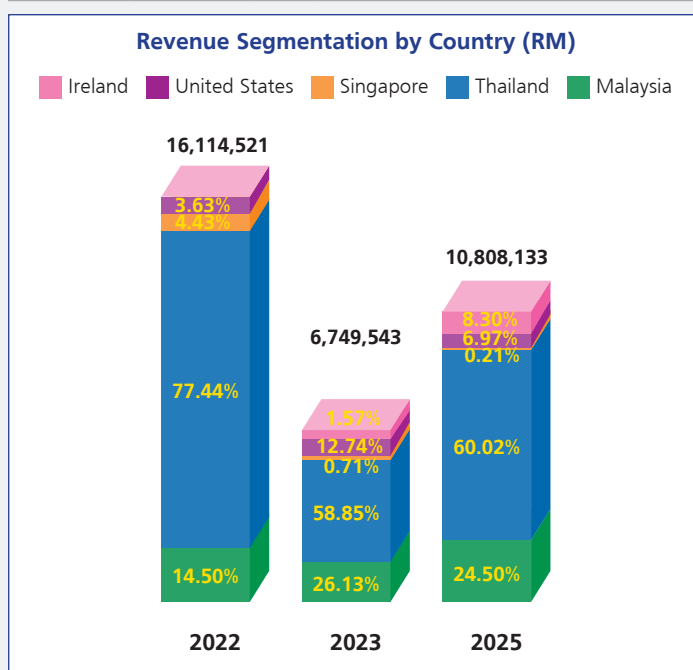
Our Group remains a leading manufacturer specializing in advanced, world-class high-precision mould making and magnetic coils, serving the hard disk drives, telecommunications, and semiconductor industries. The manufacturing division comprises Microlead Precision Technology Sdn Bhd and Microlead Manufacturing Sdn Bhd (currently in dormant status), both located in Bayan Lepas, Penang, Malaysia.

In addition to manufacturing, the Group has previously diversified into new sectors such as theme parks, property development, and healthcare services through Star Acres Sdn Bhd, MQ Builders Sdn Bhd, and Yixi Wellness Sdn Bhd respectively. However, as at FPE 2025, these ventures are still in dormant status, with the manufacturing segment continuing to serve as the Group's core business and operations.



Year	Domestic		Overseas		Total Revenue
	RM	%	RM	%	
2022	2,336,606	14.50	13,777,915	85.50	16,114,521
2023	1,763,656	26.13	4,985,887	73.87	6,749,543
2025	2,648,315	24.50	8,159,818	75.50	10,808,133

Country	FYE 2022		FYE 2023		FPE 2025	
	RM	%	RM	%	RM	%
Malaysia	2,336,606	14.50	1,763,656	26.13	2,648,315	24.50
Thailand	12,479,085	77.44	3,972,106	58.85	6,487,491	60.02
Singapore	713,873	4.43	47,922	0.71	22,237	0.21
United States	584,957	3.63	859,892	12.74	752,817	6.97
Ireland	-	-	105,968	1.57	897,274	8.30
Total	16,114,521		6,749,543		10,808,133	



Malaysia and Thailand remain the Group's principal markets, accounting for over 85% of the total revenue in FPE 2025. Notably, Thailand has emerged as a key revenue driver, while Ireland continues to strengthen its presence as part of the Group's strategic international expansion. The Group's consistent performance across multiple geographies reflects the resilience and relevance of its core offerings in the global market.

Looking ahead, the Group is actively exploring opportunities to further expand its footprint in both existing and potential new markets. With a forward-looking strategy in place, the Group is evaluating various avenues, including regional partnerships, targeted market development initiatives, and technology-driven solutions to enhance operational efficiency and customer reach. These strategic considerations, currently under internal review, are expected to support the Group's long-term vision of sustainable growth and value creation for stakeholders. The Group remains optimistic about future prospects and is well-positioned to capitalize on emerging opportunities in the international landscape.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW

Financial Highlights

	FYE 2022 (RM)	FYE 2023 (RM) (Restated)	FPE 2025 (RM)
Revenue	16,114,521	6,749,543	10,808,133
Profit/(loss) before taxation	1,441,746	(16,178,603)	(11,990,576)
Profit/(loss) after taxation	2,182,010	(16,249,722)	(11,990,595)
Revaluation of property, plant and equipment	4,354,270	-	504,590
Total comprehensive (loss)/ income for the financial year/period	6,536,280	(16,249,722)	(11,486,005)
Total assets	71,495,273	67,143,346	77,002,399
Total borrowings	148,362	184,217	31,816
Current ratio (times)	11.09	16.26	6.00
Basic (losses)/ earnings per share (sen)	0.22	(1.23)	(6.08)
Gearing ratios	0.08%	1.55%	0.20%

Financial Performance

Revenue

For the financial period ended 28 February 2025 (FPE 2025), the Group achieved an impressive revenue of RM10.81 million, marking a substantial 60.1% increase from RM6.75 million recorded in FYE 2023. This robust growth reflects the Group's strong recovery momentum, particularly driven by a resurgence in customer orders within the Hard Disk Drive (HDD) sector, underpinned by the accelerating global adoption of Artificial Intelligence (AI) technologies. Furthermore, the addition of new strategic customers such as Towa Tools Sdn Bhd and Besi Apac Sdn Bhd has significantly bolstered our revenue base and broadened our market reach. Despite the change in our financial year-end, the Group continues to demonstrate a positive performance trajectory, underscoring the effectiveness of our growth strategy and operational resilience.

Gross Profit / (Loss)

The Group reported a gross profit of RM145,264 for the financial period ended 2025, compared to a gross loss of RM1.77 million in the previous financial year. This positive turnaround was primarily driven by improved operational efficiency and a strategic shift in production activities. In particular, the Group undertook cost optimisation initiatives, including reducing its reliance on subcontractors and reallocating tasks to internal teams, which resulted in lower direct labour costs. Furthermore, increased machine utilisation stemming from enhanced in-house production contributed to better absorption of fixed overheads, collectively supporting the return to profitability at the gross margin level.

Market Diversification and Geopolitical Impact

The Group's consistent focus on market diversification continued to yield positive results in FPE 2025. Notably, customers from the United States and Ireland contributed RM1.65 million to the total revenue, demonstrating the Group's strengthening presence in international markets. These developments reinforce the Group's proactive efforts to reduce overreliance on traditional markets and diversify its customer base across high-potential regions.

In the broader economic context, the rapid adoption of generative AI and advanced cloud computing technologies in 2024 reshaped global supply chains and production demands—particularly in the electronics and precision engineering industries. The Group effectively capitalised on this trend, especially through its engagements in the HDD sector, which experienced renewed relevance due to increased data storage needs. While this technological shift posed challenges in workforce upskilling and production retooling, the Group remained agile and responsive, ensuring business continuity and alignment with industry evolution. Furthermore, the gradual recovery in demand from major customers in Thailand, particularly within the HDD segment, provides an encouraging outlook for sustained growth.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Operational Expansion and Cost Structure

In anticipation of positive market trends, the Group undertook strategic capital investments during the period, including the acquisition and internal transfer of used machinery within its subsidiaries. These measures supported the ongoing shift of production activities in-house—specifically within MPT, the Group's sole manufacturing entity—which led to increased machine utilisation and reduced reliance on outsourcing. Although overall production levels remained unchanged and current machine utilisation is still below maximum capacity, the reallocation of tasks among internal resources improved operational efficiency and enabled better cost control without significant changes to the workforce size. As the Group operates in a niche market, with products that are tailor-made based on customers' drawings and specifications, these adjustments to the cost structure have been essential in maintaining flexibility and responsiveness to specific client demands.

Administrative Expenses

General and administrative expenses for FPE 2025 stood at RM14.36 million, an increase compared to RM13.59 million recorded in FYE 2023. The increase was primarily attributable to higher ESOS-related expenses, which amounted to RM1.90 million, and impairment losses on trade receivables of RM724,237. While the prior year was impacted by impairment on property, plant, and equipment (PPE), these FPE 2025 expenses reflect ongoing commitments under the Employee Share Option Scheme and prudent provisioning for credit risks. Overall, the Group continues to implement cost optimisation strategies to manage discretionary expenditures and ensure operational sustainability.

Net Profit / (Loss) After Tax

The Group recorded a net loss of RM11.99 million for FPE 2025, representing a notable improvement compared to the net loss of RM15.06 million in the previous financial year. This reduction in losses was primarily attributed to higher revenue, improved gross margins, and prudent management of administrative expenses. The Group's strategic initiatives—such as expanding its customer base and streamlining operations—have begun to yield positive outcomes and are expected to further strengthen financial performance in the coming periods.

Basic Earnings / (Loss) Per Share (EPS)

The Group recorded a basic loss per share of 6.08 sen for FPE 2025, compared to a basic loss per share of 1.23 sen in FYE 2023. The increase in loss per share is primarily due to the consolidation of every 10 existing ordinary shares into 1 ordinary share, which reduced the number of shares in circulation and consequently increased the loss per share, despite the Group recording a similar absolute net loss level.

Key Growth Focus: Sales and Market Diversification

The Group remains focused on sustaining its growth trajectory by actively exploring diversification opportunities beyond the HDD segment. A notable initiative includes plans to expand into the medical manufacturing sector, particularly through strategic collaborations with customers based in Ireland. This expansion reflects the Group's commitment to reducing revenue concentration risk while tapping into high-potential, high-value industries.

With a clear emphasis on innovation, operational efficiency, and market diversification, the Group is well-positioned to capitalise on emerging opportunities and deliver sustained long-term value to its stakeholders.

Financial Position

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Financial Position

Property, Plant and Equipment (PPE)

As of FPE 2025, the Group's property, plant and equipment (PPE) stood at RM28.01 million, representing a decrease of RM9.74 million or approximately 25.8% compared to RM37.75 million in FYE 2023.

Despite the overall decrease, the Group continued to make targeted capital investments to support operational scalability and enhance production capabilities. Key additions during the period included major machinery purchases totalling RM2.81 million. These comprised advanced manufacturing equipment such as:

- 2 units of KAFO Vertical Machining Center (CNC Milling Machine),
- 2 units of CNC Electrical Discharge Machine (EDM Machine),
- 1 unit of MRF301006R SPINDLE MFW1230/42 HSK E40 (CNC Roeders Machine Parts),
- 2 units of GF AgieCharmilles CUT 1000 Wire EDM Machines (Wirecut Machines), and
- 1 unit of Starrett HB400 Horizontal Benchtop Profile Projector (QA equipment).

These investments reflect the Group's focus on upgrading its production capabilities and quality assurance functions in line with increasing customer requirements, particularly in the HDD and precision engineering sectors.

In addition, the Group made substantial progress on its 3-storey factory extension project, which was approximately 95% completed as of the financial period-end. A corresponding 95% of the total cost—RM6.10 million—has been reclassified under assets held for sale in the financial statements. This expansion aligns with the Group's long-term strategy to increase in-house production capacity and support future growth initiatives across both existing and new business segments.

Other Receivables, Deposits and Prepayments

Other receivables, deposits, and prepayments amounted to RM15.09 million in FPE 2025, reflecting a significant reduction from RM25.20 million reported in FYE 2023. This decrease was primarily attributable to the resolution of outstanding items related to the previously proposed acquisition of a 51% equity interest in Oriental Link Properties, which has since been cancelled. The associated receivables were cleared during the year, effectively streamlining the Group's non-trade asset base.

In addition to the above, notable transactions during the year included a refundable earnest and balance deposit of RM2.95 million, in relation to the proposed disposal of MPT's land and building. This amount is expected to be fully recoverable. The Group also recognised a prepayment of RM1.92 million associated with the warranty of machinery acquired from, in line with its asset upgrade initiatives to strengthen production capabilities.

These developments demonstrate the Group's proactive financial management approach—recovering long-outstanding receivables, optimising asset allocation, and ensuring material transactions are appropriately accounted for through settlement or reclassification. Such measures reflect enhanced financial discipline and a sharpened focus on managing short-term assets effectively.

Cash and Cash Equivalents

Cash and cash equivalents stood at RM0.59 million as at 28 February 2025, representing a decrease from RM0.89 million reported at the end of FYE 2023. This modest reduction reflects the Group's normal operating cash balance and is primarily attributable to fluctuations in working capital requirements during the financial period.

Despite continued operational losses, the Group maintained sound financial discipline through effective working capital management, enabling the generation of positive cash flows from operating activities. The Group continued to exercise prudent cash planning, stringent control over operating expenses, and a focused approach to prioritising essential investments aligned with its long-term strategic goals.

While the overall cash position remains relatively constrained, management remains committed to ensuring sufficient liquidity to meet operational needs and potential capital commitments. These efforts are central to sustaining the Group's financial stability and business continuity in the current operating environment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Total Equity

Total equity as at 28 February 2025 was RM64.05 million, showing a marginal increase from RM63.66 million reported in FYE 2023. The marginal movement in equity was primarily attributable to the net impact of the Group's operational performance during the extended financial period, as well as other comprehensive income and reserve adjustments.

While there were internal capital movements within certain subsidiaries, including preference share issuances, these transactions are eliminated at the Group consolidation level and do not impact the Group's total equity. The Group's equity position therefore reflects the true net effect of business performance and other non-shareholder-related changes during the period.

Moving forward, the Group remains committed to strengthening its equity base through prudent financial management, operational optimisation, and, where appropriate, strategic capital initiatives at the holding company level.

Gearing and Liquidity

The Group maintained a gearing ratio of 0.20% as of FPE 2025, compared to 1.55% in FYE 2023, underscoring its continued commitment to a low-debt strategy and strong reliance on internally generated capital. This conservative financial posture reinforces the Group's resilience to external economic pressures while preserving financial agility for future investments.

Throughout the 17-month period, borrowings remained minimal, with no external loans undertaken aside from lease liabilities and hire purchase arrangements, in line with the Group's historical low-gearing approach. As at FPE 2025, MQ Technology Berhad recorded an intercompany payable of RM2.97 million to its subsidiary, Microlead Precision Technology Sdn Bhd, marking a reversal from the prior year's balance of RM1.07 million payable to the holding company. This strategic redeployment of internal capital was aimed at supporting Group-level operations and investment initiatives, and reflects effective liquidity planning and disciplined intercompany cash flow management. Additionally, the absence of outstanding receivables from related parties at year-end further affirms the Group's commitment to improved capital discipline.

The current ratio stood at 6 times (FYE 2023: 16 times), indicating a still-strong liquidity position despite a decline from the previous period. This reduction is primarily attributed to increased working capital deployment and the construction of a 3-storey factory building under MPT, a long-term investment aimed at enhancing production capacity. The Group maintained its liquidity strength through active cash flow monitoring, prudent working capital oversight, and tight treasury controls, despite challenges arising from continued operational losses.

During the period, the Group recognised an impairment loss of RM0.72 million on long-outstanding trade receivables, while also recording a revaluation gain of RM1.40 million from its two-storey investment property. However, total revaluation gains on land and buildings declined to RM4.40 million, from RM12.41 million in FYE 2023, reflecting a more cautious and market-aligned revaluation approach.

While no changes were made to the Group's capital management framework during the period, the key investment was the 3-storey factory building under construction at MPT, intended for long-term investment purposes. Looking ahead, the Group's capital structure decisions will continue to be guided by its liquidity availability, particularly at the holding company level, with no borrowing targets set beyond existing lease and hire purchase obligations.

Capital Structure and Outlook

The Group remains committed to maintaining a prudent and flexible capital structure that supports long-term growth while safeguarding financial stability. During the reporting period, the Group undertook internal capital-raising initiatives to enhance its funding base without increasing reliance on external borrowings. These measures strengthened internal liquidity and aligned with the Group's strategy of sustaining operations through equity-based financing rather than debt, thereby preserving a low gearing position.

There were no material off-balance sheet items, commitments, or contingent liabilities disclosed during the reporting period. The Group did not implement any significant changes to its capital or liquidity planning structures but instead continued to strengthen existing financial frameworks, enabling greater operational resilience and internal financing capabilities.

Going forward, the Group intends to reinvest in strategic assets—such as the ongoing construction of the 3-storey factory building—to improve operational capacity and support future expansion, including potential geographic diversification. By maintaining low gearing and ample liquidity reserves, the Group is well-positioned to navigate market uncertainties and remain responsive to emerging business opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

DIVIDENDS DECLARED

The Group does not have an explicit dividend policy, and the Board did not propose any dividend for FPE 2025. This remains unchanged and consistent with the prior financial year.

REVIEW OF OPERATIONS

Operating Environment

During the financial period ended 28 February 2025 (FPE 2025), the Group operated within a challenging and highly dynamic global environment. Macroeconomic uncertainty remained elevated, driven by prolonged geopolitical conflicts—particularly the Russia-Ukraine war—and persistent trade tensions between the United States and China. These global issues disrupted supply chains, reduced customer confidence, and impacted manufacturing and logistics activities across several international markets. Additionally, inflationary pressures, fluctuating exchange rates, and rising interest rates in major economies compounded the overall business complexity during this extended 17-month period.

Sector-specific challenges also emerged during the period, especially within the electronics and data storage industries. The Group's primary manufacturing business faced declining customer demand for hard disk drive (HDD) components due to a global slowdown in consumption and inventory rationalisation by end-users. Consequently, order volumes from several key customers contracted, directly affecting the Group's revenue performance.

In response to the reduction in customer orders, the Group implemented a series of remedial actions to preserve margins and sustain operational efficiency. These included the rationalisation of manpower, involving the reduction of headcount, and tightening of fixed and variable overheads. Where labour shortages arose, the Group adopted an outsourcing strategy by engaging subcontractors, thereby improving cost flexibility and production scalability. At the same time, management prioritised capital expenditure control, active supply chain management, and customer retention strategies to cushion against external volatility.

Although environmental, social, and governance (ESG) factors did not significantly influence the Group's strategic direction or operating environment during FPE 2025, the Board remained vigilant of emerging global trends and continues to monitor material developments that could affect business continuity in the long term.

To diversify its revenue base and reduce reliance on the manufacturing segment—historically the Group's core income driver—the Group initiated early-stage efforts in property development. However, this diversification remains in its infancy and is highly dependent on the availability of funding, either through corporate exercises or internally generated cash flows. As such, the manufacturing segment is expected to continue playing a dominant role in the Group's earnings in the near term. The diversification strategy into property represents a distinct business stream and is being positioned as a long-term growth engine, subject to resource availability and market conditions.

Despite the difficult environment, the Group demonstrated resilience through proactive restructuring, disciplined cost management, and strategic realignment. Internal mitigation efforts—such as enhanced internal audit reviews, tighter expenditure control, and streamlined operations—enabled the Group to maintain operational stability while preparing for gradual recovery in demand and future growth opportunities.

Highlight and Achievement

1. Strategic Entry into the Healthcare Sector

During the financial period under review, the Group took its first step into the healthcare services industry with the acquisition of Yixi Wellness Sdn Bhd, as part of its broader diversification strategy. The move was initially aimed at reducing dependency on the manufacturing division and exploring opportunities in emerging, sustainable sectors such as preventive healthcare and wellness.

However, Yixi Wellness Sdn Bhd remained dormant throughout the financial period, and there are currently no plans to activate or commence operations under this entity in the near term. While the healthcare sector continues to show long-term growth potential, the Group is adopting a cautious and resource-conscious approach, with no further acquisitions or developments initiated in this segment during FPE 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2. Expansion in Property Development

Another major strategic milestone during FPE 2025 was the Group's formal entry into property development. The Group executed a Sale and Purchase Agreement (SPA) with Cash Support Sdn Bhd to acquire a 7.155-acre parcel of land in Klebang, Melaka. The site was originally earmarked for a flagship mixed-use development project comprising two 27-storey serviced suite towers (totaling 1,000 residential units) and 80 commercial shop lots, with an estimated Gross Development Value (GDV) of RM275 million.

Despite this initial progress, the project remains in the planning phase. As of the end of the financial period, no construction activity has commenced, and the Group has not allocated funding for the development. Consequently, project execution is contingent upon securing appropriate funding, either via corporate exercises or internally generated cash flows.

Given the current status, the Group no longer expects the project to contribute 25% to net profit in the medium term, and no earnings contribution is anticipated for the next financial year. The property development venture will remain on hold until adequate financial resources are secured to support its launch and progress.

3. Strategic Outlook

No new businesses were acquired or identified during the review period under the Group's diversification strategy, and there are no new strategic expansion or diversification plans currently in place for 2025. The Group remains focused on consolidating its existing core operations, optimising costs, and selectively evaluating future opportunities based on financial capacity and market conditions.

Anticipated or Known Risks

The Group remains cognisant of a range of potential risks that may affect its financial performance, business operations, and overall strategic direction. While efforts to diversify remain part of the Group's long-term outlook, core business stability remains a priority. The following risks continue to be monitored during the financial period under review:

1. Technology Obsolescence

The Group acknowledges the inherent risk of technological obsolescence, particularly in the manufacturing division, given the rapid pace of industrial innovation and shifting customer requirements. However, as of the current financial period, no significant risk was observed, as the Group's existing machinery and equipment remain up-to-date and fully aligned with production requirements.

The last major machinery acquisition occurred in 2022, and the equipment continues to support the Group's operational needs without compromising efficiency or product quality. No additional capital expenditure was made on machinery or staff technical training during the financial period, as existing capabilities were deemed sufficient to meet current production standards and client specifications.

2. Currency Risk

As the Group serves a global clientele and maintains vendor relationships across various countries, particularly in Thailand, Singapore, and the United States, it is inherently exposed to fluctuations in foreign exchange rates. These fluctuations can influence the Group's cost structures and profitability.

However, no significant foreign exchange gains or losses were recorded during the financial period, indicating that the Group's current treasury and pricing practices have been effective in mitigating currency risk. The Group continues to monitor forex trends and align payment terms with key suppliers and customers to minimise adverse exposure. No further hedging instruments were deployed.

3. Dependent on Key Customers

The Group continues to derive a significant portion of its revenue from a small number of key customers, particularly in Thailand. This customer concentration presents a revenue risk should there be any changes in purchasing behaviour or disruptions in business continuity.

During the financial period, no further steps were taken to reduce reliance on these key customers. The Group acknowledges that there is currently no alternative contingency plan in place should the principal customer reduce or cease orders. While this approach has not yet impacted revenue, the Group recognises the inherent vulnerability and will continue to assess potential strategic responses as part of future planning.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

4. Supply Chain Disruptions

Global manufacturing operations are susceptible to risks arising from raw material shortages, logistics bottlenecks, geopolitical tensions, and global health emergencies.

Nonetheless, the Group did not encounter any supply chain disruptions during the financial period under review. Procurement and production activities proceeded smoothly, supported by stable vendor relationships and sufficient inventory buffers. The Group remains vigilant in maintaining supplier diversity and internal planning mechanisms to guard against future volatility.

5. Competitive Pressures in Key Industries

The Group operates in industries that are highly competitive, particularly in the Hard Disk Drive (HDD) manufacturing sector, where demand has gradually shifted toward solid-state storage technologies. This structural transition has posed long-term challenges to players in the HDD supply chain.

Despite this shift, the Group did not face significant pricing pressure during the financial period, as its products are custom-designed and manufactured to client specifications, reducing exposure to commoditised price competition. The Group's diversification efforts into new sectors such as healthcare and property development remain exploratory in nature, with no earnings contributions recorded during the period. The core manufacturing segment thus remains the primary revenue driver.

Future Prospect

The Group's outlook remains cautiously optimistic, guided by global technological shifts and domestic macroeconomic trends. While the global Hard Disk Drive (HDD) market is projected to decline from USD 19.93 billion in 2024 to USD 15.53 billion by 2029 (CAGR: -4.87%), primarily due to the rising adoption of Solid-State Drives (SSDs), the Group continues to monitor these trends with prudence. The growing SSD capacity and reduced pricing have diminished HDD market share globally. However, the Group maintains a stable customer base in the precision engineering and high-capacity HDD segment, which is expected to continue contributing significantly to the Group's revenue in the near term.

Despite this challenging market backdrop, the Group does not currently have a specific strategy in place to mitigate potential global trade-related risks or anticipated pricing wars. Management intends to respond on a case-by-case basis, should such challenges materialize.

Although Malaysia's ICT sector presents a positive domestic landscape—contributing 23.2% to national GDP in 2021 and expected to reach 25.5% by 2025 through initiatives like MyDIGITAL—the Group does not have direct involvement or strategic plans to capitalize on these developments at this stage. As such, the MyDIGITAL initiative and associated infrastructure growth, including regional data centers, while supportive of the broader sector, are currently not aligned with the Group's core operations.

In terms of diversification, the Group has previously explored new business verticals, such as theme parks, property development, and healthcare services. However, the theme park project has been put on hold indefinitely, and there is no relevant update on other diversification efforts at this time. As such, no material contribution from these ventures is expected in the short to medium term.

To address inflationary pressures and rising operational costs, the Group continues to prioritize business-as-usual operations but has not implemented any new cost optimization, automation, or quality control initiatives during the financial year. Operating costs are being managed under existing frameworks without further capital expenditure.

Looking forward, no strategic partnerships or investment plans are under consideration for the year 2025. Should opportunities arise, the Group may explore such initiatives in 2026, depending on prevailing market conditions and internal strategic priorities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

In summary, while external challenges such as the global decline in HDD demand and domestic inflation persist, the Group remains operationally stable and continues to generate revenue through its established customer base and core manufacturing strengths. The Group has adopted a measured and disciplined approach, prioritizing resilience and readiness over rapid expansion:

- The Group continues to monitor global HDD market dynamics and remains focused on supporting demand for high-capacity and precision-based components.
- While not directly involved in MyDIGITAL or ICT-specific initiatives, the Group remains open to future opportunities that align with its capabilities.
- Diversification initiatives, such as the theme park development, are being paced carefully to ensure optimal timing and return on investment.
- The Group maintains cost discipline and operational efficiency within existing frameworks, ensuring quality and reliability without overextending resources.
- Strategic partnerships and investments are not planned for 2025, allowing the Group to consolidate its core strengths with potential reviews slated for 2026.

