Registration No: 200801008472 (809759 - X)

# NEXG BERHAD

(Incorporated in Malaysia)

## FINANCIAL REPORT

for the financial year ended 31 March 2026

Registration No: 200801008472 (809759 - X)

## NEXG BERHAD
(Incorporated in Malaysia)

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## NEXG BERHAD
(Incorporated in Malaysia)

## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2026.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

### RESULTS

| | Group RM'000 | Company RM'000 |
|---|---|---|
| Loss after taxation for the financial year | (85,717) | (42,119) |
| Attributable to:- | | |
| Owners of the Company | (84,238) | (42,119) |
| Non-controlling interests | (1,479) | - |
| | (85,717) | (42,119) |

### DIVIDENDS

In respect of the financial year ended 31 March 2026, the Directors had on 21 May 2026 declared an interim single tier tax-exempt dividend of 0.01 sen per share, where the Entitlement Date is 25 June 2026 and payable on 7 July 2026. This dividend has not been reflected in the financial statements for the current financial year but it will be accounted for in shareholders' equity as an appropriation of retained profits for the financial year ending 31 March 2027.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2026.

### RESERVES AND PROVISIONS

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

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM266,001,872 to RM461,555,148 by way of:-

   (i) issuance of 576,021,549 new ordinary shares from the exercise of warrants at the exercise price of RM0.2117 per share which amounted to RM121,943,762;

   (ii) issuance of 150,000,000 new ordinary shares from the Private Placement at an issue price of RM0.44 per share which amounted to RM66,000,000; and

   (iii) issuance of 14,867,900 new ordinary shares from the exercise of options under the Company's Employee Share Option Scheme at the exercise prices as disclosed in Note 24 to the financial statements which amounted to RM6,631,083.

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

(b) there were no issues of debentures by the Company.

## TREASURY SHARES

During the financial year, the Company purchased 34,009,900 of its issued ordinary shares from the open market at an average price of RM0.49 per share. The total consideration paid for the purchase was RM16,720,612 including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 31 March 2026, the Company repurchased, in total its equity securities of 222,983,000 ordinary shares at an average price of RM0.48 per share as treasury shares, the consideration of which amounted to RM106,544,749 inclusive of transaction costs.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Employee Share Option Scheme below.

## EMPLOYEE SHARE OPTION SCHEME

The Employee Share Option Scheme ("ESOS") of the Company is governed by the ESOS By-Laws and was approved by the shareholders on 20 February 2020. The ESOS is to be in force for a period of 5 years effective from 16 July 2021.

The details of the ESOS are disclosed in Note 24 to the financial statements.

## WARRANTS B 2025/2028

The Company had on 18 February 2025 issued 1,391,079,589 free Warrants on the basis of one (1) Warrant for every two (2) existing ordinary shares. The Warrants are constituted by a Deed Poll dated 24 January 2025.

The salient terms of the Warrants B 2025/2028 are as follows:-

(a) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or before the maturity date, 17 February 2028, falling three (3) years from the date of issue of the Warrants. Unexercised Warrants after the exercise period will thereafter lapse and cease to be valid;

(b) The exercise price of the Warrants is fixed at RM0.2117 per Warrant;

(c) The new ordinary shares to be issued upon the exercise of the Warrants shall rank pari passu in all respects with the existing ordinary shares of the Company; and

(d) The Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 February 2025.

As at 31 March 2026, there were issuance of 576,024,349 new ordinary shares pursuant to the exercise of the Warrant at the exercise price of RM0.2117 per warrant.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts on receivables, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would render the further writing off of bad debts, or the provision for doubtful debts on receivables in the financial statements of the Group and of the Company inadequate to any substantial extent.

## CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

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

## VALUATION METHODS

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

## CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

## CHANGE OF CIRCUMSTANCES

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

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Haji Ishak bin Ismail[(2)](Appointed on 13.03.2026)
Datuk Haji Abu Hanifah bin Noordin
Datuk Ab.Hamid bin Mohamad Hanipah
Hajah Erna bt Ismail[(1)]
Lt. Col. (R) Khairudin bin Dahlan[(2)](Appointed on 13.03.2026)
Lt. Col. (R) Roseli bin Abdul Gani[(2)](Appointed on 13.03.2026)
Dato' Ts. Dr. Haji Amirudin bin Abdul Wahab[(2)](Appointed on 13.03.2026)
Dato' Dr. Anas bin Alam Faizli[(2)](Appointed on 13.03.2026)
Mohd Azmi bin Mat Nayan[(2)](Appointed on 13.03.2026)
Dato' Ramli bin Din[(2)](Appointed on 02.04.2026)
Mohamad Tirmizi bin Ishak[(2)](Appointed on 02.04.2026)
Azrul bin Yahaya (Resigned on 28.05.2025)
Michelle Yong Voon Sze[(2)](Resigned on 28.08.2025 and appointed on 13.03.2026)
Tan Sri Dato' Seri Mohd Khairul Adib bin Abd Rahman (Resigned on 14.10.2025)
Datuk Puvanesan a/l Subenthiran (Resigned on 14.10.2025)
Datuk Zainal Abidin bin Abu Hassan (Resigned on 15.10.2025)
Dato' Che Nazli binti Jaapar (Resigned on 18.11.2025)
Dato' Ibrahim bin Abdullah (Resigned on 20.11.2025)
Dato' Sri Mohd Sopiyan bin Mohd Rashdi (Appointed on 19.09.2025 and resigned on 15.10.2025)
Dato' Sri Muthanna bin Abdullah (Appointed on 13.03.2026 and resigned on 01.04.2026)
Datuk Chong Loong Men (Appointed on 18.11.2025 and resigned on 08.03.2026)
Badrul Hisham bin Abdul Aziz (Appointed on 16.10.2025 and resigned on 11.03.2026)
Mohd Zafil bin Ibrahim (Appointed on 16.10.2025 and resigned on 11.03.2026)
Mohamed Fairuz bin Mohamed Fauzy (Appointed on 16.10.2025 and resigned on 11.03.2026)
Mohamad Najib bin Ishak (Appointed on 13.03.2026 and resigned on 01.04.2026)
Syed Farid bin Syed Ahmad Al-Attas (Appointed on 16.10.2025 and resigned on 11.03.2026)
Aswath a/l Ramakrishnan (Appointed on 18.11.2025 and resigned on 11.03.2026)
Kunal Tayal (Appointed on 18.11.2025 and resigned on 10.03.2026)

*Notes:-*

*[(1)] In accordance with Clause 165 of the Company's Constitution, Puan Hajah Erna bt Ismail retires from the Board by rotation at the forthcoming Annual General Meeting, and being eligible, offer herself for re-election.*

*[(2)] In accordance with Clause