This prudent positioning allows the Group to stay agile and well-prepared to capitalize on future growth opportunities as market conditions evolve, while preserving stakeholder confidence through sustained performance.

ACKNOWLEDGEMENTS

The financial period ended 28 February 2025 marked another important chapter for MQ Technology Berhad. Amid ongoing geopolitical uncertainties, volatile commodity prices, and tightening global monetary policies, the Group remained focused and resilient in navigating these challenges. Our adaptability was further strengthened by Malaysia's continued push to attract foreign investment and advance industrial digitalisation—initiatives that provide a strong foundation for long-term optimism and sustainable growth.

On behalf of the Board, I extend our deepest appreciation to our dedicated management team and employees. Your commitment, professionalism, and unwavering efforts continue to be the cornerstone of our progress. Despite a demanding environment, your perseverance has driven meaningful operational improvements and laid the groundwork for renewed momentum across our business segments.

To our valued customers, suppliers, and business partners—thank you for your steadfast support and collaboration. Your trust fuels our ambition to innovate and consistently deliver excellence. We also express our sincere gratitude to regulatory authorities, advisors, and bankers for your continued guidance and confidence in our vision.

Most importantly, to our shareholders—thank you for your enduring trust in MQ Technology Berhad. Your unwavering support motivates us to embrace change with courage and lead with purpose as we step into the future with strengthened resolve.

Together, let us continue this journey with resilience, optimism, and a shared commitment to sustainable growth.

Group Chief Executive Officer

PROFILE OF DIRECTORS

TERENCE CHEAH EU LEE

Executive Director

Date of Appointment: 3 July 2020
 Membership of Board Committee: None
 Malaysian, Male, aged 52

Mr. Terence Cheah is our Executive Director. He has more than 15 years experience in Food and Beverage Industries and having good networking in the corporate world.

Mr. Terence Cheah started his career with Fairway Logistic (M) Sdn Bhd ("Fairway") since 2004. He is currently the Managing Director of Fairway.

Mr. Terence Cheah also sits on the Board of Jiankun International Berhad and AHB Holdings Berhad as Independent Non-Executive Director.

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

He has not been convicted of any offences (other than traffic offences) within the past 5 years. Mr. Terence Cheah attended seven (7) Board meetings held during the financial period ended 28 February 2025.

DATO' NURULHIDAYAH BINTI AHMAD ZAHID

Independent Non-Executive Chairman

Date of Appointment: 2 June 2022
 Membership of Board Committee: None
 Malaysian, Female, aged 47

Dato' Nurulhidayah holds a Master's in Business Administration (MBA) from Lincoln University College, Degree in Communication from University Putra of Malaysia and Diploma in Business Executive (ABE) from Sunway College.

Dato' Nurulhidayah is an Executive Director of Menara Rezeki Sdn. Bhd. since 2017. She worked as a Host for Talk Show "Assalamualaikum" at Al-Hijrah TV from February 2017 to April 2018. She was also an Executive Director at Ri-Yaz Hotels & Resorts from April 2016 to April 2017. She worked as Vice President of Corporate Communication (General Manager) at Syarikat Perumahan Negara Berhad from December 2012 to April 2016 as well as an Events Consultant at Karya Bonda Sdn. Bhd. from January 2010 to December 2012. She was a Manager of Public Relations/Communications at Utusan Airtime Sdn. Bhd. from April 2007 to December 2009 and Senior Executive in Business Development & PR of Public Relations/Communications at SNC Associates Sdn. Bhd. from December 2006 to April 2007. She worked as a Public Relation Executive (Junior Executive) of Public Relations at Spiral Graphix Sdn. Bhd. from August 2005 to December 2006 and at SEG International Berhad from April 2004 to August 2005. She also worked as Corporate Communication Executive (Junior Executive) of Public Relations at Puncak Niaga Holdings Berhad from February 2004 to April 2004 and at Syarikat Perumahan Negara Berhad from July 2002 to February 2004.

Dato' Nurulhidayah does not hold any other directorships in other listed entities. She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

She has not been convicted of any offences (other than traffic offences) within the past 5 years. Dato' Nurulhidayah attended five (5) Board meetings held during the financial period ended 28 February 2025.

PROFILE OF DIRECTORS (CONT'D)

DATO' LIM CHAR BOO

Senior Independent Non-Executive Vice Chairman

Date of Appointment: 1 July 2015

Membership of Board Committee:

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

Malaysian, Male, aged 71

Dato' Lim pursued his studies in various places, he graduated from University of Malaya with B.Sc (Hons), an Advance Dip in Business Administration at the same university and holds a LLB (Hons) from University of London.

Dato' Lim started his police career on 28 February 1982 as cadet Assistant Superintendent with 11 months of basic training programme. He was a CID investigation officer for 2 years in police district in Johor Baru. From 1985-1989 he served as an intelligence official in Special Branch. In 1989, he was transferred to Commercial Crime Department to carry out investigation work mostly on corporate fraud and banking cheating cases. From 1996-2003, he was promoted to Superintendent and assuming the post of Deputy OCPD in Kuantan Pahang involving all aspects of police duties and management. In 2003, he was transferred to Terengganu as Assistant Commissioner, holding the post of OCCI, i.e. State Head for all CID matter. In 2006, he was promoted to Senior Assistant Commissioner as Unit Head in Anti Money Laundering Unit in Commercial Investigation Department at Bukit Aman.

Dato' Lim does not hold any other directorships in other listed entities. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

He has not been convicted of any offences (other than traffic offences) within the past 5 years. Dato Lim attended seven (7) Board meetings held during the financial period ended 28 February 2025.

DR. KOAY BOON HOOI

Independent Non-Executive Director

Date of Appointment: 12 March 2021

Membership of Board Committee:

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

Malaysian, Male, aged 63

Dr. Koay holds a Degree in Accounting from University of Montevallo, Alabama, USA, Master of Business Administration from University of Alabama at Birmingham, USA, Executive Doctor in Business Administration from Sabi University, France, Honorary Doctor in Business Administration from SABI University, France and Honorary PhD in Business Administration with Specialization in Human Resources.

He is the Fellow and Trustee of the Malaysia Institute of Human Resource Management. He is actively participating in the development of the Institute via contribution in term of Corporate Governance. He also an external certification officer of Malaysia Skills and National Vocational Training Council of Malaysia Ministry of Human Resources. He is the Fellow of the Institute of Public Accountants, Australia and the Institute of Financial Accountants, UK. He is the Honorary Fellow (FPME Hon) of the Association of Professional Managers & Entrepreneurs. Recently, Dr. Koay has been admitted as Chartered Audit Committee Director by the Institute of Internal Auditors, Malaysia on 28 August 2023.

Dr. Koay does not hold any other directorships in other listed entities. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

He has not been convicted of any offences (other than traffic offences) within the past 5 years. Dr. Koay attended seven (7) Board meetings held during the financial period ended 28 February 2025.

PROFILE OF DIRECTORS (CONT'D)

GERALD NICHOLAS TAN ENG HOE

Independent Non-Executive Director

Date of Appointment: 4 July 2017

Membership of Board Committee:

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

Malaysian, Male, aged 56

Mr. Gerald has a Bachelor of Economics degree from the University of Western Australia and an MBA from the Graduate School of Business, The University of Sydney.

Mr. Gerald is a successful entrepreneur and investor with extensive experience in interactive television, mobile and new media businesses as well as Gaming and Leisure industry throughout Asia, Europe and Australia.

He started his career as an Investment Banker in Malaysia and Australia. After returning to Malaysia in 2000, Mr. Gerald embarked on his entrepreneurial career by founding one of the earliest mobile technology companies in Malaysia, which was later sold to a Scandinavian mobile technology company.

Mr. Gerald founded and successfully exited several other technology and interactive media companies.

Since 2012, Mr. Gerald has been an active investor, investing in technology, online games and gaming and leisure businesses both in Asia as well as Australia. He was previously the Chairman of MNC Wireless Berhad and was also a Non-Executive Director of Donaco International Limited, a company listed on the Australian Securities Exchange.

Mr. Gerald does not hold any other directorships in other listed entities. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries.

He has not been convicted of any offences (other than traffic offences) within the past 5 years. Mr. Gerald attended seven (7) Board meetings held during the financial period ended 28 February 2025.

KEY SENIOR MANAGEMENT

TONG SIAN SHYEN

Malaysian, Male, aged 61

Mr. Tong Sian Shyen was appointed to the Board as an Executive Director on 4 March 2019 and subsequently resigned as Executive Director and Managing Director on 16 October 2024 and was redesignated as Group Chief Executive Officer on the same day.

He has more than 30 years of financial, management and HR experience in a wide array of industries which includes manufacturing, Information Technology, Mobile Application & Digital Marketing, Construction, Property Development, Assembler, Timber & Logging and Agriculture produce, etc.

He started his career in a commercial firm with CI Holding group as Assistant Manager in charge of the operation and financial management of a divisional unit. He later moved to SME industries for a couple of years company specializing in debts and equity restructuring and financial management and reporting. In 2009, he joined PLC company, Dolomite Group as Finance & Administrative Manager. In 2010, he left Dolomite and joined NWP Group as Financial Manager for 4 years. He rejoined the company in 2017 as a Group Accountant. In 2018, he left NWP and joined MQ Technology as Financial Controller until he was appointed as Executive Director.

Mr. Tong does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries. He has not convicted of any offences (other than traffic offences) within the past 5 years.

KOK SENG PING

Malaysian, Male, aged 47

Kok Seng Ping graduated from Northumbria University Newcastle with a bachelor's degree in Business Administration (major in Finance and Accounting).

He begins his career as an account auditor for three years. Later he got the opportunity to enrol in the engineering field, to work as a production controller in Lite-Tech Solution Sdn Bhd, UV-Lamps manufacturer in Malaysia. From there, he started to pick up the knowledge and skills of manufacturing.

In 2011, he joined Microlead Precision Technology as a Production Planner. In the past 10 years, he has worn many hats from Production Planner to Business Development Manager and beyond.

During the management restructuring at the end of 2020, he was promoted as Microlead's Chief Operating Officer. In this role, he has worked to ensure the financial health and stability of Microlead through diligent monitoring of spending and profitability and risk mitigation, which has helped to turn this year revenue profitable.

Mr. Kok does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries. He has not convicted of any offences (other than traffic offences) within the past 5 years.

LIM CHUNG MING

Malaysian, Male, aged 43

Lim Chung Ming graduated from Chung Ling High School Penang and later pursued a Diploma in Information Technology in College IPG.

After graduation, he joined Microlead Precision Technology as a machinist apprentice in 2002. With his outstanding performance during his apprentice period, he was awarded the opportunity to involve in machine programming and later, he got promoted to QA Supervisor.

As the business grew in 2010, Lim Chung Ming was promoted to Production Planner and later Business Development Manager in the year 2015, to communicate with customers and work with the production team to meet customers' needs.

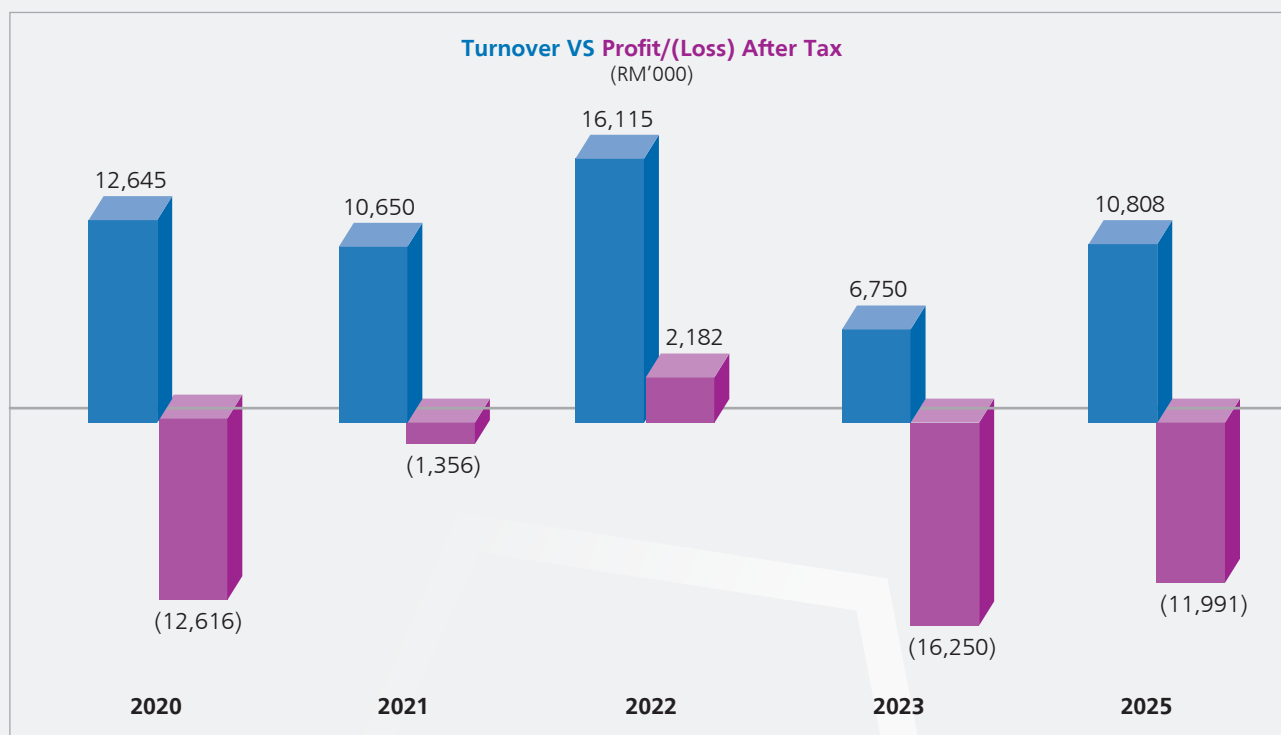
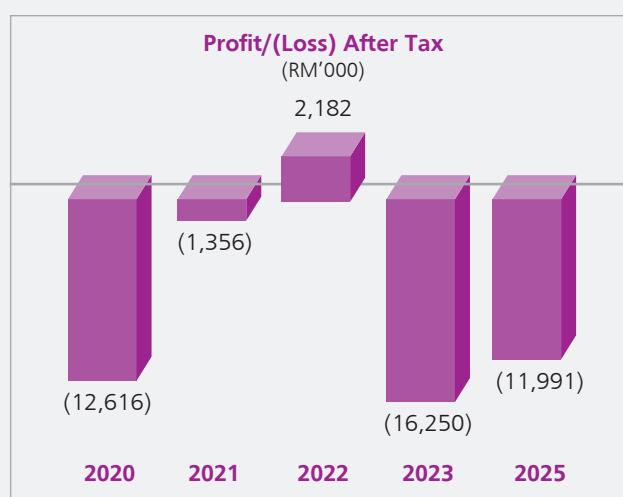
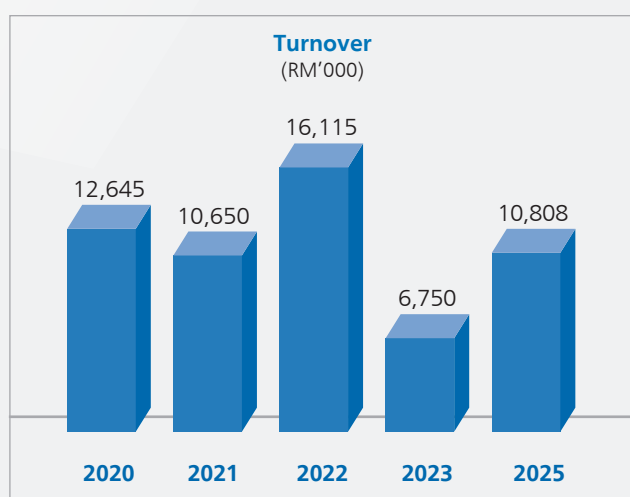
During the management restructuring at the end of 2020, he was promoted to Production Director.

He has worked to ensure productivity in this role and plan approaches and pitches to the customers' needs, concerns, and objectives.

Mr. Lim does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest in any business arrangements involving the Company and its subsidiaries. He has not convicted of any offences (other than traffic offences) within the past 5 years.

FINANCIAL HIGHLIGHTS

	Group 2020	Group 2021	Group 2022	Group 2023 (Restated)	Group 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	12,645	10,650	16,115	6,750	10,808
Profit/(Loss) Before Tax	(12,632)	(1,458)	1,442	(16,179)	(11,991)
Profit/(Loss) After Tax	(12,616)	(1,356)	2,182	(16,250)	(11,991)
Weighted Average No. of Share assumed in Issue ('000)	634,773	734,370	1,006,226	1,322,060	197,150
Weighted Average Profit/(Loss) per Share (sen)	(1.99)	(0.18)	0.22	(1.23)	(6.08)



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of MQ Technology Berhad (“MQ” or “the Company”) is pleased to present the Corporate Governance (“CG”) Overview Statement for the financial period ended 28 February 2025, which has been prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and an overview on the application of the Principles of corporate governance as promulgated by the Malaysian Code on Corporate Governance issued on April 2021 (“MCCG 2021”). This CG Overview Statement should be read in conjunction with the Company’s CG Report, which has set out details on how the Company has applied the Practices as set out in MCCG 2021.

The enhancement of shareholder value, the promotion of long-term value, and the building of a sustainable business require good corporate governance. To this end, the Board is steadfast towards maintaining high standards of corporate governance within the MQ and its subsidiaries (“the Group”) and upholding the Principles of MCCG 2021.

Details of the Group’s application of each practices set out in the MCCG 2021 are disclosed in the Corporate Governance Report, which is available on the Group’s website at www.mqtech.com.my.

1. Board Responsibilities

1.1 Board Charter and Board Committees

The Board is responsible and is accountable to shareholders for managing the business of the Group. The Board retains full and effective controls of the Company and is committed to take full responsibility for the overall corporate governance of the Group, including its strategic business direction and overall wellbeing.

The Board has retained for itself decisions in respect of matters significant to the Group’s business operations which include the approval of key corporate plans, major business transactions involving either the acquisitions or disposal of business, interests and/or assets, consideration of significant financial matters and announcements of financial results, appointments to the Board and control structure within the Group.

In performing its duties, the Board is guided by the Board Charter that sets out amongst others its roles, composition, responsibilities, powers, board committees and board meeting procedures. The key elements of governance principles embedded in the Board Charter regulate the Board’s conducts and guide the business strategic initiative of the Group. The Board Charter is available on the Company’s website at www.mqtech.com.my.

The Board has established five (5) Board Committees, namely Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Share Issue Scheme Committee that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to provide the Board with recommendations and advice. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. These Terms of Reference are reviewed from time to time in accordance with the needs of the Company and considering the changes in the business, governance and legal environment that may have an impact on the discharge of the Committees’ duties and responsibilities.

The Chairman of the various Committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision making, however, lies with the Board.

1.2 Company Secretary

The Board is supported by two (2) qualified secretaries, who are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) whom are qualified to act as Company Secretaries under the Companies Act, 2016. As practicing company secretaries, they have also attended continuous professional development programmes as required by MAICSA.

The Company Secretaries supports the Board in carrying out their fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group. The Company Secretaries also served as an advisory role to the Board, particularly with regards to the Company’s Constitution, Board’s policies and procedures and various compliance with regulatory requirement, codes, guidelines, legislation and the principles of corporate governance practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1. Board Responsibilities (Cont'd)

1.2 Company Secretary (Cont'd)

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board quarterly on these updates, where applicable at Board meetings. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

The Company Secretaries also attend Board, Board Committees and general meetings, and ensure that deliberations at the meetings are accurately minuted and kept in the minutes books and subsequently communicated to the relevant party for necessary actions. Such minutes of meetings are confirmed by the respective Board Committees and signed by the Chairman of the meeting.

1.3 Information and support for Directors

In order to manage the Group's business effectively, the Board meets on a quarterly basis to review the Group's financial and operational results, major investments, report from various Board Committees, related party transactions, strategic decisions and the overall direction of the Group. Additional meetings may be convened when urgent and important decision needs to be taken between the scheduled meetings. All the Directors had committed their time to the Board meetings held during the financial period. Prior to the meetings, notice of agenda together with previous minutes and other relevant information were circulated to all directors on a timely basis in order to enable the directors to be well informed and briefed before the meetings.

Apart from Board meetings, the Board also maintains control over matters that require its approval by circulating resolutions.

All the Directors have full and free access to all relevant Company's information, access to management and may obtain independent professional advice at the Company's expense that are deemed necessary to carry out their duties, subject to prior consultation with the Chairman.

The External Auditors also briefed the Board members on the latest Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial period.

1.4 Code of Conduct and Ethics

The Board observes the Code of Conduct and Ethics for the Company Directors established by the Companies Commission of Malaysia in discharging its role effectively. The Code of Conduct and Ethics requires all Directors to observe high ethical business standards and to apply these values to all aspects of the Group's business and professional practices and to act in good faith in the best interest of the Group and its Shareholders.

1.5 Whistle-blowing Policy

The Board had adopted the Whistle-blowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law, regulations or any illegal acts observed in the Group but not limited to financial malpractice or fraud, non-compliance, criminal activity and corruption. The Whistle-blowing Policy is reviewed annually and is available on the Company's website. There were no reported incidents pertaining to whistleblowing during the financial period ended 28 February 2025.

2. Board Composition

The principle emphasises the importance of right board composition in bringing value to the board deliberation and transparency of policies and procedures in selection and evaluation of Board members.

The current Board comprises of five (5) Directors, consisting of one (1) Senior Independent Non-Executive Vice Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors, including one (1) Independent Non-Executive Chairman. The Independent Non-Executive Directors satisfies the independence test under the ACE Marketing Listing Requirements of Bursa Securities, constitute 80% of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2. Board Composition (Cont'd)

The Company complies with the criteria of Bursa Securities' ACE Market Listing Requirements of ensuring that at least two (2) Directors or one-third (1/3) of the Board of Directors, whichever is the higher, are independent directors.

The Executive Director is responsible for the making of the day-to-day business and operational decisions and implementation of Board policies. There is a clear division of duties and responsibilities amongst them in order to maintain a balance of control, power and authority within the Management.

The Independent Non-Executive Directors are responsible in exercising independent judgement and to act in the best interests of the Group in ensuring that decisions made by the Board are deliberated fully and objectively with regards to the long-term interest of all stakeholders. They have declared themselves to be independent from management and free of any relationship which could interfere with the exercise of their independent judgement and objective participation and decision-making process of the Board.

The Board is confident that its current size and composition reflects an appropriate balance of Executive Director and Independent Non-Executive Directors which is adequate for the scope and nature of the Group's business and operations.

The Company currently does not have a policy to limit the tenure of its Independent Directors. Nevertheless, the Board has considered the independence of the Independent Director whose tenure had exceeded nine (9) years, namely Dato' Lim Char Boo.

In their respective assessment, Dato' Lim Char Boo has confirmed that he do not have personal interest or conflict of interest and have not entered or expected to enter into any contract or transaction with the Company or the Group and he do not assist the Company in any operational matters of the Group.

Based on the above assessment, the Board generally satisfied with the level of independence demonstrated by Dato' Lim Char Boo. In view thereof, the Company will seek shareholders' approval through a two-ties voting process to retain Dato' Lim Char Boo who had served as Independent Directors for more than nine (9) years and had abstained from any deliberations or voting pertaining to his independence at the Board level.

2.1 Diversity on Board and Senior Management

The Board and the Nomination Committee take into account the current diversity in the skills, experience, age, race/ethnicity (cultural background) and nationality of the existing Board in seeking potential candidate(s). The Committee has the responsibility to ensure that the Board comprises suitably qualified members that demonstrate appropriate qualities and experience that contribute to effective oversight and stewardship.

The Board will continue to review the optimum Board size based on the business requirement. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions amongst members of the Board.

2.2 Gender Diversity

The Board is committed to maintain an appropriate balance in terms of diversity in experience, skills, competence, caliber and gender in order to have balanced, comprehensive and thorough decision makings. The Board consists of members with a broad range of skills, well-rounded experience and knowledge in different fields relevant to oversee the business. The Board ensures that each member has a proper understanding of the Group's business and competence to deal with current and emerging issues of the Group.

As the date of this Annual Report, the Board comprised of five (5) Directors, of whom one (1) is female, providing a representation rate of 20% which complies with the new requirement of ACE Market Listing Requirements of Bursa Securities to have at least one (1) woman Director on the Board.

The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% woman representation target at the Board level as required, the Board is channeling its effort in getting other women who could meet the objective criteria, merit and with due regard for diversity in skills, experience and age to join the Board.

The Board currently does not have a formal policy on its boardroom or gender diversity. The evaluation and selection criteria of a Director are very much dependent on the effective blend of knowledge, skills, competencies, experiences and time commitment of the new Board member. Nonetheless, the Board is supportive of gender diversity in the Boardroom composition as recommended by the MCCG 2021 and will endeavour to consider suitable and qualified female candidates for appointment to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2. Board Composition (Cont'd)

2.3 Nomination Committee

The Board has established a Nomination Committee to provide advice and assistance to the Board in matters relating to appointment of new Directors, board composition, training program and performance evaluation on effectiveness of the Board, Board Committees and individual directors. Full details of the Nomination Committee's duties and responsibilities are stated in its Terms of Reference which is available on the Company's website.

The Nomination Committee comprises exclusively of Independent Non-Executive Directors and chaired by the Senior Independent Non-Executive Director. The Committee meets as and when required, at least once a year. During the financial period, two (2) meetings were carried out, with attendance as follows:

Name of Directors	Designation	No. of Meetings Attended
Dato' Lim Char Boo (Senior Independent Non-Executive Vice Chairman)	Chairman	2/2
Dr. Koay Boon Hooi (Independent Non-Executive Director)	Member	2/2
Mr. Gerald Nicholas Tan Eng Hoe (Independent Non-Executive Director)	Member	2/2

During the financial period, the Nomination Committee had carried out the following activities:

- assessed the performance of the Board, Board Committees and individual Director, including the term of office and performance of the Audit Committee and each of its members;
- assessed the independence of the Independent Directors;
- reviewed the performance of retiring Directors and recommended them to the Board for re-election at the forthcoming Annual General Meeting ("AGM");
- reviewed the size of the Board against the size of the Group and the complexity of the business to assess the impact of the number upon its effectiveness;
- ensure all Directors receive appropriate continuous training programmes.

2.4 Review of proposed Directors for Re-election/Re-appointment

In accordance with Clause 97 of the Company's Constitution, all Directors of the Company shall retire from office at the first AGM and at the AGM in every subsequent year, one-third (1/3) of the Directors for the time being, or if their number is not three or a multiple of three (3), then the number nearest one-third (1/3) shall retire from office.

In accordance with Clause 104 of the Company's Constitution, all newly appointed Directors of the Company during the financial period shall retire at the forthcoming AGM.

In considering whether to recommend a Director who is eligible to stand for re-election, the NC would consider a variety of factors, including:

- the Director's contributions to the Board and ability to continue to contribute productively;
- the Director's attendance at Board and committee meetings;
- the Director's compliance with the MCCG 2021;
- whether the Director continues to possess the attributes, capabilities and qualifications considered necessary or desirable for Board service; and
- the independence of the Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2. Board Composition (Cont'd)

2.4 Review of proposed Directors for Re-election/Re-appointment (Cont'd)

Based on the results of the assessment undertaken for the financial period ended 28 February 2025, the Nomination Committee resolved to recommend to the Board that:

- Dato' Lim Char Boo and Mr. Gerald Nicholas Tan Eng Hoe who are due to retire pursuant to Clause 97 of the Company's Constitution stands for re-election at the forthcoming AGM.
- Encik Abdul Rahim Rajah Bin Abdullah who is due to retire pursuant to Clause 104 of the Company's Constitution stands for re-election at the forthcoming AGM.

2.5 Evaluation of Board, Board Committees and Individual Directors

The Nomination Committee annually performs a board self-evaluation to evaluate the performance of the Board, Board Committees and individual Director, in order to verify that the Board is operating effectively and efficiently as a whole. Each Director completed a detailed questionnaire in the Directors' Performance Evaluation which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Terms of Reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company's ongoing corporate governance practices.

Based on the assessment carried out during the financial period, the Nomination Committee had concluded the following:-

- (a) The Board was found to be competent and had a dynamic and balanced mix of skills and experience wherein the Directors were able to contribute effectively to the Board's decision-making process.
- (b) The current structure, size and composition of the Board, which comprises people who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Company effectively.
- (c) The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.
- (d) The Board and Board Committees had contributed positively to the Company and its subsidiaries and were operating in an effective manner.
- (e) The Board Chairman had performed an excellent manner and contributed to the Board.
- (f) The performances of the Board Committees were found to be effective.

2.5.1 Time commitment

The Board undertakes to meet at least four (4) times a year, which are scheduled in advanced to facilitate the Directors in planning their meeting schedule for the year. During the financial period ended 28 February 2025, Seven (7) Board meetings were held and the details of the attendance of the Directors are set out as below:-

Name of Directors	Attendance
Dato' Lim Char Boo	7/7
Gerald Nicholas Tan Eng Hoe	7/7
Tong Sian Shyen (Resigned on 16 October 2024)	4/4
Terence Cheah Eu Lee	7/7
Dr. Koay Boon Hooi	7/7
Dato' Nurulhidayah Binti Ahmad Zahid	5/7
Abdul Rahim Rajah Bin Abdullah (Resigned on 3 June 2025)	1/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2. Board Composition (Cont'd)

2.5 Evaluation of Board, Board Committees and Individual Directors (Cont'd)

2.5.2 Directors' training

The Board recognises the importance of continuous training to remain abreast of the latest developments in related industry and changes to the regulatory environment. The assessment on individual Director also provided the Board with valuable insights into training and development needs of each Director, to ensure that each Board member's contribution to the Board remains informed and relevant.

During the financial period, all the Directors had participated in various training programs. Particulars of the seminars and courses attended are as follows:

Name of Directors	Date	Programmes/Seminar
Dr. Koay Boon Hooi	6 – 7 November 2023	MIHRM National Seminar on HR Best Practices
	22 – 23 October 2024	24th National Seminar HR Best Practices
	9 – 12 December 2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Abdul Rahim Rajah Bin Abdullah	26 – 27 February 2025	Mandatory Accreditation Programme

All Directors of the Company had attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities") for Directors of public listed companies.

During the financial period ended 28 February 2025, besides from attending the briefings conducted by the Company Secretary pertaining to the updates on the Listing Requirements, Conflict of Interest and Mandatory Accreditation Programme II, the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affect the Group's Financial Statements.

3. Remuneration

3.1 Remuneration Policy

The Board has recognized the need to establish a fair and transparent Remuneration Policy with the objective of guiding the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and key Senior Management. On an annual basis, the Remuneration Committee reviewed and recommended to the Board the remuneration packages of the Executive Directors and key Senior Management, while the remuneration for the Non-Executive Directors was determined by the Board as a whole. Fees and benefits payable to the Directors are subject to shareholders' approval at the Company's AGM. The affected Directors had abstained from participation in deliberations and decisions regarding their individual remuneration.

In making its recommendation, the Remuneration Committee considered the principles set out in the Remuneration Policy. The remuneration was structured to align rewards to corporate and individual performances besides adequately compensating the Directors for risks and complexities of the duties and responsibilities they assumed. The Remuneration Committee also obtained data for similar roles of other public listed companies in the same industry for comparison.

All Executive Directors and Senior Management are subject to an annual performance rating which serves as a basis to determine their variable compensation payments. The Remuneration Policy also covers bonus framework for the Executive Directors and Senior Management, which link their appraisal process to specific reward and incentive outcomes. The appraisal process will assess the individual performance against the Key Performance Indicator targets and competency capability in meeting the Group's core values and Leadership and Management Expectations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

3. Remuneration (Cont'd)

3.2 Remuneration Committee

The Remuneration Committee was established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and Senior Management personnel. Full details of the functions and duties of the Remuneration Committee are stated in its Terms of Reference which is available on the Company's website.

The Remuneration Committee comprises of all Independent Non-Executive Directors with a majority of Independent Non-Executive Directors. During the financial period, one (1) meeting was carried out with attendance as follows:

Name of Directors	Designation	No. of Meetings Attended
Dato' Lim Char Boo (Senior Independent Non-Executive Vice Chairman)	Chairman	1/1
Tong Sian Shyen (Executive Director)(Resigned on 16 October 2024)	Member	1/1
Dr. Koay Boon Hooi (Independent Non-Executive Director)	Member	1/1
Gerald Nicholas Tan Eng Hoe (Independent Non-Executive Director) (Appointed on 16 October 2024)	Member	N/A

The Remuneration Committee is responsible for recommending to the Board the remuneration framework for Directors as well as the remuneration packages for Executive Directors and Senior Management. The Executive Directors and Senior Management did not participate directly in any way in determining their individual remuneration. The Board as whole determines the remuneration of Non-Executive Directors with individual Director abstaining from decisions in respect of their individual remuneration. The Board recommends the Directors' fees payable to Independent Non-Executive Directors on an annual basis for shareholders' approval at the AGM.

3.3 Remuneration of Directors

The aggregate remuneration of the individual Director for the financial period ended 28 February 2025 is as follows:-

Company Level

Name of Directors	Salaries and Other Emoluments (RM)	EPF and SOCSO (RM)	Director Fees (RM)	Total (RM)
Executive Directors				
Tong Sian Shyen (Resigned on 16 October 2024)	200,000	24,988	-	224,988
Terence Cheah Eu Lee	153,000	20,099	-	173,099
Abdul Rahim Rajah Bin Abdullah (Appointed on 16 October 2024 & resigned on 3 June 2025)	22,500	3,359	-	25,859
Non-Executive Directors				
Dato' Lim Char Boo	-	-	85,000	85,000
Gerald Nicholas Tan Eng Hoe	-	-	51,000	51,000
Dr. Koay Boon Hooi	-	-	51,000	51,000
Dato' Nurulhidayah Binti Ahmad Zahid	-	-	170,000	170,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)**3. Remuneration (Cont'd)****3.3 Remuneration of Directors (Cont'd)****Group Level**

Name of Directors	Salaries and Other Emoluments (RM)	EPF and SOCSO (RM)	Director Fees (RM)	Total (RM)
Executive Directors				
Tong Sian Shyen (Resigned on 16 October 2024)	269,500	34,524	-	304,024
Terence Cheah Eu Lee	153,000	20,099	-	173,099
Abdul Rahim Rajah Bin Abdullah (Appointed on 16 October 2024 & resigned on 3 June 2025)	22,500	3,359	-	25,859
Non-Executive Directors				
Dato' Lim Char Boo	-	-	85,000	85,000
Gerald Nicholas Tan Eng Hoe	-	-	51,000	51,000
Dr. Koay Boon Hooi	-	-	51,000	51,000
Dato' Nurulhidayah Binti Ahmad Zahid	-	-	170,000	170,000

3.4 Remuneration of Senior Management

The remuneration of the Senior Managements is set out as follows:-

Range of Remuneration (RM)	Number of Senior Management
Up to RM 50,000	0
RM50,001 to RM 100,000	0
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1

(The details of Senior Management's remuneration are not shown, as the Board considers the information of the said remuneration to be sensitive and proprietary in view of the competitive nature and to support the Company's efforts in retaining executive talents. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Senior Management's remuneration are appropriately served by the disclosures in the RM50,000 bands. The total remuneration paid to each Senior Management reflects the time and effort devoted to fulfil his or her responsibilities on the Board and linked to the Group's performance).

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

4. Effective Audit and Risk Management

4.1 Audit Committee

Name of Directors	Designation
Dr. Koay Boon Hooi	Chairman Independent Non-Executive Director
Dato' Lim Char Boo	Member Senior Independent Non-Executive Vice Chairman
Mr. Gerald Nicholas Tan Eng Hoe	Member Independent Non-Executive Director

The Chairman of the Audit Committee is not the Chairman of the Board. In addition, the Audit Committee is comprised exclusively of Independent Non-Executive Directors. The Audit Committee Report is set out separately in this Annual Report. Full details of the Audit Committee's duties and responsibilities are stated in its Terms of Reference, which is available on the Company's website.

4.2 Oversight of External Auditors

The External Auditors of the Company fulfill an essential role in giving assurance to the Company's shareholders on the reliability of the Group's Financial Statements.

The Audit Committee reviews the independence, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM on an annual basis. The External Auditors would provide written assurance to the Board in respect of its independence to act as the External Auditors of the Group. The Audit Committee would convene a private session with the External Auditors without the presence of the Executive Directors and Senior Management.

Details of the audit and non-audit fees paid/payable to the External Auditors for the financial period ended 28 February 2025 are as follows :-

	COMPANY RM	GROUP RM
Statutory audit fees paid/payable	61,000	150,000
Non-audit fees paid/payable	5,000	5,000

The full details of the role of the Audit Committee in relation to the External Auditors is set out in the Audit Committee Report of this Annual Report.

4.3 Risk Management and Internal Control Framework

The Board acknowledges that risk management and internal control systems are an integral part of effective management practice. As risk is inherent in all business activities, hence, it is not the Group's objective to eliminate risk totally. There is an on-going process in place to identify, evaluate, monitor, and manage key risks faced by the Group and the Board reviews the key risks highlighted to ensure the relevant action is taken to mitigate the risk of the Group to safeguard shareholders' investment and Group's assets.

The Board is assisted by the Risk Management Committee to ensure the risk and control framework is embedded into the culture, processes and structure of the Group.

Further details of the Group's Risk Management and Internal Control Systems are reported in the Statement of Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

4. Effective Audit and Risk Management (Cont'd)

4.4 Internal Audit Function

The Board has established an Internal Audit function which is currently outsourced to a professional firm. Functionally, the Internal Auditors report to the Audit Committee directly and they are responsible for conducting periodic reviews and appraisals of the effectiveness of the governance, risk management and internal control processes within the Group.

The scope of work covered by the internal audit function during the financial period, summary of activities carried out, including its observations and recommendations, are provided in the Statement on Risk Management and Internal Control and Audit Committee Report of this Annual Report.

5. Communication with Stakeholders

The Company refers to ACE Market Listing Requirements of Bursa Securities as a fundamental basis for the ongoing disclosure and announcement to Bursa Securities. The Board is advised by Management, Company Secretary, the External Auditors and Advisors on the contents and timing of disclosure of the financial results and various announcements in accordance with the Listing Requirements.

The Board is committed in providing accurate, useful and timely information about the Company, its business and its activities. Realising the importance of timely and thorough dissemination of material information to the shareholders, investors and the public at large, the Company maintains an open communication policy with its shareholders, investors and public at large and welcome feedback from them.

The Group's information is disseminated through various disclosures and announcements made to Bursa Securities.

5.1 Integrated Reporting

The nature and pace of change in businesses today have evolved over time and stakeholders are now placing greater emphasis on the future performance and non-financial information of a company. In tandem with the growing demand, the Company would consider adopting integrated reporting in the near future.

5.2 Conduct of General Meetings

5.2.1 Notice of general meeting

The Board recognises the rights of shareholders. In order to continue encouraging shareholders participation in the general meetings, the Board would ensure that the Notice of AGM is sent to shareholders at least twenty-eight (28) days ahead of the date of general meeting and to provide sufficient time and opportunities for shareholders to seek clarifications during general meetings on any matters pertaining to the issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the operational and financial performance of the Company.

5.2.2 Attendance of Directors at general meetings

The AGM is the key element of the Company's dialogue with its shareholders. During the AGM, shareholders are encouraged to ask questions about the resolutions being proposed, about the Company's operations in general or about the annual reports of the Company and of the Group. All the Directors, Senior Management and External Auditors are available in the AGM to provide responses to questions from the shareholders.

The Chairman plays a vital role in fostering constructive dialogue between the Board and the shareholders. All the members of the Board and the respective Chairman of the Board's Committees are present at the meetings to address queries raised by the shareholders which are relevant to their areas of responsibility.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

5. Communication with Stakeholders (Cont'd)

5.2 Conduct of General Meetings (Cont'd)

5.2.3. Voting

In the event that shareholders are unable to attend the AGM in person, they are encouraged to appoint one (1) or up to two (2) proxies to attend and vote in his/her stead. The outcome of the meeting is announced to Bursa Securities on the same day, which is also accessible on the Company's website.

The Company conducts a poll voting on each resolution tabled during the general meetings to support shareholders' participation. As the number of shareholders of the Company is not large, the Company currently conducts a manual poll voting instead of electronic poll voting. With the poll voting, each shareholder present in person or represented by proxy at the general meeting will be entitled to vote on a one-share, one-vote basis. At least one (1) Independent scrutineer is appointed to validate the votes cast at the meeting.

6. COMPLIANCE STATEMENT

The Board confirms that the Group has made significant effort to maintain high standards of corporate governance throughout the year under review. The Board acknowledges that achieving good in corporate governance is a continuous process and is committed to play a pro-active role in steering the Group towards the highest level of integrity and ethical standards.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 25 June 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance (“MCCG”) emphasizes that listed companies must maintain a robust system of risk management and internal control to safeguard shareholders’ investments, the Group’s assets, and the interests of other stakeholders.

In line with this, the Board of Directors (“the Board”) is pleased to present the Statement on Risk Management and Internal Control for the financial period ended 28 February 2025 (“FPE 2025”). This Statement outlines the nature and scope of the Group’s risk management and internal control systems.

The preparation of this Statement is undertaken in accordance with Paragraph 15.26 (b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“ACE LR”), the Malaysian Code on Corporate Governance, and the “Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.”

BOARD RESPONSIBILITY

The Board recognizes its overall responsibility for overseeing the effectiveness of the Group’s risk management and internal control systems, aimed at safeguarding stakeholders’ interests and protecting the Group’s assets.

The Board acknowledges that the Group’s system of internal control is designed to manage, rather than to eliminate, the risks of failure to achieve business objectives. As such, the system provides reasonable, but not absolute, assurance against the occurrence of material misstatement, loss, fraud, or irregularities.

To discharge its responsibilities, the Board is assisted by the Risk Management Committee (“RMC”) and the Audit Committee (“AC”), which review and assess the adequacy and effectiveness of the Group’s risk management and internal control practices. Significant matters relating to financial and non-financial controls highlighted by Management, the Internal Auditor, and the External Auditor are brought to the attention of the RMC and AC, and subsequently reported to the Board for deliberation and decision-making.

The Board remains committed to continuously enhancing the Group’s risk management framework and internal control processes to ensure they remain robust and fit for purpose in a dynamic business environment.

RISK MANAGEMENT FRAMEWORK

The Board acknowledges the critical role of the risk management framework in safeguarding the Group’s long-term sustainability and operational efficiency. It recognizes that effective risk management is an essential part of daily operations and aims to integrate risk management into the decision-making process at all levels of the organization.

The Board continues to emphasize the importance of fostering a risk-aware culture and has embedded the following key practices within the Group:

1. **Communication and Alignment of Objectives:** Ensuring clear communication and alignment of objectives throughout the organization, reinforcing the importance of managing risks in pursuit of corporate goals.
2. **Risk Identification and Assessment:** Proactively identifying and evaluating risks that may affect the Group’s business objectives, operations, and growth prospects, ensuring a comprehensive approach to risk assessment.
3. **Creating a Risk-Aware Culture:** Promoting a culture where risk awareness is embedded at all levels of the Group, encouraging accountability and ownership of risks across departments.
4. **Systematic Risk Review Process:** Implementing a structured process to continuously monitor, review, and report identified risks, ensuring timely actions are taken to address emerging risk factors.
5. **Implementing Effective Procedures:** Taking proactive measures to implement appropriate procedures for managing identified risks, ensuring that mitigating actions are in place to minimize potential impact.

To operationalize this framework, the Board empowers the management team, including Executive Directors and functional heads, to take charge of identifying, evaluating, and managing risks. The management team regularly reports risk-related matters to the Board through the Risk Management Committee (“RMC”), ensuring alignment with the Group’s evolving strategic priorities.

The Board remains committed to continuously enhancing the risk management framework, ensuring that it remains fit for purpose and aligns with the Group’s objectives. The Board recognizes that while the framework provides reasonable assurance, it cannot eliminate all risks, but ensures that the Group operates within its defined risk appetite.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION

The Board acknowledges the critical role of an effective internal audit function in upholding robust risk management and internal control systems. For the financial period ending 28 February 2025, the Group continued to engage YC Consultancy, an independent professional firm, to perform internal audit services.

To ensure independence and objectivity, the internal auditors report directly to the Audit Committee. Their work during the year adhered to established internal audit standards and methodologies, including reference to the COSO Internal Control – Integrated Framework. The internal audit scope included interviews, walkthrough tests, and policy reviews, which were conducted across key operational areas identified through risk assessments and management consultations.

The internal audit recommendations issued in the prior year were successfully implemented in a timely manner, demonstrating the Group's strong commitment to continuous compliance and control integrity. In FPE 2025, follow-up reviews will continue to be conducted as part of standard audit procedures to ensure the sustained effectiveness of these controls.

The Audit Committee remains actively involved, reviewing audit reports and findings at regular intervals to provide governance oversight. While no significant weaknesses were reported during the period, the Group will remain vigilant in monitoring its internal control environment. Based on the internal audit outcomes, no additional improvements were deemed necessary for the period under review, reflecting the effectiveness and stability of the current control systems.

For the period from 1 October 2023 to 28 February 2025, the total cost incurred for the internal audit function was RM8,000, underscoring the Group's ongoing commitment to an independent and value-driven internal assurance process.

KEY ELEMENTS OF INTERNAL CONTROL

The Board has established an organizational framework with clearly defined reporting lines, delegated authorities, and specific responsibilities. These are structured through various Board Committees—including the Audit Committee, Nomination Committee, Remuneration Committee, and Risk Management Committee—to promote sound governance and effective decision-making.

The key components of the Group's internal control system are outlined below:

1. **Organizational Structure:** The Group maintains a well-defined organizational structure with clear levels of authority, responsibility, and accountability. This ensures that decision-making is carried out in accordance with established policies and that key operational and financial responsibilities are clearly assigned across all levels of the Group.
2. **Internal Procedures Updates:** The Group's internal policies and standard operating procedures are reviewed and updated periodically to ensure they remain relevant and aligned with evolving regulatory requirements, operational needs, and industry best practices. This enables consistent implementation of controls and promotes adherence to compliance standards.
3. **Ongoing Performance Monitoring:** The Board and senior management regularly assess the Group's performance through structured platforms such as quarterly Board and Audit Committee meetings. These reviews cover financial, strategic, and operational matters. Additionally, interim discussions and reporting mechanisms are in place to enable timely intervention and responsive action in line with the Group's objectives and risk appetite.

ASSURANCE FROM MANAGEMENT

The Board recognizes that as the Group evolves and the business landscape shifts, it is necessary to continually strengthen and refine the internal control and risk management systems. The Board remains committed to adopting appropriate measures to enhance these systems to support the achievement of the Group's objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY External Auditors

In compliance with Chapter 15.23 of the ACE Market Listing Requirements, the External Auditors have reviewed this Statement. Their review was conducted based on the Revised Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidelines for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

Following their review, the External Auditors have reported to the Board that nothing has come to their attention that would indicate this Statement is inconsistent with their understanding of the processes undertaken by the Board to assess the adequacy and integrity of the internal control system.

It should be noted that AAPG 3 does not require the External Auditors to determine whether the Statement covers all risks and controls, nor to form an opinion on the overall adequacy and effectiveness of the Group's risk management and internal control systems, including the assessments made by the Board and management. The External Auditors' report was prepared solely for the Board in relation to compliance with the Bursa Malaysia Securities Berhad ACE Market Listing Requirements and not for any other purpose. The External Auditors do not assume responsibility to any other party in respect of any aspect of this Statement.

CONCLUSION

The Board has reviewed and evaluated the adequacy and effectiveness of the Group's risk management and internal control systems, based on information provided by the key management team and the assurances received from the External Auditors. There were no material losses recorded during the financial period under review that resulted from deficiencies in the risk management and internal control systems. The Board and management are committed to continuously enhancing and strengthening the Group's operating environment and control processes to support the achievement of business objectives.

The Board is satisfied that, for the financial period ended 28 February 2025, the Group's risk management and internal control systems were adequate and operating effectively to safeguard the Group's assets, the interests of stakeholders, and the investments of shareholders.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 25 June 2025.

SUSTAINABILITY STATEMENT

INTRODUCTION

The Board is pleased to present the Sustainability Statement for the financial period ended 28 February 2025, which highlights our Group's continued commitment to Environmental, Social, and Governance (ESG) practices. This Statement outlines the sustainability-related efforts and performance of our Group, with particular focus on the manufacturing operations located in Penang, Malaysia.

MQ is an investment holding company, with our principal subsidiary actively engaged in the manufacturing of moulds, tools, dies, jigs, and fixtures. The information disclosed herein covers the extended reporting period of 17 months from 1 October 2023 to 28 February 2025, reflecting the Group's activities, key progress, and ongoing initiatives across ESG pillars during this period.

This Statement is prepared with reference to the Sustainability Reporting Guide and Toolkits (3rd Edition) issued by Bursa Malaysia, and complies with the Ace Market Listing Requirements. The Group remains committed to aligning its sustainability approach with the Sustainable Development Goals (SDGs), seeking to foster positive impact on the community, environment, and all relevant stakeholders through responsible and inclusive business practices.

GOVERNANCE

The Board continues to uphold a robust sustainability governance framework that aligns with MQ's long-term strategic goals and corporate values. This structured approach integrates sustainability considerations into our business operations and decision-making processes, while also responding to the evolving environmental, social, and governance (ESG) landscape, increasing stakeholder expectations, and the Group's current sustainability maturity level.

To ensure effective oversight and implementation, MQ has established a governance structure with clearly defined roles, responsibilities, and accountability across multiple organizational levels. This multi-tiered model is essential for embedding ESG principles into MQ's corporate culture and operations. It supports the alignment of sustainability efforts with business priorities and enables proactive management of ESG-related risks and opportunities.

The following outlines the ESG roles and responsibilities at each governance level:

Governance Level	Roles & Responsibilities
Board of Directors	<ul style="list-style-type: none"> ➤ Oversees the Group's overall sustainability direction and performance ➤ Provides strategic oversight on ESG risks and opportunities ➤ Embeds sustainability within the Group's strategic decision-making
Audit & Risk Management Committee	<ul style="list-style-type: none"> ➤ Monitors the adequacy of governance frameworks and internal controls ➤ Reviews compliance related to sustainability matters ➤ Assesses and evaluates sustainability-related risks and opportunities
Executive Director	<ul style="list-style-type: none"> ➤ Leads the formulation of ESG strategies and sustainable practices ➤ Facilitates communication of sustainability goals to internal and external stakeholders
Management Team	<ul style="list-style-type: none"> ➤ Implements sustainability initiatives across departments ➤ Provides support to the Board and Committees on ESG performance and reporting

The Group remains committed to continuously enhancing its sustainability governance framework by building internal ESG capabilities, improving data collection and analysis processes, and strengthening accountability mechanisms. As stakeholder expectations and regulatory requirements evolve, MQ will regularly review and refine its governance practices to ensure continued agility, transparency, and responsibility.

SUSTAINABILITY STATEMENT (CONT'D)

Code of Conduct and Ethics

MQ continues to uphold a strong culture of integrity, guided by a zero-tolerance approach towards fraud, bribery, corruption, and unethical conduct. The Group's Code of Conduct and Ethics provides a foundational framework for all Directors and employees, promoting responsible and ethical behaviour across all levels of the organisation.

This Code covers key areas including regulatory compliance, fair dealing and equality, conflict of interest, confidentiality, asset protection, health and safety, as well as anti-bribery, anti-corruption, and anti-money laundering practices. It is actively communicated through various internal platforms, such as employee induction programmes and the corporate website, to ensure awareness and accountability.

For the period under review, the Group recorded no incidents of fraud, bribery, corruption, or related breaches, reflecting its ongoing commitment to ethical governance and transparency. MQ remains dedicated to fostering a culture of compliance and trust as part of its long-term sustainability goals.

Whistleblowing Policy

MQ remains firmly committed to promoting a culture of transparency, integrity, and accountability throughout its operations. As part of this commitment, the Group continues to maintain an active Whistleblowing Policy, which serves as a formal channel for employees, officers, and external stakeholders to report suspected misconduct, unethical behaviour, or breaches of company policies.

The Policy ensures that all concerns raised in good faith are treated with the highest level of seriousness and confidentiality. Clear procedures are outlined to facilitate reporting, and protections are in place to safeguard whistleblowers from retaliation. The Whistleblowing Policy remains accessible via the Group's corporate website at MQ-WBP.pdf (mqtech.com.my).

For the reporting period, no whistleblowing reports were received. Nonetheless, the Group remains committed to maintaining an open and safe environment that encourages individuals to speak up without fear, thereby reinforcing the Group's overall governance framework.

Materiality Assessment







For the financial period ended 28 February 2025, MQ did not carry out a formal materiality assessment exercise. Given the stable nature of the Group's operations and the absence of new or emerging sustainability concerns, the Board has determined that the previously identified sustainability matters remain relevant and sufficient for guiding the Group's sustainability efforts.

No significant changes were observed in the sustainability issues impacting MQ's business during the period. As such, the Group continues to focus on maintaining its current practices and disclosures, which align with the existing operational scale and stakeholder expectations. The Board will revisit the need for a materiality assessment in future reporting years should operational complexities or stakeholder needs evolve.

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Engagement

MQ considers stakeholders as parties affected by our Group's business decisions and activities, whose actions significantly influence MQ's business growth. Regular engagement with diverse stakeholders enables us to identify and align their key priorities and concerns with our Group's business practices and strategies for addressing material sustainability matters.

Stakeholder Group	Engagement Focus & Objectives	Engagement Approach & Initiative
Employees 	<ul style="list-style-type: none"> ➤ Continuing learning and growth- Career development ➤ Employee welfare ➤ Well-being and work-life balance 	<ul style="list-style-type: none"> ➤ Annual staff performance appraisal ➤ Trainings, workshops, and leadership development programs ➤ Regular meetings and discussions to enhance engagement ➤ Creating a positive, safe, and healthy working environment ➤ Focused initiatives on employee well-being and work-life balance
Customers 	<ul style="list-style-type: none"> ➤ Customer satisfaction ➤ Product and service quality ➤ Meeting customer expectations 	<ul style="list-style-type: none"> ➤ Regular meetings with customers ➤ Site visits ➤ Written communication to address concerns ➤ Customer satisfaction surveys ➤ Ensuring product quality through inspections and quality assurance processes
Suppliers 	<ul style="list-style-type: none"> ➤ Supply chain efficiency ➤ Continuing supply of quality materials and services ➤ Collaborative partnerships 	<ul style="list-style-type: none"> ➤ Regular meetings with suppliers ➤ Site visits ➤ Written communication to discuss business support ➤ Providing accurate forecasts and lead times ➤ Sourcing backup subcontractors or suppliers to ensure operational continuity
Community 	<ul style="list-style-type: none"> ➤ Reputation and branding ➤ Corporate social responsibilities (CSR) ➤ Contribution to local development and social impact 	<ul style="list-style-type: none"> ➤ Annual CSR report ➤ Engaging local suppliers and workers for community development ➤ Supporting community initiatives and charitable partnerships
Financial Institutions 	<ul style="list-style-type: none"> ➤ Continuous financial support ➤ Transparent financial reporting ➤ Building strong investor confidence 	<ul style="list-style-type: none"> ➤ Annual and quarterly reports ➤ Regular discussions with financial stakeholders ➤ Timely submission of financial statements and disclosures
Government & Regulators 	<ul style="list-style-type: none"> ➤ Compliance with laws and regulations ➤ Contribution to sustainable practices ➤ Engaging in industry dialogues 	<ul style="list-style-type: none"> ➤ Participation in industry dialogues, seminars, and meetings ➤ Timely submission of tax filings and compliance reports ➤ Engaging with regulatory bodies on emerging sustainability regulations and standards

For the financial period ended 28 February 2025, MQ maintained cordial and professional relationships with all key stakeholder groups. While no new stakeholder engagement initiatives were introduced during the period, the Group continued to uphold its commitment to transparent and constructive interactions with employees, customers, suppliers, the community, financial institutions, and regulators.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC IMPACT

Quality Management and Product Responsibility

The Group remains steadfast in its commitment to maintaining the highest standards of quality and regulatory compliance. In 2025, the Group successfully underwent the ISO 9001:2015 Surveillance 3 audit on 20 March 2025, which confirmed the continued effectiveness of the Quality Management System (QMS), with no non-conformities reported. This reinforces the Group's dedication to operational excellence and continual improvement.

As part of the audit process, several Opportunities for Improvement (OFIs) were identified. The Group has proactively developed action plans to address these findings and enhance operational efficiency, compliance, and employee competency. The following outlines the key OFIs and corresponding initiatives:

- **Establishing HR Objectives and Structured Training Plan:** The Group will set specific HR objectives focusing on enhancing job-related competencies by June 2025. A comprehensive training plan will be developed, incorporating refresher courses on ISO 9001:2015 awareness, internal auditor training, and scheduled waste management training to align with regulatory requirements and best practices.
- **Updating Job Descriptions with Revised Competency Requirements:** The Human Resources team will conduct a full review and update of all job descriptions across operational departments by 2026. This includes revising outdated qualifications (e.g., replacing the obsolete PMR certificate requirement) with relevant technical or vocational certifications to reflect current industry standards.
- **Review of External Calibration Service Providers:** A joint review will be undertaken by the QA Head and Production Director to evaluate existing external calibration service providers, particularly those not accredited under ISO/IEC 17025 (Malaysia Standard). This will be completed before 2026 to ensure compliance with international calibration standards.
- **Appointment of a Scheduled Waste Competent Person:** The Group acknowledges the gap in having a certified scheduled waste competent person due to the previous trainee's failure to submit the required Field Training Report (FTR) for DOE approval. As a corrective measure, Mr. Fuzaini has been nominated to attend the scheduled waste competency training, which is targeted to be completed before July 2025.
- **Facility Enhancements for Fire Safety and Emergency Preparedness:** Several improvements will be implemented by the Safety Team before August 2025 to align with the Department of Occupational Safety and Health (DOSH) guidelines. These include:
 - ✦ Replacing the existing black-colored fire extinguisher and hose reel signage with red signage for better visibility and standardization.
 - ✦ Installing emergency exit signage (KELUAR) at the Wirecut Department in accordance with the evacuation layout.
 - ✦ Centralizing first aid boxes and ensuring they are equipped with adequate supplies as outlined in DOSH's First Aid Guidelines, thereby enhancing accessibility and stock monitoring.

Regulatory and Customer Compliance Update

The Group has continued to meet all regulatory and customer requirements for the year 2025, in line with our Quality Management System and ISO standards. Compliance updates are tracked and documented under the Relevant Regulatory Parties Master List and Quality Objectives for Customer 2025. Key quality objectives are provided below:

Quality Objective	Target	Result (2025 YTD)	Measurement Tool
1. On-Time Delivery (OTD)	≥ 95%	98.54% (Jan – Apr 2025)	Delivery Report
2. Customer Returns / Rejections	≤ 3%	1.57% (Jan – Apr 2025)	External CAR Reports
3. Customer Satisfaction	≥ 80%	87.95% (Top 4 Customers, Dec 2024)	Customer Feedback Chart

SUSTAINABILITY STATEMENT (CONT'D)

Production & Delivery Performance Analysis

The Group recorded significant improvements in both On-Time Delivery (OTD) and Production Quality in the first four months of 2025 compared to 2024. The data reflects the success of continuous improvement initiatives and strengthened internal controls.

Metric	2024 (Full Year)	2025 (Jan–Apr)	% Change
On-Time Delivery (OTD)	97.72%	98.54%	▲ +0.82%
Rejection Rate	2.19%	1.57%	▼ -0.62%
Customer Satisfaction Score	87.50% (Jun)	87.95% (Dec 2024)	▲ Maintained High

Quality Checks in Production - Procedure Enhancement

In 2025, the procedures for quality checks in production remained aligned with the existing ISO 9001:2015 QMS framework. However, to reduce the potential for human error and improve production communication, a new mandatory step has been introduced. Process Planners are now required to input detailed process steps directly into the Job Order Record, which enhances clarity for machinists and ensures accuracy across operations. For instance, Job No. B0325-T0417-000 for the Cable Clamp Extender part includes precise notations for each processing stage, final inspection steps, and masking instructions—improving accountability and traceability.

Root Cause Analysis and Corrective Action - Continuation & Improvements

The Group remains committed to robust root cause analysis (RCA) and Corrective and Preventive Actions (CAPA) to address defects and improve performance. These practices continue to be applied in the following scenarios:

- **Customer Corrective Action Requests (CARs):** Each external CAR, such as the SCAR (MC001/2025) from Magnecomp regarding a dimensional defect, undergoes structured RCA using Fishbone Diagrams and 5 Whys. The 2025 investigation identified an error caused by an apprentice using an incorrect combination of block gauges, which resulted in over-grinding of the component.
- **Failure to Meet Internal Targets:** Root cause analysis is also initiated when internal or customer performance metrics fail to meet the target threshold (e.g., >3% rejection rate), drawing on historical trends from 2024 and beyond to implement improvement measures.
- **Improvement Plans:** Rather than introducing new CAPA frameworks, the Group emphasizes enhancing existing processes through lessons learned and continuous monitoring.

Performance Highlights & Continuous Improvement Measures

The enhanced results in 2025 are attributed to several strategic quality initiatives, including:

- **Process Optimization:** Mandatory documentation by Process Planners in the Job Order Record to ensure clear communication and reduce operational discrepancies.
- **Root Cause Analysis (RCA):** Continued implementation of Corrective and Preventive Actions (CAPA) using standardized tools (e.g., Fishbone Diagram, 5 Whys) in response to both Customer Corrective Action Requests (CARs) and internal audits.
- **Quality Monitoring:** Regular audits, customer feedback evaluations, and CAR trend analysis sustain a transparent and responsive quality culture.

No entirely new systems were introduced in 2025, but significant effort was directed toward refining existing controls based on 2024 learnings. This proactive approach has reinforced the Group's commitment to product excellence, customer satisfaction, and regulatory compliance.

In conclusion, the Group has not only maintained full compliance with regulatory and customer standards but also demonstrated clear progress in delivery and production performance. These improvements reflect a strong internal culture of quality, accountability, and continuous improvement that supports both customer satisfaction and long-term business resilience.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL IMPACT

Waste Management

In 2025, the Group continued to uphold its commitment to responsible waste management practices, with the goal of maintaining low waste levels and ensuring compliance with all relevant environmental regulations. Waste generated from daily manufacturing operations—primarily including metal chips, resin, containers, and mineral oil—was effectively managed through systematic procedures designed to minimize environmental impact and optimize resource efficiency.

The Group remained fully compliant with the Environmental Quality (Scheduled Wastes) Regulations 2005, as part of its legal and sustainability obligations. In line with regulatory developments, the Group updated all inventory and waste characteristic records in the new eSWIS Version 2 (eSWISv2) system to improve traceability, transparency, and regulatory compliance for scheduled waste reporting.

Waste segregation and storage procedures remained unchanged in 2025. Scheduled wastes continued to be segregated according to their classification codes and stored in designated, approved containers within secured holding areas. These were subsequently collected by licensed waste disposal contractors. As there were no new waste types introduced during the year, no changes were required in the existing waste management processes.

Importantly, no regulatory breaches or waste-related incidents were reported during FY2025, reinforcing the Group's commitment to environmental responsibility and operational excellence in waste handling and disposal.

Noise Pollution

The Group acknowledges that noise is an inherent by-product of manufacturing activities. In response, we maintain a proactive approach to monitoring and mitigating noise pollution to safeguard the health and well-being of our employees and to comply with relevant occupational safety regulations.

In 2025, we continued to monitor noise levels at operational sites through annual noise assessment checklists. Workspaces identified as high-risk areas from previous assessments were managed through established control measures. This includes the regular distribution of earplugs every six months to employees operating in high-noise environments, as well as the provision of air gun suppressors to reduce equipment-related noise emissions.

While no new Noise Risk Assessment (NRA) was conducted in 2025, our most recent assessment was completed in May 2024 in accordance with Regulation 4(8) of the Occupational Safety & Health (Noise Exposure) Regulations 2019, which requires assessments every five years. Based on the recommendations from the 2024 NRA, the Group is now planning to implement audiometry testing for relevant employees to monitor hearing levels and ensure long-term health protection.

Through these ongoing initiatives, the Group continues to demonstrate its commitment to regulatory compliance and workplace safety in managing noise pollution risks.

SUSTAINABILITY STATEMENT (CONT'D)

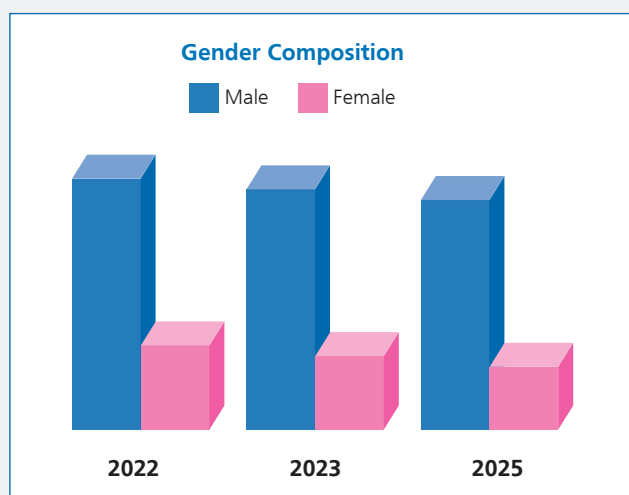
SOCIAL IMPACT

Workforce Diversity and Equality

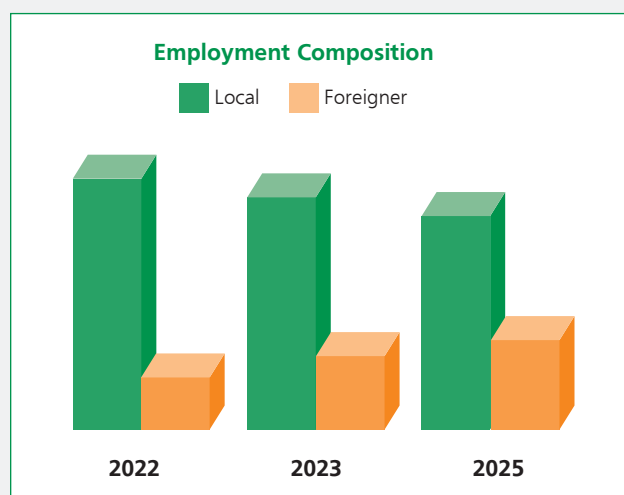
The Group remains steadfast in its commitment to fostering a diverse, inclusive, and equitable work environment. In line with our core values and ESG responsibilities, we continue to uphold fair employment practices that ensure equal opportunities for all individuals, regardless of gender, age, ethnicity, or nationality. Discrimination of any form is not tolerated within our organization.

In FY2025, we maintained and reinforced our fair and inclusive hiring policies, as referenced in our Annual Report 2023. These policies are designed to provide equal access to employment and advancement opportunities, thereby cultivating a balanced and representative workforce. While there were no new diversity-related policies introduced in 2025, we continued to strengthen our existing framework through consistent application and awareness across departments.

Our gender and employment composition for FY2025 is as follows:



Gender	2022	2023	2025
Male	64	62	59
Female	21	18	18



Employment	2022	2023	2025
Local	86%	79%	68%
Foreigner	14%	21%	32%

While there was a slight shift in the gender and nationality balance, the Group remains focused on encouraging greater female participation, especially in operational and leadership roles. Additionally, our hiring continues to prioritize the local community, contributing to social development and job creation in alignment with the UN Sustainable Development Goals (SDGs)—particularly Goal 1: No Poverty and Goal 8: Decent Work and Economic Growth. Our people are central to our operations, and by promoting diversity and equality, we aim to build a workplace that reflects the strength and unity of our wider society.

SUSTAINABILITY STATEMENT (CONT'D)

Occupational Safety and Health

Ensuring the health and safety of our employees continues to be a fundamental priority for MQ. In 2025, we strengthened our focus on proactive risk prevention, employee awareness, and compliance with established safety regulations. Our efforts are guided by the Occupational Safety and Health Act 1994 (Act 514), the Occupational Safety and Health (Safety and Health Committee) Regulation 1996, and the Industry Code of Practice for Management of Occupational Noise Exposure and Hearing Conservation 2019.

Our Safety Committee plays a critical role in implementing and maintaining workplace safety standards. Throughout FY2025, the Committee continued to conduct quarterly safety inspections, followed by safety meetings to address any identified concerns and to implement corrective measures where necessary. These regular reviews are essential in identifying hazards early, ensuring compliance, and fostering a culture of shared responsibility for safety.

In addition to routine inspections, the Committee oversees:

- Regular monitoring of Local Exhaust Ventilation (LEV) systems
- Availability and usage of personal protective equipment (PPE) for all relevant personnel
- Visibility of work instructions at all operational workstations
- Enforcement of workplace safety protocols and behavioral corrections as part of a preventive safety culture

As part of continuous improvement, FY2025 also saw the introduction of a new safety orientation program targeted at new hires. This initiative is designed to educate new employees on critical safety topics such as:

- Emergency procedures
- Hazard communication
- Safe machine handling
- Use of PPE

This new program aims to build foundational safety knowledge early in the employment lifecycle, helping new staff adapt to MQ's safety-first culture from day one. Through these ongoing efforts, MQ remains committed to ensuring a safe and compliant work environment for all employees.



SUSTAINABILITY STATEMENT (CONT'D)

Training and Development

At MQ, we believe that empowering our employees through continuous learning is essential to maintaining a high-performance workforce. In FY2025, we continued to invest in training and development programs that build both technical capabilities and soft skills, reinforcing our belief in the importance of lifelong learning.

Each department head remains responsible for identifying skill gaps and proposing relevant training needs within their teams. These proposals are reviewed and consolidated by the Human Resource Department into a master training plan, which is subsequently submitted to management for approval and implementation.

Our approach continues to emphasize on-the-job training, supported by experienced staff who facilitate hands-on knowledge transfer across various functions. In FY2025, we also implemented new initiatives to enhance training delivery and planning, further aligning training programs with evolving business needs and individual career development paths.

Throughout the period, a total of 80 training hours were completed across multiple departments. These sessions covered a wide range of topics including:

- Technical skills enhancement
- Workplace safety practices
- Leadership and communication skills
- Time management and productivity improvement

While photos of training activities were not available at the time of reporting, our training culture remains strong, with positive feedback received from employees and department heads alike. We are proud of our commitment to nurturing talent and fostering a learning environment that supports both personal and organizational growth.

Employee Benefits

At MQ, we recognize that the strength of our organization lies in the well-being of our people. Our approach to employee benefits is rooted in promoting work-life balance, family support, and financial security—key pillars of our human capital strategy and social sustainability goals.

In FY2025, we continued offering core employee benefits, including:

- 98 consecutive days of paid maternity leave for female employees, applicable for up to five childbirths
- Seven days of paid paternity leave for male employees
- Two days of compassionate leave for all employees in times of family loss or emergencies

These benefits remain a cornerstone of our commitment to fostering a supportive and inclusive work environment.

Additionally, in response to cost-of-living challenges and in line with national wage policies, we introduced a significant improvement this period by increasing the minimum salary to RM1,700. This move underscores our dedication to ensuring fair compensation and financial well-being for all employees, especially those in lower-income brackets.

By continually reviewing and enhancing our benefits framework, we aim to cultivate a motivated and resilient workforce that thrives both professionally and personally.

CONCLUSION

The practices embedded across our operations underscore MQ's unwavering commitment to advancing our environmental, social, and governance (ESG) agenda. Our Board continues to play a pivotal role in promoting sustainable practices and fostering a workplace culture where sustainability is integrated into everyday decision-making.

We consistently advocate for responsible behaviors, such as mindful water consumption, double-sided printing, and switching off unused lights—demonstrating that even small, conscious actions can meaningfully contribute to our broader sustainability goals.

While we acknowledge that we are still in the early stages of our sustainability journey, MQ remains optimistic and determined to build a more robust ESG framework. Looking ahead, we aim to further elevate our reporting standards and deliver balanced, transparent, and meaningful sustainability disclosures that reflect both our challenges and our progress.

AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of MQ Technology Berhad (“MQ” or “the Company”) is pleased to present the Report of the Audit Committee (“the AC Report”) for the financial period ended 28 February 2025. The AC Report provides insights into the manner the AC has discharged its duties and responsibilities in accordance with its Terms of Reference (“TOR”) for the financial period ended 28 February 2025.

The AC was established to assist the Board in fulfilling its oversight responsibilities, specifically in the areas of financial reporting, corporate governance, and internal control of MQ Tech and its subsidiaries (“the Group”), as well as other areas of responsibilities that may be promulgated by the ACE Market Listing Requirements (“AMLR”) and the Malaysian Code on Corporate Governance 2021 from time to time. The duties, responsibilities and authority of the Audit Committee (“AC”) are set out in its TOR which has been approved by the Board.

COMPOSITION & MEETINGS

The AC comprises of 3 members, all of whom are Independent Non-Executive Directors (“INED”). The composition of the AC complies with Rule 15.09 (1) of the AMLR the composition and the details of each AC member’s attendance for FPE 2025 are set out below:

Committee Member	Designation	Meeting attended
Dr. Koay Boon Hooi	Chairman	7/7
Dato’ Lim Char Boo	Member	7/7
Mr. Gerald Nicholas Tan Eng Hoe	Member	7/7

The Chairman of the AC has been admitted as Chartered Audit Committee Director by the Institute of Internal Auditors Malaysia. Profiles of the AC members are set out in the Directors’ Profile Section of this Annual Report.

The notice of AC meeting and relevant meeting papers are distributed in advance, normally 7 days prior to the meeting to enable the AC to have sufficient time to review the materials and allow for better preparation and understanding of the issues to be discussed. The quorum for a meeting shall be 2 members and the majority of members present at the meeting must be independent.

The Company Secretary shall be the Secretary of the AC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting. The Company Secretary shall be responsible for recording the minutes of AC meetings, which will be circulated to all members and tabled for confirmation at the next meeting.

The AC may call for a meeting as and when required with reasonable notice as the AC members deem fit. AC members may participate in a meeting through teleconference, telephone call or any other similar or other mode of communication that allows participants to hear each other. Such participation in a meeting shall constitute presence in person at such meeting and shall satisfy the quorum requirement.

The Executive Directors and Group CEO were invited to AC meetings to facilitate direct reporting by Executive Directors and Management and to provide updates on the operations, activities and financial performance of the Group. Representatives from the internal auditors, external auditors and other advisers of the Group are also invited to attend the AC meetings, to discuss specific matters which require their input and advice.

SUMMARY ACTIVITIES

The AC activities during the financial period under review comprised the following:-

Quarterly Financial Statements and Audited Financial Statements

- reviewed the audited financial statements of the Company prior to submission to the Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 and the applicable approved accounting standards as per Malaysian Accounting Standards Board; and
- reviewed the unaudited financial results before recommending them for Board’s approval, focusing particularly on:-
 - Any changes in accounting policies
 - Significant adjustments arising from audit
 - Compliance with accounting standards and other legal requirements

AUDIT COMMITTEE REPORT (CONT'D)

External Auditors

- reviewed the External Audit Planning Memorandum, outlining the audit scope, audit process and areas of emphasis based on the External Auditors' presentation of audit plan;
- reviewed the External Audit Review Memorandum and the response from the Management;
- consideration and recommendation to the Board for approval of the audit fees payable to the External Auditors;
- reviewed the performance and effectiveness of the External Auditors in the provision of statutory audit services and recommend to the Board for approval on the re-appointment of External Auditors;
- reviewed and evaluated the factors relating to the independence of the External Auditors; and
- follow up closely with the External Auditors on the qualified opinion in the Audited Financial Statements.

The AC recommended to the Board for approval of the audit fee of RM150,000 in respect of the financial period ended 28 February 2025.

The Board at its meeting held during the financial period end, approved the audit fee based on the recommendation of the AC.

Internal Auditors

The Group outsources its Internal Audit Function to a professional services firm. The Internal Auditors were engaged to conduct regular review and appraisals of the effectiveness of the governance, risk management and internal control process within the Company and the Group.

The Internal Audit Report directly to the AC, the appointed Internal Auditors are given full access to all the documents relating to the Company and Group's governance, financial statements and operational assessments.

The AC had reviewed:-

- internal audit on the area of internal control system of the Group.
- Corporate governance of the Group.
- suggestion on improvement opportunities in the areas of internal controls, systems, adequacy and efficiency improvements.

Internal Control and Risk Management

- reviewed the internal audit plan for adequacy scope and coverage and risk areas;
- reviewed risk management report and internal audit reports;
- reviewed the effectiveness and adequacy of risk management, operational and compliance processes; and
- reviewed the adequacy and effectiveness of corrective actions taken by the Management on all significant matters raised.

RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

At each quarterly meeting, the AC reviewed the recurrent related party transactions ("RRPT") and conflict of interest situation that may arise within the Company and its Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

The AC reviews the RRPT and conflict of interest situation presented by the Management prior to the Company entering into such transaction. The AC also ensure that the adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into transaction.

INTERNAL AUDIT FUNCTION

The purpose of the Internal Audit function is to provide the Board, through the AC, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group. To ensure that the responsibilities of Internal Auditors are fully discharged, the AC reviews the adequacy of the scope, functions and resources of the Internal Audit function as well as the competency of the Internal Auditors.

The Internal Auditors also highlighted to the AC the audit findings which required follow-up action by Management as well as the outstanding audit issues which required corrective action to ensure an adequate and effective internal control system within the Group.

All Internal Audit activities in financial period ended 28 February 2025 were outsourced to an independent assurance provider and the total costs incurred were amounted to RM8,000.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which have been made out in accordance with the approved accounting standards so as to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for that financial year.

In preparing the financial statements of the Group and of the Company for the financial period ended 28 February 2025, the Directors have: -

- Adopted and applied the appropriate and relevant accounting policies consistently;
- Made judgements and estimates that are prudent and reasonable;
- Complied with the applicable approved financial reporting standards, i.e. Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), ACE Market Listing Requirements and the provisions of the Companies Act 2016; and
- Prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and in compliance with the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirements of Bursa Securities:-

1. Statement of Directors' Responsibility in respect of the Financial Statements

The Directors are required by the Companies Act, 2016 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Company and of the Group for the financial period ended 28 February 2025. The Company and the Group have used the appropriate accounting policies and applied them consistently and prudently. The Directors also consider that all relevant approved accounting standards have been followed in the preparation of these financial statements.

2. Material Contracts Involving Directors and/or Major Shareholders

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial period ended 28 February 2025 or entered into since the end of the previous financial year.

3. Utilisation of Proceeds Raised from Corporate Proposals

On 7 June 2024, the Company entered into a conditional subscription agreement with Triton Capital Fund VCC for the proposed issuance of redeemable convertible bonds with an aggregate principal amount of up to RM150.00 million.

On 15 October 2024, the company had issued the first sub-tranche of Main Tranche 1 Bonds with an aggregate nominal value of RM2.50 million.

As at the financial period ended 28 February 2025, the status of the utilisation of proceeds is as below:-

Purpose	Proposed Utilisation (RM'000)	Actual Proceeds (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)	Timeframe for Utilisation
Funding for the estimated gross development cost of the Proposed Development Project	15,740	-	-	-	Within 36 months
Factory expansion and working capital for existing businesses	13,410	4,955	4,955	-	Within 12 months
Expenses relating to the Proposals	3,560	2,045	2,045	-	Within 36 months
Total	32,710	7,000	7,000	-	

4. Contracts Relate to a Loan

There were no contracts which relate to a loan entered into by the Company and its subsidiaries during the financial period ended 28 February 2025.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

5. Employees' Share Option Scheme

The Employees' Share Option Scheme of the Company ("ESOS" or "Scheme") was implemented on 30 November 2022 and shall be in force for a duration of five (5) years.

The total number of options granted, exercised and outstanding under the ESOS are set out in the table below:-

	Category of Participants					
	Executive Directors		Senior Management		Employee	
	Number and Percentage of Options	Number of Participants	Number and Percentage of Options	Number of Participants	Number and Percentage of Options	Number of Participants
As at 1 October 2023						
(a) Total options granted ⁽ⁱ⁾	100,000,000 (6.11%)	2	50,000,000 (3.06%)	1	-	-
(b) Total options exercised	86,043,200 (5.26%)	2	44,080,600 (2.70%)	1	-	-
(c) Total options cancelled	-	-	-	-	-	-
(d) Total options outstanding	13,956,800 (0.85%)	2	5,919,400 (0.36%)	1	-	-
During the financial period						
(a) Total options granted	150,400,000 (9.20%)	2	188,481,600 (11.52%)	1	90,000,000 (5.5%)	1
(b) Total options exercised	85,600,000 (5.23%)	2	78,733,700 (4.81%)	1	90,000,000 (5.5%)	1
(c) Total options cancelled	64,356,800 (3.93%)	2	100,160,200 (6.12%)	1	-	-
As at 28 February 2025						
(a) Total options granted ⁽ⁱ⁾	250,400,000 (15.31%)	2	238,481,600 (14.58%)	1	90,000,000 (5.5%)	1
(b) Total options exercised	171,643,200 (10.49%)	2	122,814,300 (7.51%)	1	90,000,000 (5.5%)	1
(c) Total options cancelled	64,356,800 (3.93%)	2	100,160,200 (6.12%)	1	-	-
(d) Total options outstanding	14,400,000 (0.88%)	1	15,507,100 (0.95%)	1	-	-

Note:

(i) Details of Options granted:

- 284,240,800 Options offered on 1 November 2023 at Exercise Price of RM0.0225
- 144,640,800 Options offered on 3 May 2024 at Exercise Price of RM 0.0150

In accordance with the Company's ESOS By-Laws, not more than eighty per centum (80%) of the Company's ordinary shares available under the Scheme shall be allocated to Directors and senior management of the Group. Since the commencement of the Scheme up to the financial period ended 28 February 2025, the Company has granted a net 19.61% of options to the Directors and senior management.

6. Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")

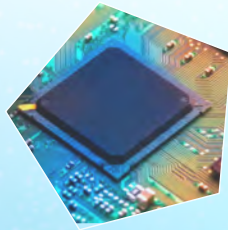
There were no RRPT conducted during the financial period ended 28 February 2025.

7. Non-Audit Fees

The non-audit fees of RM5,000 was paid and payable to External Auditors by the Group for the financial period ended 28 February 2025.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 October 2023 to 28 February 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

CHANGE OF FINANCIAL PERIOD

The company changed their financial period from 30 September to 28 February. Accordingly, the financial statement of the Company cover 17 months period from 1 October 2023 to 28 February 2025 compared to the previous 12 months period ended 30 September 2023.

FINANCIAL RESULTS

	Group RM	Company RM
Net loss for the financial period	<u>(11,486,005)</u>	<u>(11,448,715)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The directors do not recommend any dividend in respect of the current financial period.

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

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.

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company increase its share capital by way of:

On 21 November 2023, issuance of 90,000,000 new ordinary shares as a result of exercise of ESOS at issue price of RM0.0225 with total cash consideration of RM2,025,000.

On 17 January 2024, issuance of 49,600,000 new ordinary shares as a result of exercise of ESOS at issue price of RM0.0225 with total cash consideration of and RM1,116,000.

On 15 May 2024, issuance of 33,333,300 new ordinary shares as a result of exercise of ESOS at issue price of RM0.015 with total cash consideration of RM499,999.50.

On 31 May 2024, issuance of 81,400,400 new ordinary shares as a result of exercise of ESOS at issue price of RM0.015 with total cash consideration of RM1,221,006.

The newly issued shares rank pari passu in all respects with the existing issued shares of the Company.

The Company did not issue any new debentures during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

The Company made addition to the Employees' Share Issuance Scheme ("SIS") which is governed by the share unissued By-Laws approved by its shareholders at the Extraordinary General Meeting held on 21 November 2023, 17 January 2024, 15 May 2024 and 31 May 2024.

The salient features of the SIS are as follows:

- (a) The SIS was implemented on 30 November 2022 and is in force for a period of 5 years until 29 November 2027 in accordance with the terms of the SIS By-Laws;
- (b) The total number of new shares to be offered pursuant to the SIS shall be subject to a maximum of 30% of the Company's issued and paid-up share capital (excluding treasury shares) at any one time;

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

OPTIONS GRANTED OVER UNISSUED SHARES (CONT.)

The salient features of the SIS are as follows: (Cont.)

- (d) Employees (including directors) of the Company or its subsidiaries shall be eligible to participate in the SIS, if as at the date of offer, the employee:
- (i) Have attained the age of eighteen (18) years;
 - (ii) Is employed by a company in the Group, which is not dormant.
- (e) The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the Option Committee. The participation of an Executive Director of the Company in the SIS shall be approved by the shareholders of the Company in the general meeting.
- (f) The price payable upon exercise of options under the SIS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%;
- (g) The new ordinary shares to be issued upon exercise of the options under the SIS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the options under the SIS; and
- (h) The exercise price and the number of new ordinary shares comprised in the SIS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By- Laws.

The movements in share options under the SIS during the financial period were as follows:

	Entitlement for options				
	At 01.10.2023	Additional	Exercised	Lapsed	At 28.02.2025
Share Issuance Scheme	<u>19,876,200</u>	<u>428,881,600</u>	<u>(254,333,700)</u>	<u>(164,517,000)</u>	<u>29,907,100</u>

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

DIRECTORS

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

Dato' Nurulhidayah Binti Ahmad
Zahid

Dato' Lim Char Boo

Gerald Nicholas Tan Eng Hoe

Terence Cheah Eu Lee*

Dr. Koay Boon Hooi

Abdul Rahim Rajah Bin Abdullah (Appointed on 16 October 2024 and resigned on 3 June 2025)

Tong Sian Shyen* (Resigned on 16 October 2024)

* Director of the Company and certain subsidiary companies

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

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016 the directors who held office at the end of financial period and their interest in the Company during the financial period were as follows:

Directors' Interests	At 01.10.2023	Additional	Surrendered	Before share consolidation	At 28.02.2025
Tong Sian Shyen	44,851,200	49,600,000	44,851,200	49,600,000	4,960,000
Terence Cheah Eu Lee	<u>41,192,000</u>	<u>36,000,000</u>	<u>77,192,000</u>	<u>-</u>	<u>-</u>

* Tong Sian Shyen was redesignated from Managing Director to Chief Executive Officer on 16 October 2024

On 25 September 2024, the Company had implemented a share consolidation exercise on the basis of ten (10) existing ordinary shares being consolidated into one (1) ordinary share. The number of shares held by the Directors has been adjusted accordingly to reflect the effect of this consolidation

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Group and of the Company has received nor become entitled to receive any benefit (other than the benefits shown under directors' remuneration) by reason of a contract made by the Group and the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial period, did there subsist any arrangement to which the Group and the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Group and the Company or any other body corporate.

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

INDEMNITIES TO DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for any director, officer or auditors of the Group and Company during the financial period.

DIRECTORS' REMUNERATION

The details of the directors' remuneration of the Group and of the Company during the financial period are as below:

	Group RM	Company RM
Directors' Remuneration	<u>1,120,165</u>	<u>780,946</u>

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- a) ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that no known bad debts need to be written off and that adequate provision had been made for doubtful debts; and
- b) ensure that any current assets which were unlikely to be realise in the ordinary course of business including the values of current assets as shown in accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- a) which would render the amount writing off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

OTHER STATUTORY INFORMATION (CONT.)

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

- a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
- b) any contingent liability of the Group and of the Company which has arisen since end of the financial period.

In the opinion of the directors:

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

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM155,000 and RM61,000 during the financial period.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

Detail of the significant event during the financial period are disclosed in Note 35 to the financial statements.

SUBSEQUENT EVENT AFTER THE FINANCIAL PERIOD

Detail of the subsequent event after the financial period are disclosed in Note 36 to the financial statements.

DIRECTORS' REPORT (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

AUDITORS

The auditors, Messrs. Jamal, Amin & Partners have expressed their willingness to continue in office.

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

**DATO' NURULHIDAYAH BINTI
AHMAD ZAHID**

Director

Kuala Lumpur

Dated: 25 June 2025

TERENCE CHEAH EU LEE

Director

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

We, DATO' NURULHIDAYAH BINTI AHMAD ZAHID and TERENCE CHEAH EU LEE, being two of the directors of MQ TECHNOLOGY BERHAD, do hereby state that on behalf of the directors in our opinion, the financial statements set out on pages 63 to 141 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 28 February 2025 and of the results of its financial performance and cash flows of the Group and of the Company for the financial period from 1 October 2023 to 28 February 2025.

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

**DATO' NURULHIDAYAH BINTI
AHMAD ZAHID**
Director

TERENCE CHEAH EU LEE
Director

Kuala Lumpur

Dated: 25 June 2025

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, TONG SIAN SHYEN, being the officer primarily responsible for the financial management of MQ TECHNOLOGY BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 63 to 141, 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

Subscribed and solemnly declared by TONG)
SIAN SHYEN, at Kuala Lumpur in the state of)
Federal Territory on 25 June 2025)

TONG SIAN SHYEN
(MIA NO. 36765)

Before me,

SYAHZUL RAHMAN B JULADI (W 863)
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MQ TECHNOLOGY BERHAD, which comprise the statements of financial position as at 28 February 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 from 1 October 2023 to 28 February 2025, and notes to the financial statements, including a material accounting policy information, as set out on pages 63 to 141.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 28 February 2025, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD (CONT'D)

Key Audit Matters (Cont.)

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. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

a) Impairment of other receivables

The Group's other receivables, deposits and prepayment amounting to RM15 million, representing approximately 31% of the total current assets as at 28 February 2025.

The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, other receivables concentration, other receivables creditworthiness and other receivables payment terms.

In addressing this, we have performed the following audit procedures:

- We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.
- We assessed the recoverability of other receivables by checking past payment trend and assessing the receipts during the financial period and subsequent to year end collections.
- We evaluated the reasonableness of the methods and assumptions used by management in estimating the impairment.
- We have reviewed the appropriateness of the disclosures made in the financial statements.

b) Impairment of plant and machineries

The Group's plant and machineries with carrying amount amounting to RM6.2 million, representing approximately 22% of the Group's property, plant and equipment as at 28 February 2025.

The assessment of value in use of plant and machineries involved judgements and estimation uncertainty in analysing cash flows forecast.

In addressing this, we have performed the following audit procedures:

- We have done physical sighting, depreciation reasonableness test, test of addition, and recoverability test on the plant and machineries.
- We obtained and evaluated the Group's cash flow projection for next 3 years, and assess the reasonableness used by management to assess their business grow according to macro risk.
- We have reviewed the appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD (CONT'D)

Key Audit Matters (Cont.)

c) Asset Held for Sales

During the financial year, the Group reclassified a non-current asset with a carrying amount of RM29.6 million as asset held for sale, in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The classification requires management to assess whether the asset is available for immediate sale in its present condition and whether the sale is highly probable within 12 months. The asset is subsequently measured at the lower of its carrying amount and fair value less costs to sell. Given the materiality of the amount and the significant management judgement involved in assessing sale conditions and estimating fair value, this area was considered a key audit matter.

In addressing this, we have performed the following audit procedures:

- We have reviewed the criteria applied by management for classifying the asset as held for sale under MFRS 5;
- We have assessed the appropriateness and timing of the reclassification by reviewing board minutes, approvals, and sales plans;
- We obtained and assessed the reasonableness of the fair value estimation; and
- Reviewed the adequacy and appropriateness of the disclosures in the financial statements regarding the asset held for sale.

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 directors' and annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD (CONT'D)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont.)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD (CONT'D)

Other Matters

- a) The financial statements of the Company for the year ended 30 September 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 30 January 2024.
- b) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

JAMAL, AMIN & PARTNERS
(No : AF 1067)
Chartered Accountants

Kuala Lumpur

Dated: 25 June 2025

**NUR FATIMAH BINTI
MOHAMAD KHIRRULZAKI**
(No : 3731/04/27(J))
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2025

	Note	Group		Company	
		28.2.2025 RM	30.9.2023 (restated) RM	28.2.2025 RM	30.9.2023 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	28,007,889	33,649,461	34,487	58,721
Investment Properties	5	-	4,100,000	-	-
Right of use assets	6	141,729	253,365	73,495	48,931
Investment in subsidiaries	7	-	-	60,936,329	60,705,127
Amount due from subsidiaries	11	-	-	-	4,840
		<u>28,149,618</u>	<u>38,002,826</u>	<u>61,044,311</u>	<u>60,817,619</u>
Current Assets					
Inventories	8	1,074,031	837,680	-	-
Trade receivables	9	2,221,614	1,857,464	-	-
Other receivables, deposits and prepayments	10	15,093,955	25,201,526	10,005,716	3,131,369
Amount due from subsidiaries	11	-	-	2,238	1,072,598
Assets held for sale	12	29,602,274	-	-	-
Current tax assets		13,571	94,467	-	-
Fixed deposits with licensed banks	13	260,000	260,000	-	-
Cash and cash equivalents	14	587,336	889,383	121,715	124,655
		<u>48,852,781</u>	<u>29,140,520</u>	<u>10,129,669</u>	<u>4,328,622</u>
TOTAL ASSETS		<u>77,002,399</u>	<u>67,143,346</u>	<u>71,173,980</u>	<u>65,146,241</u>
EQUITY					
Share capital	15	57,103,256	95,130,798	57,103,256	95,130,798
Reserves	16	4,881,157	14,503,666	481,504	908,647
Retained Earnings		1,735,504	(45,973,857)	7,309,467	(31,241,818)
Redeemable convertible bond	17	333,557	-	333,557	-
TOTAL EQUITY		<u>64,053,474</u>	<u>63,660,607</u>	<u>65,227,784</u>	<u>64,797,627</u>

The accompanying notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 28 FEBRUARY 2025

	Note	Group		Company	
		28.2.2025	30.9.2023 (restated)	28.2.2025	30.9.2023
		RM	RM	RM	RM
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	18	83,292	85,250	33,119	7,563
Finance Lease	19	21,935	-	-	-
Redeemable convertible bond	17	2,366,443	-	2,366,443	-
Deferred tax liabilities	20	1,605,529	1,605,529	-	-
		<u>4,077,199</u>	<u>1,690,779</u>	<u>2,399,562</u>	<u>7,563</u>
Current Liabilities					
Trade payables	21	435,537	624,683	-	-
Other payables and accruals	22	8,343,886	1,068,310	534,064	297,315
Lease liabilities	18	60,487	98,967	41,132	43,736
Finance Lease	19	31,816	-	-	-
Amount due to subsidiaries	11	-	-	2,971,438	-
		<u>8,871,726</u>	<u>1,791,960</u>	<u>3,546,634</u>	<u>341,051</u>
TOTAL LIABILITIES		<u>12,948,925</u>	<u>3,482,739</u>	<u>5,946,196</u>	<u>348,614</u>
TOTAL EQUITY AND LIABILITIES		<u>77,002,399</u>	<u>67,143,346</u>	<u>71,173,980</u>	<u>65,146,241</u>

The accompanying notes form an integral part of these financial statements

**STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

	Note	Group		Company	
		1.10.2023 to 28.2.2025 RM	30.9.2023 (restated) RM	1.10.2023 to 28.2.2025 RM	30.9.2023 RM
Revenue	23	10,808,133	6,749,543	-	-
Cost of sales		(10,662,869)	(8,519,403)	-	-
Gross Profit		145,264	(1,769,860)	-	-
Other operating income	24	2,248,507	567,926	-	-
Selling and distribution expenses		-	(191,568)	-	(54,308)
General and administrative expenses		(14,363,318)	(14,775,560)	(11,437,811)	(22,054,978)
Finance costs		(21,029)	(9,541)	(10,904)	(2,417)
Loss before tax	25	(11,990,576)	(16,178,603)	(11,448,715)	(22,111,703)
Taxation	26	(19)	(71,119)	-	(12)
Loss for the financial period/year		<u>(11,990,595)</u>	<u>(16,249,722)</u>	<u>(11,448,715)</u>	<u>(22,111,715)</u>
Other Comprehensive Income, net of tax					
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Revaluation of property, plant and equipment		504,590	-	-	-
Total comprehensive loss for the financial period/year		<u>(11,486,005)</u>	<u>(16,249,722)</u>	<u>(11,448,715)</u>	<u>(22,111,715)</u>

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

Group	<i>Attributables to owner of the parent</i>				Total RM
	<i>Non-Distributable</i>	<i>Distributable</i>			
	Share Capital RM	Assets Revaluation Reserve RM	Share Option Reserve RM	Retained Earnings RM	Total RM
At 1 October 2022	83,709,357	12,409,830	-	(29,724,135)	66,395,052
Total comprehensive income for the financial year	-	-	-	(15,064,533)	(15,064,533)
Shares options grants under SIS	-	-	6,820,000	-	6,820,000
Shares issued pursuant to exercise of SIS	5,510,088	-	-	-	5,510,088
Exercise of SIS	5,911,353	-	(5,911,353)	-	-
At 30 September 2023 and 1 October 2023					
(as stated)	95,130,798	12,409,830	908,647	(44,788,668)	63,660,607
Prior year adjustment	-	1,185,189	-	(1,185,189)	-
At 28 February 2025 (restated)	95,130,798	13,595,019	908,647	(45,973,857)	63,660,607

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

Group	Attributables to owner of the parent				Total RM
	Non-Distributable		Distributable		
	Share Capital RM	Assets Revaluation Reserve RM	Share Option Reserve RM	Redeemable Convertible Bond RM	Retained Earnings RM
At 30 September 2023 and 1 October 2023	95,130,798	13,595,019	908,647	-	63,660,607
Total Comprehensive Income for the financial period	-	-	-	-	(45,973,857)
Revaluation surplus of property, plant and equipment	-	504,590	-	-	(11,990,595)
Transfer from revaluation reserve to retained earnings	-	(9,699,956)	-	-	504,590
ESOS surrender	-	-	(908,647)	-	-
Issuance of ordinary shares via bond conversion	4,300,000	-	-	-	(908,647)
Issuance of ordinary shares via ESOS	4,862,005	-	-	-	4,300,000
Grant of SIS options	-	-	3,291,957	-	4,862,005
Transfer from share option reserve upon exercise of SIS options	2,810,453	-	(2,810,453)	-	-
Redeemable convertible bond	-	-	-	333,557	333,557
Adjustment for share capital reduction	(50,000,000)	-	-	-	-
At 28 February 2025	57,103,256	4,399,653	481,504	333,557	1,735,504
					64,053,474

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

Company	Attributables to owner of the parent				Total RM
	Share Capital RM	Assets Revaluation Reserve RM	Redeemable Convertible Bond RM	Retained Earnings RM	
At 1 October 2022	83,709,357	-	-	(9,130,103)	74,579,254
Total Comprehensive Income for the financial year	-	-	-	(22,111,715)	(22,111,715)
Shares options grants under SIS	-	6,820,000	-	-	6,820,000
Shares issued pursuant to exercise of SIS	5,510,088	-	-	-	5,510,088
Exercise of SIS	5,911,353	(5,911,353)	-	-	-
At 30 September 2023 and 1 October 2023	95,130,798	908,647	-	(31,241,818)	64,797,627
Total Comprehensive Income for the financial period	-	-	-	(11,448,715)	(11,448,715)
ESOS surrender	-	(908,647)	-	-	(908,647)
Grant of SIS	-	3,291,957	-	-	3,291,957
Transfer from share option reserve upon exercise of SIS	-	(2,810,453)	-	-	(2,810,453)
Issuance of ordinary shares upon exercise of SIS	4,300,000	-	-	-	4,300,000
Issuance of ordinary shares via bond conversion	4,862,005	-	-	-	4,862,005
Transfer from share option reserve upon exercise of SIS	2,810,453	-	-	-	2,810,453
Redeemable convertible bond	-	-	333,557	-	333,557
Adjustment for share capital reduction	(50,000,000)	-	-	50,000,000	-
At 28 February 2025	57,103,256	481,504	333,557	7,309,467	65,227,784

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

	Note	Group		Company	
		1.10.2023 to 28.2.2025 RM	30.9.2023 (restated) RM	1.10.2023 to 28.2.2025 RM	30.9.2023 RM
Cash flows from operating activities					
Loss before tax		(11,990,576)	(16,178,603)	(11,448,715)	(22,111,703)
Adjustments for:					
Depreciation of property, plant and equipment	4	2,894,284	2,002,857	24,234	15,993
Amortisation of right of use assets	6	108,804	128,281	59,430	34,951
Equity-settled share-based payment expenses		2,383,310	6,820,000	486,545	4,780,000
Impairment loss on property, plant and equipment		-	1,282,215	-	-
Loss on disposal of property, plant and equipment		2,275,167	316,686	-	-
(Gain)/loss on revaluation of investment property		(1,398,320)	1,185,189	-	-
Property, plant and equipment written off		800	1,798	-	1,798
Interest expenses		21,034	9,541	10,904	2,417
Interest income		(161)	(135)	-	-
Impairment loss on investment in subsidiaries		-	-	5,708,163	15,193,208
Allowance for expected credit losses on trade receivables		724,237	47,627	-	-
Reversal of impairment loss on trade receivables		(47,627)	-	-	-
Allowance for expected credit losses on other receivable		1,400,000	563,550	1,400,000	539,750
Unrealised loss on foreign exchange		13,214	172,729	-	-
Operating loss before working capital changes carried forward		<u>(3,615,834)</u>	<u>(3,648,265)</u>	<u>(3,759,439)</u>	<u>(1,543,586)</u>

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

	Note	Group		Company	
		1.10.2023 to 28.2.2025	30.9.2023 (restated)	1.10.2023 to 28.2.2025	30.9.2023
		RM	RM	RM	RM
Cash flows from operating activities (cont.)					
Operating loss before working capital changes brought forward		(3,615,834)	(3,648,265)	(3,759,439)	(1,543,586)
Changes in:					
Inventories		(236,351)	264,310	-	-
Receivables		(11,316,105)	5,667,788	(8,274,348)	754,108
Payables		6,886,430	(1,724,426)	236,749	(985,850)
Cash (used in)/generated from operation		(8,281,860)	559,407	(11,797,038)	(1,775,328)
Tax paid		(8,520)	(4,908)	-	(12)
Tax refunded		89,397	-	-	-
Net cash (used in)/generated from operating activities		(8,200,983)	554,499	(11,797,038)	(1,775,340)
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	(3,987,818)	(8,598,604)	-	(49,375)
Additional investment in subsidiaries		-	-	(4,042,600)	(33,000)
Proceed from disposal of property, plant and equipment	4	-	16,592	-	-
Net cash used in investing activities		(3,987,818)	(8,582,012)	(4,042,600)	(82,375)

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

	Note	Group		Company	
		1.10.2023 to 28.2.2025	30.9.2023 (restated)	1.10.2023 to 28.2.2025	30.9.2023
		RM	RM	RM	RM
Cash flows from financing activities					
Repayments from/(advances to) subsidiaries	a	-	-	1,075,200	(5,323,120)
Advances from subsidiaries	a	-	-	2,971,438	-
Advances from directors		200,000	-	-	-
Interest received		161	135	-	-
Interest paid		(21,029)	(9,541)	(10,904)	(2,417)
Proceeds from issuance of Redeemable Convertible Bond		7,000,000	-	7,000,000	-
Proceeds from issuance of shares		4,862,005	5,510,088	4,862,005	5,510,088
Repayment of lease liabilities		(152,562)	(98,464)	(61,041)	(32,583)
Net cash generated from financing activities		11,888,575	5,402,218	15,836,698	151,968
Net decrease in cash and cash equivalents		(300,226)	(2,625,295)	(2,940)	(1,705,747)
Effect of exchange rate changes		(1,821)	-	-	-
Cash and cash equivalents at beginning of financial period/year	14	889,383	3,514,678	124,655	1,830,402
Cash and cash equivalents at end of financial period/year	14	587,336	889,383	121,715	124,655
Cash and Cash Equivalents					
Cash and bank balances	14	587,336	889,383	121,715	124,655
Fixed deposit with licensed bank	13	260,000	260,000	-	-
		847,336	1,149,383	121,715	124,655
Less: Fixed deposit pledged		(260,000)	(260,000)	-	-
		587,336	889,383	121,715	124,655

a) Reconciliation of Assets arising from Financing Activities

Company	At 01.10.2023 RM	Non-Cash Movement RM	Cash Flow Movement RM	At 28.02.2025 RM
Amount due from/(to) subsidiaries company	1,077,438	(1,075,200)	(2,971,438)	(2,969,200)

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

1. GENERAL INFORMATION

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

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company was located at Unit 310, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

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

2.2 Basis of measurement

The financial statements, which are expressed in Ringgit Malaysia (“RM”), have been prepared under the historical cost basis except as disclosed in the accounting policies below.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.3 Adoption of new and amended standards

The Company has adopted the following MFRS and Interpretations (collectively referred to as “MFRSs”), issued by the Malaysian Accounting Standards Board (“MASB”) and effective for the financial periods beginning on or after 1 January 2023;

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17)
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Estimates
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112, Income Tax – International Tax Reform – Pillar Two Model Rules

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases – Lease liability in a sale and leaseback
- Amendments to MFRS 101, Presentation of financial statements Non-current Liabilities with Covenants
- Amendments to MFRS 101, Presentation of financial statements – Classification of Liabilities as Current or Non-current

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, Lack of exchangeability

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Company’s financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.4 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued as of the reporting date but are not yet effective:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
- Amendments to MFRS 7, Financial Instruments: Disclosures
- Amendments to MFRS 9 and MFRS 7, Classification and Measurement of Financial Instruments
- Amendments to MFRS 10, Consolidated Financial Statements
- Amendments to MFRS 107, Statement of Cash Flows

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

Effective date to be announced

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

2.5 Business Combinations and Consolidation

a) Business combinations

The Group applies the acquisition method to account for all combinations. If the acquisition of an asset or a group of assets does not constitute a business, it is accounted for as an acquisition.

The Group identifies the acquisition date of business combination as the date on which the Group obtains control of an acquiree. Control is obtained when the group commences to have the power to direct financial and operating policy decisions of the investee so as to obtain benefits from its activities. This may require fulfilment of precedent conditions, such as completion of due diligence audit, and shareholders' approvals if they are specified in a sale and purchase agreement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.5 Business Combinations and Consolidation (cont.)

a) Business combinations (cont.)

As of the acquisition date, the Group recognises, separately from goodwill, the identifiable assets acquired (including identifiable intangible assets), the liabilities assumed (including contingent liabilities) and any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values, except for those permitted or required to be measured on other bases by assets, excluding goodwill.

The cost of a business combination is measured at fair value, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Expenses incurred in connection with a business combination are capitalised in the cost of business combination.

The cost of business combination is allocated to the share of net assets acquired to determine the initial amount of goodwill on combination. In a business combination achieved in stages (including acquisition of a former joint venture), the cost of each exchange transaction is compared with the share of net assets to determine the goodwill of each exchange transaction on a step-by-step basis. Any increase in equity interest in an investee after acquisition date is accounted as an equity transaction between the parent and the non-controlling interest and the effect is adjusted directly in equity.

If the initial accounting for a business combination is not complete by the end of the reporting year in which the combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about fact and circumstances that existed as of the acquisition date, including additional assets or liabilities in the measurement period. The measurement period for completion of the initial accounting ends after one year from the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)****2.5 Business Combinations and Consolidation (cont.)**

b) Subsidiaries and basis of consolidation

The Group recognises a subsidiary based on the criterion of control. A subsidiary is an entity (including special purpose entities) over which the Group has the power to govern the financial and operating policy decision of the investee so as to obtain benefits from its activities. In circumstances when the voting rights are not more than half or when voting right are not dominant determinant of control, the Group uses judgements to assess whether it has de facto control, control by other arrangements (including control of special purpose entities), or by holding substantive potential voting right.

The financial statements of the parents Company and all its subsidiaries used in the preparation of the consolidated financial statement are prepared as of the same reporting date of 28 February 2025.

The consolidated financial statements are prepared using uniform accounting policies for like transaction, other events conditions in similar circumstances.

The carrying amount of investment in each subsidiary of a parent in the Group is eliminated against the parent's portion of equity in each subsidiary. The consolidated financial statements combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date acquisition (which is the date the Group assumes control of an investee) or up effective date of disposal (which is the date the Group ceases to have control of an investee).

All intra-group balance and transactions are eliminated in full on consolidation. Unrealised profits or losses arising from intra-group transactions are also eliminated in full on consolidation, except when an unrealised loss is an impairment loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.5 Business Combinations and Consolidation (cont.)

b) Subsidiaries and basis of consolidation (cont.)

When the Group ceases to control a subsidiary, the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date that control is lost is recognised in profit or loss in the statements of comprehensive income as a gain or loss on disposal of the subsidiary. The cumulative amount of any exchange differences that relate to a foreign subsidiary recognised in other comprehensive income is not reclassified to profit or loss on disposal of the subsidiary. If the Group retains an equity interest in the former subsidiary, it is accounted for as a financial asset (provided it does not become an associate or a joint venture). The carrying amount of the investment retained at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

Any decrease in equity stake in a subsidiary that does not result in loss of control is accounted for as an equity transaction and the financial effect is adjusted directly in the consolidated statement of change in equity.

2.6 Foreign Currency Transactions and Balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.6 Foreign Currency Transactions and Balances (cont.)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of nonmonetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

2.7 Current versus Non-Current Classification

Assets and liabilities in the statement of financial position are presented based on current/non-current classification.

An asset is current when:

- (i) It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realised within twelve months after the reporting periods; or
- (iv) It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An liabilities is current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting periods; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

2.8 Property, Plant and Equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purpose or for rental to others are recognised as property, plant and equipment when the Group and the Company obtains control of the asset. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on the nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.8 Property, plant and equipment (cont.)

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. All property, plant and equipment are depreciated by allocating the depreciable amount over the remaining useful life. The depreciation methods used and useful lives of the respective classes of property, plant and equipment are as follows:

	<u>Method</u>	<u>Useful life</u>
Buildings	Straight-line	40 – 50
Furniture and fittings	Straight-line	5 – 10
Leasehold land	Straight-line	50
Motor vehicles	Straight-line	5
Plant and machinery	Straight-line	10
Office equipment	Straight-line	5 – 10
Renovation	Straight-line	2

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current financial period.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

The Group and Company revalue its properties comprising land and buildings every 3 to 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)****2.8 Property, plant and equipment (cont.)**

Surpluses arising from revaluation of properties held for own use are dealt with in other comprehensive income and are accumulated separately in equity in the revaluation reserve account. When a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation. On annual basis, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

When revalued assets are retired or disposed, the amounts included in the revaluation surplus reserve are transferred to retained earnings and are not reclassified to profit or loss.

2.9 Non-current asset held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their varying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, contract assets, contract costs, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.10 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group and in the Company are accounted for as owner-occupied rather than as investment properties.

The Company recognizes land, building (including a floor of a building), or both land and building, as an investment property if it is held for capital appreciation, rental income or both. An investment property is recorded at cost on initial recognition. Cost of an investment property comprises the purchase price plus all directly attributable costs incurred to bring the property to its present location and condition intended for uses and investment property.

For the purpose of subsequent measurement, items of equipment that are irremovable and items that are physically attached to a building, such as lifts, elevators, electrical system and air-conditioning system, are treated as an integral part of the property. The Company uses the fair value model to measure an investment property after initial recognition if the fair value can be measured reliably without undue cost or effort. Fair value is determined by reference to a quoted market price, if observable. Changes in fair value of an investment property are recognized in profit or loss for the periods in which they arise. All other investment property is measured at cost less impairment loss.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

2.11 Leases

a) At lessee

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.11 Leases (cont.)

a) At lessee (cont.)

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 2.12 on impairment of non-financial assets.

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

	<u>Method</u>	<u>Useful life</u>
Office	Straight-line	2
Motor vehicles	Straight-line	2
Hostel	Straight-line	2

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

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the year in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option. Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

The ROU assets are subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.11 Leases (cont.)

b) At lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)****2.12 Impairment of Non-Financial Assets**

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

The increase to its recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments

a) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when. And only when, the Group and the Company become 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 measure 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 transition 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.

b) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting period following the change of the business model.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments (cont.)

b) Financial instrument categories and subsequent measurement (cont.)

Financial assets (cont.)

For purpose of subsequent measurement financial assets are classified in four categories:

i) 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 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 where the effective interest rate is applied to the amortised cost.

ii) Fair value through other comprehensive income - debt instruments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieve by both collecting contractual cash flows and selling the debt investment, and its contractual term give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments (cont.)

b) Financial instrument categories and subsequent measurement (cont.)

Financial assets (cont.)

For purpose of subsequent measurement financial assets are classified in four categories: (cont.)

iii) Fair value through other comprehensive income - equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

iv) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

The Group and the Company does not have any financial assets classified other than amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments (cont.)

b) Financial instrument categories and subsequent measurement (cont.)

Financial liabilities

The categories of financial liabilities at initial recognition are as follow:

i) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method (EIR).

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or losses on derecognition are also recognised in the profit or loss.

ii) 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.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair values basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group and the Company's key management personnel; or
- if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

The Group and the Company does not have any financial liabilities classified other than amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.13 Financial Instruments (cont.)

c) Regular way purchase or sale of financial asset

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current financial period.

Trade date accounting refer to:

- (i) the derecognition of an asset to be received and the liability to pay for it on the trade date, and
- (ii) 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.

Settlement date accounting refer to:

- (i) the derecognition on an asset on the day it is received by the Group and the Company, and
- (ii) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group and the Company.

Any change in the fair value of an asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset. Generally, the Group and the Company apply settlement date accounting unless otherwise stated for the specific class of asset.

d) 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 asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit and loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)****2.13 Financial Instruments (cont.)****d) Derecognition (cont.)**

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharge, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

e) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group and the Company have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis, or to realise the asset and liability simultaneously.

2.14 Inventories

A Inventories comprising raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of inventories is determined on a weighted average basis. Net realisable value represents the estimated selling prices less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Cost of raw materials comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Cost of work in progress and finished goods comprise the cost of raw materials used, direct labour, other direct costs and appropriate production overheads.

2.15 Impairment of Financial Assets**a) Financial assets**

The Group and the Company recognise loss allowances for expected credit losses on financial assets measure at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.15 Impairment of Financial Assets (cont.)

a) Financial assets (cont.)

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit losses, except for cash and bank balance. Loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of an asset, while 12 months expected losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company is exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experiences.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group 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 write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group and the Company's procedures for recovery amounts due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)****2.15 Impairment of Financial Assets (cont.)****b) Other assets**

The carrying amount of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the 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 units (groups of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. 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 period in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and cash in hand, which are subject to a significant risk of changes in value.

2.17 Share Capital

Ordinary shares are recorded at nominal value and proceeds received in excess, if any, of the nominal value of shares issued are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

2.18 Revenue Recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group and the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.18 Revenue Recognition (Cont.)

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Company performs;
- (ii) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) the Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is recognised only when it is probable that the Group and the Company will collect the considerations to which it will be entitled to in exchange for the goods or services sold.

2.19 Employee Benefits

a) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

b) Post-employment benefits

The Group and the Company pays monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Group and the Company is limited to the amount that they required to contribute to the EPF. The contributions to EPF are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.20 Income Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group and the Company operate and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- (i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) In respect of taxable temporary differences associated with investments in associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)****2.20 Income Taxes (Cont.)****b) Deferred tax (cont.)**

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- (i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.21 Earning/(loss) per Share

The Group presents basic and diluted earnings/(loss) per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and warrants.

2.22 Fair Value Measurement

The Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date except for fair value of shared-based payment. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.22 Fair Value Measurement (Cont.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- LEVEL 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- LEVEL 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- LEVEL 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by directors for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The directors decide, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movement in the values of assets and liabilities which are required to be re-measured or re-assessed according to the accounting policies of the Group and the Company. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT.)

2.23 Related Parties

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to the Group and the Company if that person:
- has control or joint control over the Group and the Company; or
 - has significant influence over the Group and the Company; or
 - is a member of the key management personnel of the Group and the Company or of a parent of the Group and the Company.
- (ii) An entity is related to the Group and the Company if any of the following conditions applies:
- the entity and the Group and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - the entity and the Group and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others). one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - both entities are joint ventures of the same third party.
 - one entity is a joint venture of the third entity and the other entity is an associate of the third entity.
 - the entity is a post-employment benefit plan for the benefit of employees of either the Group and the Company or an entity related to the Group and the Company. If the Group and the Company is itself such a plan, the sponsoring employers are also related to the Group and the Company.
 - the entity is controlled or joint-controlled by a person identified in (a) above.
 - the entity or any member of a group of which it is a part, provides key management personnel services to the Group and the Company or to the parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Accounting judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1. Judgement and Assumption Applied

In the selection of accounting policies for the Group and the Company, the areas that require significant judgements and assumptions are in:

- (i) Satisfaction of performance obligations in relation to contracts with customers:

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; has significant influence over the Group and the Company; or
- b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT.)

3.1. Judgement and Assumption Applied (Cont.)

- (i) Determining the lease term of contracts with renewal options - the Group as lessee:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

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

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

3.2. Key Sources of Estimation Uncertainty

The measurement of some assets and liabilities requires directors to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Group and the Company are in measuring:

a) Impairment of loans and receivables

The Group and the Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT.)****3.2 Key Sources of Estimation Uncertainty (Cont.)****b) Measurement of income taxes**

Significant judgement is required in determining the Group's and the Company's provision for current and deferred taxes because the ultimate tax liability for the Group and the Company is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the financial period when such determination is made. The Group and the Company will adjust for the differences as over- or under- provision of current or deferred taxes in the current financial period in which those differences arise.

c) Measurement of expected credit loss ("ECL")

Significant judgement is required in determining ECL. Directors need to identified and categorised financial assets into relevant segment by similar characteristic and credit risk. The directors need to apply suitable measurement method to measure ECL on the relevant segments.

d) Useful lives of property, plant and equipment and rights of use assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for the property, plant and equipment, and ROU asset are disclosed in Notes 4 and 6 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT.)

3.2 Key Sources of Estimation Uncertainty (Cont.)

e) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the expected value method, whereby the transaction price is determined by reference to the sum of probability weighted amounts in a range of possible consideration amounts.

There is no significant financing as the period between the transfer of control of good or service to a customer and the payment date is always less than one year, and no non-cash consideration noted in the contracts with customers.

f) Discount rate used in leases

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

g) Impairment of property, plant and equipment

The Group and the Company assess impairment of these assets when events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value (after taking into account the costs to sell) or the value in use of the assets.

Significant variations to these assumptions and estimates could result in changes to the assessment of the recoverability of these non-financial assets are not recoverable, future financial results in the reporting period in which this determination is made will be affected.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

4. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings (at valuation) RM	Furniture and Fittings RM	Leasehold Land (at valuation) RM	Motor Vehicles RM	Renovation RM	Plant and Machinery (at valuation) RM	Capital in Progress RM	Total RM
Cost/Valuation								
At 1 October 2022	10,000,000	2,514,075	12,000,000	67,981	-	12,091,497	-	36,673,553
Additional	93,000	1,339,957	-	-	17,293	3,253,980	3,894,374	8,598,604
Disposals	-	-	-	-	-	(360,300)	-	(360,300)
Written off	-	(3,480)	-	-	-	-	-	(3,480)
At 30 September 2023								
(as stated)	10,093,000	3,850,552	12,000,000	67,981	17,293	14,985,177	3,894,374	44,908,377
Prior year adjustment	(1,664,786)	(220,000)	(2,341,766)	-	-	-	-	(4,226,552)
At 30 September 2023								
(restated)	8,428,214	3,630,552	9,658,234	67,981	17,293	14,985,177	3,894,374	40,681,825
Additional	301,319	18,635	20,361,001	55,028	-	2,828,568	2,207,900	25,772,451
Disposals	-	(3,198)	-	-	-	(7,617,795)	-	(7,620,993)
Transfer from Right of Used Assets (Note 6)	-	-	-	281,178	-	-	-	281,178
Transfer to Asset Held for Sale (Note 12)	(8,729,533)	-	(9,658,234)	-	-	-	(6,102,274)	(24,490,041)
At 28 February 2025								
	-	3,645,989	20,361,001	404,187	17,293	10,195,950	-	34,624,420

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT.)

Group	Buildings (at valuation) RM	Furniture and Fittings RM	Leasehold Land (at valuation) RM	Motor Vehicles RM	Renovation RM	Plant and Machinery (at valuation) RM	Capital in Progress RM	Total RM
Accumulated Depreciation and Impairment								
At 1 October 2022	-	1,608,885	-	44,131	-	2,249,532	-	3,902,548
Charge for the financial year	247,136	221,412	238,806	5,300	7,160	1,283,043	-	2,002,857
Disposals	-	-	-	-	-	(27,022)	-	(27,022)
Written off	-	(1,682)	-	-	-	-	-	(1,682)
Transfer to Investment Properties	-	-	-	-	-	1,282,215	-	1,282,215
At 30 September 2023	247,136	1,828,615	238,806	49,431	7,160	4,787,768	-	7,158,916
Prior year adjustment	(75,619)	(9,167)	(41,766)	-	-	-	-	(126,552)
At 30 September 2023 (restated)	171,517	1,819,448	197,040	49,431	7,160	4,787,768	-	7,032,364
Charge for the financial period	242,982	382,404	429,962	88,093	10,133	1,740,710	-	2,894,284
Disposals	-	(2,398)	-	-	-	(2,529,511)	-	(2,531,909)
Transfer from Right of Used Assets (Note 6)	-	-	-	112,471	-	-	-	112,471
Transfer to Asset Held for Sale (Note 12)	(414,499)	-	(476,180)	-	-	-	-	(890,679)
At 28 February 2025	-	2,199,454	150,822	249,995	17,293	3,998,967	-	6,616,531
Net carrying amount								
At 30 September 2023 (restated)	8,256,697	1,811,104	9,461,194	18,550	10,133	10,197,409	3,894,374	33,649,461
At 28 February 2025	-	1,446,535	20,210,179	154,192	-	6,196,983	-	28,007,889

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT.)

Company	Furniture, fittings and office equipment RM	Renovation RM	Total RM
Cost			
At 1 October 2022	43,411	-	43,411
Additional	32,082	17,293	49,375
Written off	(3,480)	-	(3,480)
At 30 September 2023	<u>72,013</u>	<u>17,293</u>	<u>89,306</u>
Additional	-	-	-
At 28 February 2025	<u>72,013</u>	<u>17,293</u>	<u>89,306</u>
Accumulated depreciation			
At 1 October 2022	16,274	-	16,274
Charge for the financial year	8,833	7,160	15,993
Written off	(1,682)	-	(1,682)
At 30 September 2023	<u>23,425</u>	<u>7,160</u>	<u>30,585</u>
Charge for the financial period	14,101	10,133	24,234
At 28 February 2025	<u>37,526</u>	<u>17,293</u>	<u>54,819</u>
Net carrying amount			
At 30 September 2023	<u>48,588</u>	<u>10,133</u>	<u>58,721</u>
At 28 February 2025	<u>34,487</u>	<u>-</u>	<u>34,487</u>

- a) Management determined that the leasehold land and factory buildings and plant and machinery constitute a separate class of asset under MFRS 13 Fair Value Measurements, based on the nature, characteristics and risks of the property.

Fair value of the leasehold land and factory buildings and plant and machinery was determined using market/comparison method. For valuation using market/comparison method, valuations performed by independent professional valuer are based on transacted market prices, adjusted for differences in location, size, tenure and other differences of the specific leasehold land and factory buildings and plant and machinery.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT.)

- a) The leasehold land, buildings, plant and machinery of the Company were revalued in July and August 2022 respectively, the fair values are based on valuation performed by an independent professional valuer with experience in valuing land and buildings leasehold land, buildings, plant and machinery of similar nature.

Had the revalued short-term leasehold land and factory buildings and plant and machinery been carried at historical cost less accumulated depreciation, the carrying amount of the short-term leasehold land and factory buildings leasehold land and factory buildings and plant and machinery that would have been included in the financial statements of the Group is as follows:

Group	Cost RM	Accumulated Depreciation RM	Net Book Value RM
28 February 2025			
Leasehold land and building	14,839,047	(2,850,973)	11,988,074
Plant and machinery	<u>29,861,046</u>	<u>(27,344,952)</u>	<u>2,516,094</u>
30 September 2023			
Leasehold land and building	14,537,728	(2,439,405)	12,098,323
Plant and machinery	<u>27,032,478</u>	<u>(26,761,857)</u>	<u>270,621</u>

- b) Capital in progress represent the cost incurred for extension of the existing factory and is anticipated to be completed within the next 12 months.
- c) During the financial period, the Group acquired property, plant and equipment by cash payments amounting to RM25,772,451.

5. INVESTMENT PROPERTIES

Group	Building RM	Leasehold Land RM	Total RM
As at 30 September 2023	-	-	-
Prior year adjustment	<u>1,800,000</u>	<u>2,300,000</u>	<u>4,100,000</u>
As at 30 September 2023 (restated)	1,800,000	2,300,000	4,100,000
Gain on fair value	900,000	498,320	1,398,320
Transfer to Asset Held for Sale (Note 12)	<u>(2,700,000)</u>	<u>(2,798,320)</u>	<u>(5,498,320)</u>
As at 28 February 2025	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

5. INVESTMENT PROPERTIES (CONT.)

The investment properties are stated at fair value, that are determined based on valuations performed by an independent professional valuer. There are no material events that affect the valuation between the valuation date and financial year end.

6. RIGHT-OF-USE ASSETS

The Group and the Company has a lease contract for office, motor vehicles, building and hostel used in its operations that has lease terms of 2-5 years. Generally, the Group and the Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amount of right of use assets recognised and the movement during the financial period:

Group	Office RM	Motor Vehicles RM	Hostel RM	Total RM
Cost				
As at 1 October 2022	73,548	281,178	-	354,726
Additional	83,882	-	50,438	134,320
As at 30 September 2023	<u>157,430</u>	<u>281,178</u>	<u>50,438</u>	<u>489,046</u>
Transfer to Property, Plant and Equipment (Note 4)	-	(281,178)	-	(281,178)
Additional	83,994	-	81,881	165,875
As at 28 February 2025	<u>241,424</u>	<u>-</u>	<u>132,319</u>	<u>373,743</u>
Accumulated Amortisation				
As at 1 October 2022	51,164	56,236	-	94,609
Charged for the year	57,335	56,235	14,711	128,281
As at 30 September 2023	108,499	112,471	14,711	235,681
Transfer to Property, Plant and Equipment (Note 4)	-	(112,471)	-	(112,471)
Charged for the period	59,430	-	49,374	108,804
As at 28 February 2025	<u>167,929</u>	<u>-</u>	<u>64,085</u>	<u>232,014</u>
Net Carrying Amount				
At 30 September 2023	<u>48,931</u>	<u>168,707</u>	<u>35,727</u>	<u>253,365</u>
At 28 February 2025	<u>73,495</u>	<u>-</u>	<u>68,234</u>	<u>141,729</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

6. RIGHT-OF-USE ASSETS (CONT.)

Company	Office RM	Total RM
Cost		
As at 1 October 2022	-	-
Additional	83,882	83,882
As at 30 September 2023	83,882	83,882
Additional	83,994	83,994
As at 28 February 2025	167,876	167,876
Accumulated Amortisation		
As at 1 October 2022	-	-
Charged for the year	34,951	34,951
As at 30 September 2023	34,951	34,951
Charged for the period	59,430	59,430
As at 28 February 2025	94,381	94,381
Net Carrying Amount		
At 30 September 2023	48,931	48,931
At 28 February 2025	73,495	73,495

- a) The net carrying amount of the right of use assets pledged as securities for the related lease liabilities as disclosed in Note 18 are as follows:

Group	28.02.2025 RM	30.09.2023 RM
Motor vehicles	-	168,707

- b) During the financial period, the following amount were recognised in profit or loss:

	Group		Company	
	28.02.2025 RM	30.09.2023 RM	28.02.2025 RM	30.09.2023 RM
Amortisation of right-of-use assets	108,804	128,281	59,430	34,951
Interest on lease liabilities	21,029	9,541	10,904	2,417

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

7. INVESTMENT IN SUBSIDIARIES

Company	28.02.2025	30.09.2023
	RM	RM
Unquoted Ordinary Shares at Cost		
At beginning of year	42,428,060	42,394,060
Additional	9,600	34,000
At end of year	<u>42,437,660</u>	<u>42,428,060</u>
Unquoted Redeemable Convertible Non-Cumulative Preference Shares at Cost		
At beginning of year	40,284,000	-
Additional	4,033,000	40,284,000
At end of year	<u>44,317,000</u>	<u>40,284,000</u>
Share Options Granted to Employees of a Subsidiary Pursuant to Company's SIS		
At beginning of year	3,728,546	1,688,546
Granted during the year	1,896,765	2,040,000
At end of year	<u>5,625,311</u>	<u>3,728,546</u>
Accumulated Impairment Losses		
At beginning of year	(25,735,479)	(10,542,271)
Additional	(5,708,163)	(15,193,208)
At end of year	<u>(31,443,642)</u>	<u>(25,735,479)</u>
Carrying Amount	<u>60,936,329</u>	<u>60,705,127</u>

Included in the carrying amount of investment in subsidiary companies are redeemable convertible non-cumulative preference shares in subsidiaries amounting to RM44,317,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

7. INVESTMENT IN SUBSIDIARIES (CONT.)

Name	Principal Place of Business	Ownership Interest		Principal Activities
		2025 (%)	2023 (%)	
Microlead Precision Technology Sdn Bhd ("MPT")	Malaysia	100	100	<ul style="list-style-type: none"> i) manufacture moulds, tool, dies, jigs and fixtures for use in hard disk drives production ii) manufacture advanced suspension tooling, semiconductor cavity/encapsulation moulds for application in hard disk drives and semiconductor industries iii) manufacture advanced automation modules/assemblies for digital data storage, medical instrument systems/device and optoelectronics application and related components
Star Acres Sdn Bhd	Malaysia	100	100	Investment holding company
MQ Builders Sdn Bhd	Malaysia	100	100	Dormant
Microlead Manufacturing Sdn Bhd	Malaysia	100	100	Dormant
Yixi Wellness Sdn Bhd	Malaysia	100	100	Dormant

All the subsidiary companies above are audited by Jamal, Amin & Partners.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

8. INVENTORIES

Group	28.02.2025	30.09.2023
	RM	RM
<i>Measured at lower of cost and net realised value:</i>		
Raw materials	613,253	631,887
Work in progress	123,699	50,384
Finished goods	337,079	155,409
	<u>1,074,031</u>	<u>837,680</u>
Recognised in Profit or Loss		
Inventories recognised as cost of sales	<u>8,747,204</u>	<u>8,519,403</u>

9. TRADE RECEIVABLES

Group	28.02.2025	30.09.2023
	RM	RM
Trade receivables	2,945,851	1,905,091
Less: Accumulated impairment losses	(724,237)	(47,627)
	<u>2,221,614</u>	<u>1,857,464</u>

Trade receivables are non-interest bearing and generally on 30 to 90 days (2023: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The ageing analysis of the Group's trade receivables are as follows:

Group	28.02.2025	30.09.2023
	RM	RM
Neither past due nor impaired	753,566	626,264
1 to 30 days past due not impaired	731,495	738,791
31 to 90 days past due not impaired	737,215	467,996
91 to 180 days past due not impaired	(662)	31,753
More than 180 days past due not impaired	-	(7,340)
	<u>2,221,614</u>	<u>1,857,464</u>
Impaired	<u>724,237</u>	<u>47,627</u>
	<u>2,945,851</u>	<u>1,905,091</u>

Trade receivables that are neither past due nor individually impaired are creditworthy receivables with good payment records with the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

9. TRADE RECEIVABLES (CONT.)

The ageing analysis of the Group's trade receivables are as follows: (cont.)

Trade receivables that are neither past due nor impaired

Trade receivables that were neither past due nor impaired relate to customers for whom there were no default.

Trade receivables that are past due but not impaired

Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

The reconciliation of the impairment losses of trade receivables are as follows:

Group	28.02.2025	30.09.2023
	RM	RM
At beginning of financial period/year	47,627	-
Addition	724,237	47,627
Reversal	(47,627)	-
At end of financial period/year	<u>724,237</u>	<u>47,627</u>

The currency exposure profile of trade receivables (gross) of the Group are as follows:

Group	28.02.2025	30.09.2023
	RM	RM
Ringgit Malaysia	463,323	380,167
United States Dollar	1,758,291	1,477,297
	<u>2,221,614</u>	<u>1,857,464</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	28.02.2025 RM	30.09.2023 RM	28.02.2025 RM	30.09.2023 RM
Other receivables	5,936,248	1,400,880	2,979,500	1,379,500
Less: Allowance for impairment losses	(1,379,500)	(979,500)	(1,379,500)	(979,500)
	<u>4,556,748</u>	<u>421,380</u>	<u>1,600,000</u>	<u>400,000</u>
Deposits	1,030,499	18,944,691	1,011,984	11,376
Less: Allowance for impairment losses	(1,000,000)	-	(1,000,000)	-
	<u>30,499</u>	<u>18,944,691</u>	<u>11,984</u>	<u>11,376</u>
Prepayments	10,885,108	6,213,855	8,393,732	2,719,993
Less: Allowance for impairment losses	(378,400)	(378,400)	-	-
	<u>10,506,708</u>	<u>5,835,455</u>	<u>8,393,732</u>	<u>2,719,993</u>
Total	<u>15,093,955</u>	<u>25,201,526</u>	<u>10,005,716</u>	<u>3,131,369</u>

The reconciliation of the allowance for expected credit losses for other receivables and deposits and accumulated impairment losses of prepayments are as follows:

	Group		Company	
	28.02.2025 RM	30.09.2023 RM	28.02.2025 RM	30.09.2023 RM
At beginning of financial period/year	1,357,900	4,294,350	979,500	3,939,750
Additions	1,400,000	563,550	1,400,000	539,750
Written off	-	(3,500,000)	-	(3,500,000)
At end of financial period/year	<u>2,757,900</u>	<u>1,357,900</u>	<u>2,379,500</u>	<u>979,500</u>

11. AMOUNT DUE FROM/(TO) SUBSIDIARIES

Amount due from/(to) subsidiaries are non-trade in nature, unsecured, interest free and recoverable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

12. ASSETS HELD FOR SALE

The assets classified as held for sale comprise of the following:

Group	28.02.2025	30.09.2023
	RM	RM
At beginning of financial period	-	-
Transfer from Property, Plant and Equipment (Note 4)	23,599,362	-
Gain on fair value of property, plant and equipment	504,592	-
Transfer from Investment Properties (Note 5)	5,498,320	-
At end of financial period	<u>29,602,274</u>	<u>-</u>

The carrying amount of the asset is the same as its carrying value before it was reclassified as held for sale.

The Group have entered into a sales and purchase agreement on its parcel of leasehold land and building on 19 February 2025. The sales value is RM 30,000,000.

13. FIXED DEPOSIT WITH LICENSED BANKS

These fixed deposits of the Group amounting to RM260,000 have been pledged to a licensed bank as security for the bank guarantee issued in favor of Tenaga Nasional Berhad for the supply of electricity. This deposit is being placed in the name of a former director who is holding it in trust for the Group.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	28.02.2025	30.09.2023	28.02.2025	30.09.2023
	RM	RM	RM	RM
Cash in hand	12,908	5,298	-	-
Cash at bank	574,428	884,085	121,715	124,655
	<u>587,336</u>	<u>889,383</u>	<u>121,715</u>	<u>124,655</u>

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

	Group		Company	
	28.02.2025	30.09.2023	28.02.2025	30.09.2023
	RM	RM	RM	RM
Ringgit Malaysia	543,937	858,907	121,715	124,655
United States Dollar	43,399	30,476	-	-
	<u>587,336</u>	<u>889,383</u>	<u>121,715</u>	<u>124,655</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

15. SHARE CAPITAL

	← Group and Company →			
	Number of shares		Amount	
	28.02.2025 Unit	30.09.2023 Unit	28.02.2025 RM	30.09.2023 RM
Issued and fully paid				
Beginning of financial period/year	1,381,215,831	1,251,092,031	95,130,798	83,709,357
Addition:				
Issue of shares pursuant to conversion bond	43,000,000	-	4,300,000	-
Issue of shares pursuant to exercise of ESOS	254,333,700	130,123,800	4,862,005	5,510,088
Transfer from share option reserve upon exercise of SIS	-	-	2,810,453	5,911,353
	<u>1,678,549,531</u>	<u>1,381,215,831</u>	<u>107,103,256</u>	<u>95,130,798</u>
Less: Share capital reduction	-	-	(50,000,000)	-
Less: Share consolidation	(1,471,994,878)	-	-	-
End of the financial period/year	<u>206,554,653</u>	<u>1,381,215,831</u>	<u>57,103,256</u>	<u>95,130,798</u>

During the reporting period, the Company increased its issued and paid-up capital via the following:

- (i) issuance of 139,600,000 new ordinary shares under the ESOS at an exercise price of RM0.0225 per share for cash;
- (ii) issuance of 114,733,700 new ordinary shares under the ESOS at an exercise price of RM0.015 per share for cash;
- (iii) Share capital reduction entails the reduction of RM50,000,000 of the Company's issued shares pursuant to Section 116 of the Act

During the reporting period, the Company had implemented a share consolidation exercise on the basis of ten (10) existing ordinary shares being consolidated into one (1) ordinary share.

On the newly issued shares rank pari passu in all respects with the existing issued shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

16. RESERVE

	Group		Company	
	28.02.2025	30.09.2023	28.02.2025	30.09.2023
	RM	RM	RM	RM
Revaluation reserves	4,399,653	12,409,830	-	-
Employee share option reserves	481,504	908,647	481,504	908,647
	<u>4,881,157</u>	<u>13,318,477</u>	<u>481,504</u>	<u>908,647</u>

a) Revaluation reserves

The revaluation reserve represents revaluation surplus arising from leasehold land and factory buildings and plant and machinery. The revaluation reserve is used to record increase in the fair value leasehold land and factory buildings and plant and machinery and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

b) Share issuance scheme reserves

This represents the equity settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity settled share options, and is reduced by the expiry or exercise of the share options.

17. REDEEMABLE CONVERTIBLE BOND

	Company	
	28.02.2025	30.09.2023
	RM	RM
Proceeds from issue of 7,000,000 convertible bond	7,000,000	-
Transaction costs	(4,442,546)	-
Net proceeds	<u>2,557,454</u>	-
Amount classified as equity	(333,557)	-
Accreted interest	142,546	-
Carrying amount at 28 February 2025	<u>2,366,443</u>	-

The convertible notes carry a coupon rate of 2% per annum

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**17. REDEEMABLE CONVERTIBLE BOND (CONT.)**

The salient features of the RCB are as follows:

- a) The bond was subscribed on 15 October 2024 and is in force for a period of 3 years;
- b) The total number of issuance bonds shall up to RM150.00 million in aggregate nominal value, divided into 3 Main Tranches Bonds, in the following manner;
- c) The Bonds shall bear interest at a rate of 2.0% per annum, accruing from their respective issue and registration dates, and shall be payable semi-annually with the final interest payment made on the Maturity Date;
- d) The Bonds may be converted into duly authorised, validly issued, can be converted in the period from 15 October 2024 until 15 October 2026 fully-paid and unencumbered Shares, at the option of the Bond Holder thereof;
- e) The Bonds shall not be issued to the Subscriber pursuant to a Relevant Bonds Subscription Notice if, the total number of Conversion Shares already issued and not would exceed 327,109,900 Conversion Shares representing 200% of the issued shares;
- f) Conversion period shall be at any time, from and including the respective dates on which the Bonds are issued and registered in accordance with the Subscription Agreement;
- g) The Conversion Price shall be fixed 10 cents per Share over any three consecutive Business Days selected by the Bond Holder. Conversion Price shall not be lower than the Minimum Conversion Price (MCP);
- h) Conversion date shall be on the date of the conversion notice received;
- i) The Bonds shall rank at least pari passu in priority of payment with all other unsecured and unsubordinated indebtedness of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

18. LEASE LIABILITIES

	Group		Company	
	28.02.2025 RM	30.09.2023 RM	28.02.2025 RM	30.09.2023 RM
At beginning of the period/year	184,217	148,362	51,299	-
Additions	149,875	134,319	83,994	83,882
Interest charged	9,036	9,542	3,558	2,417
Repayments	(96,499)	(108,006)	(64,600)	(35,000)
Reclass to Finance Lease (Note 19)	(102,850)	-	-	-
At the end of the period/year	<u>143,779</u>	<u>184,217</u>	<u>74,251</u>	<u>51,299</u>
Future Minimum Lease Payments:				
Not later than one year	70,433	105,456	45,600	45,000
Later than one year but not later than five years	<u>84,373</u>	<u>88,520</u>	<u>34,200</u>	<u>7,600</u>
	154,806	193,976	79,800	52,600
Less: Future finance charges	<u>(11,027)</u>	<u>(9,759)</u>	<u>(5,549)</u>	<u>(1,301)</u>
	<u>143,779</u>	<u>184,217</u>	<u>74,251</u>	<u>51,299</u>
Present Value of:				
Not later than one year	60,487	98,967	41,132	43,736
Later than one year but not later than five years	<u>83,292</u>	<u>85,250</u>	<u>33,119</u>	<u>7,563</u>
	<u>143,779</u>	<u>184,217</u>	<u>74,251</u>	<u>51,299</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

18. LEASE LIABILITIES (CONT.)

The interest rate of the Group and of the Company at reporting date range from 2.22% to 6.75% (2023: 2.22% to 6.75%).

The Group and the Company lease motor vehicles, office and hostel. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The amount of lease liabilities expenses recognised in the Company's profit or loss for the financial period ended 28 February 2025 is disclosed in Note 6.

19. FINANCE LEASE

	Group	
	28.02.2025	30.09.2023
	RM	RM
Secured	53,751	-
Finance lease		
Non current	21,935	-
Current	31,816	-
	53,751	-
At the beginning of the period/year	-	-
Reclass from Lease Liabilities (Note 18)	96,499	-
Repayment	(47,395)	-
Interest charged	4,647	-
At the end of the period/year	53,751	-
Future minimum lease payments		
Not later than one year	33,456	-
Later than one year but not later than five years	22,274	-
	55,730	-
Less: Future finance charges	(1,979)	-
	53,751	-

The interest rate of the Group at reporting date ranging from 4.32% - 6.21% (2023: 4.32% - 6.21%).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

20. DEFERRED TAX LIABILITIES

	Group	
	28.02.2025	30.09.2023
	RM	RM
At beginning of financial period	1,605,529	1,534,440
Recognised in profit/loss (Note 26)	-	71,089
At end of financial period	<u>1,605,529</u>	<u>1,605,529</u>

The components of deferred tax liabilities during the financial period are as follows:

	Group	
	28.02.2025	30.09.2023
	RM	RM
Property, plant and equipment	<u>1,605,529</u>	<u>1,605,529</u>

21. TRADE PAYABLES

	Group	
	28.02.2025	30.09.2023
	RM	RM
Trade payables	<u>435,537</u>	<u>624,683</u>

The normal trade credit term granted to the Group range from 30 to 90 days (2022: 30 to 90 days) depending on the terms of the contracts.

The currency exposure profile of trade payables of the Company are as follows:

	Group	
	28.02.2025	30.09.2023
	RM	RM
Ringgit Malaysia	194,799	588,612
United States Dollar	240,738	36,071
	<u>435,537</u>	<u>624,683</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	28.02.2025	30.09.2023	28.02.2025	30.09.2023
	RM	RM	RM	RM
Other payables	1,219,911	216,586	306,353	77,736
Accruals	804,585	784,224	130,821	219,579
Deposits	6,022,500	67,500	-	-
Amount due to Directors	296,890	-	96,890	-
	<u>8,343,886</u>	<u>1,068,310</u>	<u>534,064</u>	<u>297,315</u>

23. REVENUE

	Group	
	1.10.2023 to 28.02.2025	30.09.2023
	RM	RM
<i>Revenue from Contract with Customers:</i>		
Sales of goods	<u>10,808,133</u>	<u>6,749,543</u>

Breakdown of the Group's revenue from contracts with customers:

	Group	
	1.10.2023 to 28.02.2025	30.09.2023
	RM	RM
Geographical Market		
Malaysia	2,648,315	1,763,425
Thailand	6,487,490	3,972,426
Singapore	22,237	48,293
United States	752,817	859,692
Ireland	897,274	105,707
	<u>10,808,133</u>	<u>6,749,543</u>
 Timing of Revenue Recognition		
At a point of time	<u>10,808,133</u>	<u>6,749,543</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

24. OTHER INCOME

	Group	
	1.10.2023	
	to	30.09.2023
	28.02.2025	RM
	RM	RM
Gain on investment properties	1,398,320	-
Interest income	161	135
Insurance claim	1,101	306
Rental received	782,250	540,000
Other income	66,675	27,485
	<u>2,248,507</u>	<u>567,926</u>

25. LOSS BEFORE TAX

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

	Group		Company	
	1.10.2023		1.10.2023	
	to	30.09.2023	to	30.09.2023
	28.02.2025	RM	28.02.2025	RM
	RM	RM	RM	RM
Auditors' remuneration:				
Current financial period	150,000	138,000	61,000	58,000
Under provision in prior financial period/year	5,520	5,220	4,140	3,660
Depreciation of property, plant and equipment	2,894,284	2,002,857	24,234	15,993
Amortisation of right of use assets	108,804	128,281	59,430	34,951
Impairment loss on property, plant and equipment	-	1,282,215	-	-
Impairment loss on trade receivables	724,237	47,627	-	-
Impairment loss on other receivable	<u>1,400,000</u>	<u>559,750</u>	<u>1,400,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

25. LOSS BEFORE TAX (CONT.)

Loss before tax is arrived at after charging/(crediting) the following: (cont.)

	Group		Company	
	1.10.2023 to 28.02.2025 RM	30.09.2023 RM	1.10.2023 to 28.02.2025 RM	30.09.2023 RM
Reversal on impairment on other receivables	(47,627)	-	-	-
Incorporation fee	-	2,680	-	-
Loss on disposal property, plant and equipment	2,275,967	316,686	-	-
Property, plant and equipment written off	800	1,798	-	1,798
Realised loss/(gain) on foreign exchange		34,649		
Staff cost (Note 28)	6,027,134	4,545,447	1,086,112	844,069
Lease liabilities interest	21,029	9,541	10,904	2,417
	<u>21,029</u>	<u>9,541</u>	<u>10,904</u>	<u>2,417</u>

26. TAXATION

Major components of tax expenses

	Group		Company	
	1.10.2023 to 28.02.2025 RM	30.09.2023 RM	1.10.2023 to 28.02.2025 RM	30.09.2023 RM
Income Tax				
Under provision in prior financial period/year	<u>19</u>	<u>30</u>	<u>-</u>	<u>12</u>
Deferred Tax (Note 20)				
Under provision in prior financial period/year	<u>-</u>	<u>71,089</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

26. TAXATION (CONT.)

Reconciliation between income tax expenses and the product of accounting profit/(loss) multiplied by the statutory tax rate is as follows:

	Group		Company	
	1.10.2023 to 28.02.2025 RM	30.09.2023 RM	1.10.2023 to 28.02.2025 RM	30.09.2023 RM
Loss before tax	(11,990,576)	(16,178,603)	(11,448,715)	(22,111,703)
Income tax calculated at rate of 24% (2023: 24%)	(2,877,738)	(3,882,865)	(2,747,692)	(5,306,809)
Income not subject to tax	(335,597)	-	-	-
Tax effects of expenses not deductibles for tax purposes	2,788,968	3,072,357	2,747,692	5,306,809
Underprovision for deferred tax in prior financial period	-	71,089	-	-
Underprovision for income tax in prior financial period	-	30	-	12
Deferred tax assets not recognised during the financial period/year	424,386	810,508	-	-
	<u>19</u>	<u>71,119</u>	<u>-</u>	<u>12</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

26. TAXATION (CONT.)

The amounts of temporary differences for which not deferred tax assets have been recognised in the statement of financial position are as follows:

	Group	
	28.02.2025 RM	30.09.2023 RM
Unutilised tax losses	(14,297,657)	(13,858,624)
Unabsorbed capital allowances	(12,944,125)	(11,614,883)

Deferred tax assets have not been recognised in respect of these items as it is not probable that the future taxable profit of the Group and the Company will be available against which the deductible temporary differences can be utilised.

With effect from year of assessment 2022, unused tax losses are allowed to be carried forward up to a maximum of ten consecutive years of assessment under current tax legislation. The other temporary differences do not expire under current tax legislation.

27. LOSS PER SHARE

a) Basic loss per share

The basic loss per share are calculated based on the consolidated loss for the financial period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	28.02.2025	30.09.2023
Loss attributable to the owners of the parent for basic loss (RM)	(11,990,595)	(16,249,722)
Weighted average number of ordinary shares issue (unit)	197,150,194	1,322,060,138
Basic loss per ordinary share (sen)	(6.08)	(1.23)

b) Diluted loss per share

The Group has no dilution in their loss per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

28. STAFF COSTS

	Group		Company	
	1.10.2023 to 28.02.2025 RM	30.09.2023 RM	1.10.2023 to 28.02.2025 RM	30.09.2023 RM
Salaries, fees, bonuses and allowances	5,487,993	4,048,779	978,700	725,165
Social security contributions	77,203	57,894	5,467	4,160
Other benefits	461,938	438,774	101,945	114,744
	<u>6,027,134</u>	<u>4,545,447</u>	<u>1,086,112</u>	<u>844,069</u>

- a. Included in staff costs is the aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial period as below:

	Group		Company	
	1.10.2023 to 28.02.2025 RM	30.09.2023 RM	1.10.2023 to 28.02.2025 RM	30.09.2023 RM
Executive Directors of the Company				
Fees	357,000	259,565	357,000	259,565
Salaries and other emoluments	679,500	496,000	375,500	300,000
Social security contributions	5,461	4,160	2,489	2,080
Other benefits	78,204	92,996	45,567	36,238
	<u>1,120,165</u>	<u>852,721</u>	<u>780,556</u>	<u>597,883</u>

- b. Equity-Settled Share-Based Payments

The fair value of services received in return for share options granted is based on the market price of the grant date with value of RM0.0408. Grant date is the date that the Company and its employees agree to a share-based payment arrangement, being when the entity and the Company and its employees have a shared understanding of the terms and conditions of the agreement.

The share options expense recognised in profit or loss of the Group during the financial period/year were RM 1,896,765.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

29. CATEGORIES OF FINANCIAL INSTRUMENT

The table below provides an analysis of financial instruments categorised as follows:

	Group		Company	
	28.02.2025	30.09.2023	28.02.2025	30.09.2023
	RM	RM	RM	RM
Financial Assets				
<i>Measured at amortised costs</i>				
Trade receivables	2,221,614	1,857,464	-	-
Other receivables and deposits	4,587,249	19,366,071	1,611,984	411,376
Amount due from subsidiary companies	-	-	2,238	1,077,438
Fixed deposits with licensed banks	260,000	260,000	-	-
Cash and cash equivalents	587,336	889,383	121,715	124,655
	<u>7,656,198</u>	<u>22,372,918</u>	<u>1,735,937</u>	<u>1,613,469</u>
Financial Liabilities				
<i>Measured at amortised costs</i>				
Trade payables	435,537	624,683	-	-
Other payables and accruals	8,343,886	1,068,310	534,064	297,315
Leased liabilities	143,779	184,217	74,251	51,299
	<u>8,923,202</u>	<u>1,877,210</u>	<u>608,315</u>	<u>348,614</u>

30. OPERATING SEGMENTS

Other segments comprise companies providing manufacturing, investment holding and others. The Executive Directors assess the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

The Executive Directors are of the opinion that all inter segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

30. OPERATING SEGMENTS (CONT.)

Business Segments

Group	Manufacture RM	Investment Holding RM	Others RM	Consolidation /Elimination	Total RM
Revenue					
External revenue	10,808,133	-	-	-	10,808,133
Results					
Segment results	(1,603,845)	(11,437,924)	(4,640,749)	5,708,163	(11,974,355)
Interest expense	(5,478)	(10,904)	(4,647)	-	(21,029)
Interest income	48	113	-	-	161
Loss before tax	(1,609,275)	(11,448,715)	(4,640,749)	5,708,163	(11,995,223)
Tax expense	-	-	(19)	-	(19)
Loss after tax	(1,609,275)	(11,448,715)	(4,640,768)	5,708,163	(11,995,242)
Assets					
Segment assets	49,375,577	71,173,980	26,093,060	(69,640,218)	77,002,399
Other Information					
Depreciation of property, plant and equipment	1,684,758	24,234	1,185,292	-	2,894,284
Depreciation of right of use assets	49,374	59,430	-	-	108,804
Loss on disposal of property, plant and equipment	-	-	2,275,167	-	2,275,167
Written off of property, plant and equipment	800	-	-	-	800
Impairment of trade receivables	724,237	-	-	-	724,237

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**31. FINANCIAL INSTRUMENTS**

The Group and the Company have exposure to the following risks from its use of financial instruments:

a) Credit risk

The Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The exposure of the Group and the Company to credit risk arises principally from trade receivables and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The objective of the Group and the Company is to seek continual revenue growth while minimising losses incurred due to increase in credit risk exposure. The Group and the Company trade with all third parties but will only provide credit terms upon approval of the management.

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

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

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

The Group and the Company has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

31. FINANCIAL INSTRUMENTS (CONT.)

a) Credit risk (cont.)

Trade receivables

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

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

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

The maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position at the end of the reporting period.

In managing credit risk of trade receivables, the Group and the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days.

The Group and the Company uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 61 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Credit risk concentration profile

At the end of the financial period, the Group has a significant concentration of credit risk in the form of two (2023: two) trade receivables, representing approximately 70% (2023: 70%) of the Group's trade receivables. The Company has no significant concentration of credit risks except for advances to its subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

31. FINANCIAL INSTRUMENTS (CONT.)

a) Credit risk (cont.)

Trade receivables (cont.)

Loss rates are based on actual credit loss experience over the past three years. The Group and the Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's and the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group and the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Current RM	1 to 30 days past due RM	31 to 60 days past due RM	61 to 90 days past due RM	> 90 days past due RM	Total past due
28.02.2025						
Expected credit loss rate	0%	0%	1.3%	0%	99.32%	24.99%
Gross carrying amount at defaults	704,878	725,920	607,146 (7,996)	139,125	768,782 (716,241)	2,945,851 (724,237)
Expected credit loss	704,878	725,920	599,150	139,125	52,541	2,221,614
30.09.2023						
Expected credit loss rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Gross carrying amount at defaults	632,412	757,734	185,680	299,970	29,295	1,905,091
Expected credit loss	(15,810)	(18,943)	(4,642)	(7,499)	(733)	(47,627)
	616,602	738,791	181,038	292,471	28,562	1,857,464

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025**31. FINANCIAL INSTRUMENTS (CONT.)****a) Credit risk (cont.)****Cash and cash equivalents**

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for

Other receivables

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting year.

b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that then cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

31. FINANCIAL INSTRUMENTS (CONT.)

b) Liquidity risk (cont.)

Analysis of financial liabilities by remaining contractual maturity obligations

The table below summarises the maturity profile of the Group and the Company's liabilities at the statement of financial position based on contractual undiscounted repayment obligations:

	Carrying Amount RM	Contractual Cash Flows RM	Less than 1 year RM	1 to 5 years RM
Group				
28.02.2025				
Financial Liabilities				
Trade payables	435,537	435,537	435,537	-
Other payables and accruals	8,046,996	8,046,996	8,046,996	-
Lease liabilities	197,530	197,530	92,303	105,227
Redeemable convertible bond	2,366,443	2,366,443	-	2,366,443
	<u>8,680,063</u>	<u>8,680,063</u>	<u>8,564,955</u>	<u>115,108</u>
30.09.2023				
Financial Liabilities				
Trade payables	624,683	624,683	624,683	-
Other payables and accruals	1,068,310	1,068,310	1,068,310	-
Lease liabilities	184,217	193,976	105,456	88,520
	<u>1,877,210</u>	<u>1,886,969</u>	<u>1,798,449</u>	<u>88,520</u>
Company				
28.02.2025				
Financial Liabilities				
Other payables and accruals	534,064	534,064	534,064	-
Lease liabilities	79,800	79,800	45,600	34,200
Redeemable convertible bond	2,366,443	2,366,443	-	2,366,443
	<u>613,864</u>	<u>613,864</u>	<u>579,664</u>	<u>34,200</u>
30.09.2023				
Financial Liabilities				
Other payables and accruals	297,315	297,315	297,315	-
Lease liabilities	51,299	52,600	45,000	7,600
	<u>348,614</u>	<u>349,915</u>	<u>342,315</u>	<u>7,600</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

31. FINANCIAL INSTRUMENTS (CONT.)

c) Market risk

The Company's exposure to a risk of change in their fair value due to changes in interest rates related primarily from their fixed deposits and lease liabilities.

Exposure to interest rate risk

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

	Group		Company	
	28.02.2025	30.09.2023	28.02.2025	30.09.2023
	RM	RM	RM	RM
Fixed rate				
<u>Financial Assets</u>				
Fixed deposits with licensed banks	260,000	260,000	-	-
<u>Financial Liabilities</u>				
Leased liabilities	143,779	184,217	74,251	51,299

d) 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 foreign currency risk on business transactions, receivables, payables are mainly denominated in currencies other than respective functional currencies of the Group entities. The currencies giving rise to the risk are primarily United States Dollar (USD) and Singapore Dollar (SGD). Presently the Company has no intention of hedging its foreign exchange risk profile.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

31. FINANCIAL INSTRUMENTS (CONT.)

d) Foreign currency risk (cont.)

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

	USD	Total
	RM	RM
28.02.2025		
Trade receivables	1,758,291	1,758,291
Cash and cash equivalents	43,399	43,399
Trade payables	<u>(240,738)</u>	<u>(240,738)</u>
	<u>1,560,952</u>	<u>1,560,952</u>
30.09.2023		
Trade receivables	1,477,297	1,477,297
Cash and cash equivalents	30,476	30,476
Trade payables	<u>(36,071)</u>	<u>(36,071)</u>
	<u>1,471,702</u>	<u>1,471,702</u>

Currency risk sensitivity analysis

A 10% strengthening of the following currencies against at the end of the reporting year would have decreased equity and increased pre-tax profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

		Effect on profit before tax	
		28.02.2025	30.09.2023
		RM	RM
United States Dollar	Strengthen by 10%	156,095	147,170
	Weaken by 10%	<u>(156,095)</u>	<u>(147,170)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

32. CAPITAL MANAGEMENT

Foreign The Group's and the Company's objectives when managing capital are to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern and to maintain a capital structure, so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company manage need determines the capital structure and policies in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes were made in the objectives, policies and processes during the financial period.

The Group and the Company monitor capital based on gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as trade payables, other payables, accruals and lease liabilities less cash and cash equivalents. Total capital is calculated as total equity plus net debt. The gearing ratio are as follows:

	Group		Company	
	28.02.2025 RM	30.09.2023 RM	28.02.2025 RM	30.09.2023 RM
Trade payables	435,537	624,683	-	-
Other payables and accruals	8,343,886	1,068,310	534,064	297,315
Leased liabilities	197,530	184,217	74,251	51,299
Less: Cash and cash equivalents	(587,336)	(889,383)	(121,715)	(124,655)
Net Debt	<u>8,389,617</u>	<u>987,827</u>	<u>486,600</u>	<u>223,959</u>
Total Equity	<u>64,053,474</u>	<u>63,660,607</u>	<u>65,227,784</u>	<u>64,797,627</u>
Gearing Ratio	<u>13.10%</u>	<u>1.55%</u>	<u>0.75%</u>	<u>0.35%</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

33. FAIR VALUE OF ASSET AND LIABILITIES

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

Fair value of financial instruments that are carried at fair value:

- i. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximate fair value.
- ii. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximate fair value.

Trade and other receivables, cash and cash equivalents, trade and other payables, the carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature of that they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

The following table provides an analysis of each class of assets measured at fair value at the end of the reporting period:

Fair Value Measurements at the end of the Reporting Period using				
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
28.02.2025				
Plant and machinery	-	-	6,196,983	6,196,983
30.09.2023				
Leasehold land and buildings	-	-	21,607,058	21,607,058
Plant and machinery	-	-	4,346,678	4,346,678

34. CAPITAL COMMITMENT

	Group	
	28.02.2025	30.09.2023
	RM	RM
Property, plant and equipment - Authorised but not contracted for	-	3,619,240

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

35. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

1. On 7 August 2024, the Board of Directors have announced that Bursa Securities has vide its letter dated 7 August 2024, resolved to approved the following:

i. Proposed Share Capital Reduction

The proposed share capital reduction entails the reduction of RM50.00 million of the Group's issued share capital pursuant to Section 116 of the Act. The corresponding credit of RM50.00 million arising from such cancellation will be utilized to reduce the accumulated losses of the Group and the balance (if any) will be credited to the retained earnings account of the Group which may be utilized in such manners as the Board deems fit and in the best interest of the Group, as permitted by the relevant and applicable laws, Listing Requirement as well as the Constitution.

ii. Proposed Share Consolidation

The proposed share consolidation entails the consolidation of every 10 existing shares held by the shareholders of the Company, whose name appear in the Record of Depositor of the company on the Entitlement Date, into 1 Consolidated Share.

The actual number of Consolidated Shares will be determined based on the total number of issued shares as at the Entitlement Date after taking into consideration any new shares that may be issued arising from the exercise of any outstanding SIS options. Any fractional entitlements for the Consolidated Shares will be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit, expedient and in the best interest in the company.

iii. Proposed Issuance of Bonds

On 7 June 2024, the Company had entered into a conditional Subscription Agreement with Triton Capital Fund VCC, pursuant to the Bonds issued by the company in 3 main tranches, subject to the terms and conditions of the Subscription Agreement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

35. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD (CONT.)

2. Microlead Precision Technology Sdn Bhd (a wholly-owned subsidiary of MQ Tech) (“MPTSB”) had on 19 February 2025 entered into a conditional sale and purchase agreement (“SPA”) with MTrustee Berhad, acting as the trustee for and on behalf of Hektar Real Estate Investment Trust (“Hektar REIT”) (“MTrustee”) for the proposed disposal of a parcel of leasehold industrial land held under PN 5908, Lot 14840, Mukim 12, District of Barat Daya, State of Pulau Pinang with the buildings erected thereon, together with all infrastructure, major systems, and fixtures and fittings attached thereto (collectively, “Penang Property”) for a total disposal consideration of RM30,000,000.00 to be satisfied entirely in cash pursuant to the terms and conditions of the SPA (“Proposed Disposal”).

As part of the condition’s precedent of the SPA, MPTSB had on the even date entered into a lease agreement with MTrustee to leaseback the Penang Property from MTrustee for a term of 15 years (and with an option to renew for a further term of 15 years) (“Lease Agreement”), upon the completion of the Proposed Disposal, pursuant to the terms and conditions of the Lease Agreement (“Proposed Leaseback”).

The Proposed Disposal and Proposed Leaseback are collectively referred to as “Proposed Disposal and Leaseback”.

3. Star Acres Sdn Bhd (a wholly-owned subsidiary of the Company) (“SASB” or “Purchaser”), had on 19 February 2025 entered into a conditional sale and purchase agreement with Cash Support Sdn Bhd (“CSSB” or “Vendor”) for the proposed acquisition of the remaining portion of leasehold land measuring up to 3.572 acres (“Remaining Melaka Land”) within a larger parcel of the leasehold land measuring approximately 10.727 acres in Klebang, Melaka identified as PN 63030, Lot 1, Kawasan Bandar XLV, District of Melaka Tengah, State of Melaka (“Melaka Land”), for a cash consideration of RM8.50 million (“Purchase Consideration”) (“SPA”), pursuant to the terms and conditions of the SPA (“Proposed Acquisition”).

36. SUBSEQUENT EVENT AFTER THE FINANCIAL PERIOD

1. On 9 May 2025, MQ Technology Berhad had subscribed 2,000,000 ordinary shares in Yuen Hing (Hong Kong) Technology Co., Limited, representing a 20% equity interest, for a total consideration of HKD2,000,000. The investment was funded via an amount payable to Inspur International (Hong Kong) Co., Limited.
2. On 21 May 2025, the company entered into a supplemental subscription agreement to the conditional subscription agreement to revise minimum conversion price (MCP) of RM0.10 to RM0.05. Pursuant thereto, the Company proposed to undertake the proposed variation of the minimum conversion price (“MCP”) of the Bonds (“Proposed Variation of MCP”) and proposed variation of the utilisation of proceeds to be raised from the issuance of Bonds (“Proposed Variation of Utilisation of Proceeds”).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

37. PRIOR YEAR ADJUSTMENT

The prior adjustments related to correction of accounting in respect of a proportion of property, plant & equipment that need to be reclassified to investment property as it meets the requirement of MFRS 140 Investment Property. The property, plant & equipment affected are building and land amounting RM1,800,000 and RM2,300,000 respectively.

The effects of the prior year adjustment on the financial statement of the Company are as follows:

Group	As previously reported RM	Effects of correction of errors RM	As restated RM
<u>Effects on financial position as at 28 February 2025 (Extract)</u>			
<u>Non-current asset</u>			
Land	11,761,194	(2,300,000)	9,461,194
Building	9,845,864	(1,800,000)	8,045,864
Investment property	-	4,100,000	4,100,000
<u>Equity</u>			
Accumulated losses	31,966,492	1,185,189	33,151,681
Reserves	(16,138,376)	(1,185,189)	17,323,565

38. COMPARATIVE FIGURE

The current financial period was from 1 October 2023 to 28 February 2025, compared to a twelve (12) month period for the previous financial year ended 30 September 2023. Therefore, the comparative amounts are not in respect of a comparable period for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and their related notes.

The comparative figures are audited by another firm of Chartered Accountants other than Jamal, Amin & Partners.

39. AUTHORISATIONS OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial period from 1 October 2023 to 28 February 2025 were authorised for issue in accordance with a resolution of the directors on 25 June 2025.

LIST OF PROPERTIES

No	Name of Registered Owner / Postal Address / Title Identification	Approximate Age of Building / Tenure / Date of Expiry of Lease	Building Description/ Existing Use	Land Area/ Built up area (Sq ft)	Date of Acquisition	Audited Carrying Amount as at 28.02.2025
1	MICROLEAD PRECISION TECHNOLOGY SDN BHD Plot 86 (B) Lintang Bayan Lepas 9, Bayan Lepas Industrial Park 4, 11900 Penang / H.S.(D) 20655, P.T. 5289, Mukim 12, Daerah Barat Daya, Penang.	20.5 years / Leasehold land / 11.09.2065	1) 1½ storey 2) Extension 1½ storey 3) Extension 3 storeys / Factory and Office premises	82,340 / 53,671	26.08.2004	29,602,274

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares	:	206,554,653 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 MAY 2025

Size of Holdings	No. of Shareholders	No. of Shares	Percentage (%)
1 – 99	1,021	23,661	0.011
100 – 1,000	3,035	1,835,678	0.888
1,001 – 10,000	4,571	20,221,070	9.789
10,001 – 100,000	1,754	55,121,703	26.686
100,001 – 10,327,731*	208	115,361,641	55.850
10,327,732 and above**	1	13,990,900	6.773
Total	10,590	206,554,653	100.00

Notes * Less than 5% of the issued shares
 ** 5% and above of the issued shares

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 MAY 2025

Name	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
-	-	-	-	-

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30 MAY 2025

Name	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
ABDUL RAHIM RAJAH BIN ABDULLAH	-	-	-	-
GERALD NICHOLAS TAN ENG HOE	-	-	-	-
KOAY BOON HOOI	-	-	-	-
LIM CHAR BOO	-	-	-	-
NURULHIDAYAH BT AHMAD ZAHID	-	-	-	-
TERENCE CHEAH EU LEE	-	-	-	-

ANALYSIS OF SHAREHOLDINGS (CONT'D)**THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 MAY 2025**

No.	Names	No. of Shares	Percentage (%)
1.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	13,990,900	6.773
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	10,000,000	4.841
3.	KENANGA NOMINEES (TEMPATAN) SDN BHD TAN POW CHOO @ WONG SENG ENG (EM1-CN)	9,994,000	4.838
4.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI TEAN SENG	9,000,200	4.357
5.	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR TRITON CAPITAL FUND VCC	6,651,000	3.220
6.	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	6,142,700	2.973
7.	TONG SIAN SHYEN	4,960,000	2.401
8.	KOK SENG PING	4,540,040	2.197
9.	TAN SWEE YEONG	3,500,000	1.694
10.	LIM KOK PENG	2,580,000	1.249
11.	SEAN KOH WEI ZHONG	2,206,600	1.068
12.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JOHNSON HII CHANG HIUM (E-PDG)	1,504,000	0.728
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	1,222,010	0.591
14.	LIM POH FONG	1,135,280	0.549
15.	LEE MING CHAI	1,118,460	0.541
16.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG LIN CHIN (E-BPT)	1,057,900	0.512
17.	ROZEE BIN NOOR	1,010,000	0.488
18.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH BOON SOO @ GOH YANG ENG	1,000,000	0.484
19.	LOH CHANG CHUEN	906,000	0.438
20.	TANG KOK MENG	900,000	0.435
21.	TAI CHIN LIAN	850,000	0.411
22.	ONG TEONG YEW	849,700	0.411
23.	CHONG CHEN KONG	800,000	0.387
24.	LIEW KAP SEM	800,000	0.387
25.	CHE WAN ABDUL FATAH BIN CHE WAN DAUD	741,300	0.358
26.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KOK CHIN (MP0400)	600,000	0.290
27.	LEE SENG HENG	600,000	0.290
28.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG ENG HENG (E-TAI/TIN)	600,000	0.290
29.	HON KAH YIN	580,000	0.280
30.	LEE WEI CHONG	565,700	0.273
	TOTAL	90,406,390	43.768

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting (“**21st AGM**”) of the Company will be held at Unit 310, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 26 August 2025 at 11.00 a.m. to transact the following business:-

AGENDA

Ordinary Business

- | | | |
|----|---|-----------------------------------|
| 1. | To receive the Audited Financial Statements for the financial period ended 28 February 2025 together with the Reports of the Directors and Auditors thereon. | Please refer to
Note B |
| 2. | To approve the payment of Directors’ fees and benefits of not exceeding RM400,000.00 from 27 August 2025 until the next Annual General Meeting of the Company to be held in 2026. | Resolution 1 |
| 3. | To re-elect Dato’ Lim Char Boo who retires in accordance with Clause 97 of the Company’s Constitution and being eligible, has offered himself for re-election. | Resolution 2 |
| 4. | To re-elect Mr. Gerald Nicholas Tan Eng Hoe who retires in accordance with Clause 97 of the Company’s Constitution and being eligible, has offered himself for re-election. | Resolution 3 |
| 5. | To re-appoint Messrs. Jamal, Amin & Partners as the Auditors of the Company and authorise the Directors to fix their remuneration. | Resolution 4 |

Special Business

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

- | | | |
|----|---|---------------------|
| 6. | AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 | Resolution 5 |
|----|---|---------------------|

“**THAT** subject always to the Companies Act, 2016 (“Act”), Company’s Constitution, Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, to issue and allot shares in the Company at any time and 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 at the time of issue **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Securities **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 54 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.”

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. PROPOSED RETENTION OF INDEPENDENCE NON-EXECUTIVE DIRECTOR

Resolution 6

“**THAT** subject to the passing of Ordinary Resolution 2, approval be and is hereby given for Dato’ Lim Char Boo who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”

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

By Order of the Board
MQ TECHNOLOGY BERHAD

LIM LI HEONG (MAICSA 7054716)
(SSM Practising Certificate No.: 202008001981)

WONG MEE KIAT (MAICSA 7058813)
(SSM Practising Certificate No.: 202008001958)

Company Secretaries
 Kuala Lumpur
 30 June 2025

Notes:-

A. Proxy

1. A member of the Company entitled to attend and vote is entitled to appoint any person as his proxy to attend and vote in his stead. There is no restriction as to the qualification of the proxy.
2. A member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. 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 the corporation’s common seal or under the hand of an officer or attorney duly authorised.
4. Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a Member of the Company is an exempt authorised nominee as defined under the Central Depositories Act, 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.
6. For a proxy to be valid, the instrument appointing a proxy shall be deposited at the Registered Office, Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time for holding the meeting and any adjournments thereof. In the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

General Meeting Record of Depositors

7. Only a depositor whose name appears on the Record of Depositors of the Company as at 18 August 2025 shall be entitled to attend this Meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

B. Audited Financial Statements for the Financial period ended 28 February 2025

The Audited Financial Statements under Agenda 1 are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only as the approval of shareholders is not required. Hence, this Agenda is not put forward for voting by the shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES ON SPECIAL BUSINESS

(a) Ordinary Resolution 1 - Payment of Directors' Fees and Benefits Payable

Shareholders' approval is sought at this AGM for the payment of Directors' Fees and Benefits of not exceeding of RM400,00.00 for the period commencing from 27 August 2025 until the next AGM of the Company to be held in 2026. The Directors' Fees and Benefits Payable consist of Directors' Fee paid monthly for duties performed as Directors and attendance allowance for Board, Board Committee and general meetings attended.

The total amount of RM400,00.00 is estimated based on the current Board size and the estimated number of scheduled and additional unscheduled Board, Board Committees and general meetings to be held.

(b) Ordinary Resolutions 2 & 3 – Re-election of Directors

Dato' Lim Char Boo and Mr. Gerald Nicholas Tan Eng Hoe are retiring by rotation pursuant to Clause 97 of the Constitution of the Company and are standing for re-election at this AGM. Their profiles are provided in the Directors' Profile of this Annual Report 2025.

In recommending their re-election, the Nomination Committee ("NC") of the Company had assessed the contribution and the fit and proper criteria of the respective Directors. The Board had endorsed the NC's recommendation that Dato' Lim Char Boo and Mr. Gerald Nicholas Tan Eng Hoe be re-elected as Directors of the Company.

(c) Ordinary Resolution 5 - Authority for Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The Proposed Ordinary Resolution 5, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The general mandate sought for issue of shares is a renewal of the mandate approved by the shareholders at the last AGM held on 27 March 2024 which will lapse at the conclusion of this AGM

This authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

There were no shares issued from the previous mandate given to the Directors at the last AGM held on 27 March 2024.

(d) Ordinary Resolution 6 – Continuing in Office as Independent Non-Executive Directors

The Board through the NC, has determined that Dato' Lim Char Boo is fair and impartial in carrying out his duties to the Company. As Director, he continue to bring independent and objective judgements to Board deliberations and decision-making process as a whole. Dato' Lim Char Boo also has vast and diverse range of experiences and brings the right mix of skills to the Board. The Board therefore, endorsed the NC's recommendation for him to be retained as Independent Director. The Board will be seeking for shareholders' approval through a two-tier voting process as recommended by the Malaysian Code on Corporate Governance at the Twenty-First AGM to retain him as Independent Director as his tenure as an Independent Director has exceeded nine (9) years.

PERSONAL DATA PRIVACY:

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

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. The Twenty-First Annual General Meeting of the Company will be held at Unit 310, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 26 August 2025 at 11.00 a.m.
2. The Directors who are standing for re-election at the Twenty-First Annual General Meeting of the Company pursuant to Article 97 of the Company's Constitution are: -
 - a) Dato' Lim Char Boo
 - b) Mr. Gerald Nicholas Tan Eng Hoe

The details of the above Directors seeking re-election are set out in the Profile of Directors as disclosed on page 15 and 16 of this Annual Report.

3. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial period ended 28 February 2025 are disclosed in the Corporate Governance Overview Statement set out on page 23 of this Annual Report.



TECHNOLOGY BERHAD

PROXY FORM

MQ TECHNOLOGY BERHAD
[Registration No. 200301033383 (635804-H)]
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

I/We, _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)

of _____ (FULL ADDRESS)

Telephone number _____ Email address _____ being a Member/

Members of **MQ TECHNOLOGY BERHAD** hereby appoint _____
(FULL NAME IN BLOCK LETTERS)

NRIC/Passport No. _____ of _____ (FULL ADDRESS)

Telephone number _____ Email address _____ or failing whom,

_____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)

of _____ (FULL ADDRESS)

Telephone number _____ Email address _____

or failing whom, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the TWENTY-FIRST ANNUAL GENERAL MEETING of the Company ("the Meeting") will be held at Unit 310, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 26 August 2025 at 11.00 a.m. and at any adjournment thereof.

I / We direct my / our proxy to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder:

No.	Resolutions	Ordinary	For	Against
1.	To approve the payment of Directors' fees and benefits of not exceeding RM400,000.00 from 27 August 2025 until the next Annual General Meeting of the Company to be held in 2026.	Resolution 1		
2.	To re-elect Dato' Lim Char Boo as Director of the Company.	Resolution 2		
3.	To re-elect Mr. Gerald Nicholas Tan Eng Hoe as Director of the Company.	Resolution 3		
4.	To re-appoint Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 4		
5.	Authority for Directors to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016	Resolution 5		
6.	Continuing in Office as Independent Non-Executive Director – Dato' Lim Char Boo	Resolution 6		

Please indicate with an "X" in the appropriate space provided above on how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy may vote as he thinks fit.

The Proportions of *my/our holdings to be represented by *my/our proxy/proxies *is/are as follows:-

	No. of shares	Percentage	
First Proxy :			%
Second Proxy :			%
Total		100	%

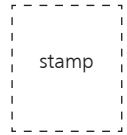
Dated this.....day of.....2025.

.....
Signature/ common seal of shareholder

Notes:

- A member of the Company entitled to attend and vote is entitled to appoint any person as his proxy to attend and vote in his stead. There is no restriction as to the qualification of the proxy.
- A member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote in his stead. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- 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 the corporation's common seal or under the hand of an officer or attorney duly authorised.
- Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a Member of the Company is an exempt authorised nominee as defined under the Central Depositories Act, 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.
- For a proxy to be valid, the instrument appointing a proxy shall be deposited at the Registered Office, Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time for holding the meeting and any adjournments thereof. In the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).
- Only a depositor whose name appears on the Record of Depositors of the Company as at 18 August 2025 shall be entitled to attend this Meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

Please fold across the line and close



The Company Secretary
MQ TECHNOLOGY BERHAD
[Registration No. 200301033383 (635804-H)]

LEVEL 7, MERCU 3, NO. 3, JALAN BANGSAR,
KL ECO CITY,
59200 KUALA LUMPUR.

Please fold across the line and close

MQ TECHNOLOGY BERHAD

200301033383 (635804-H)

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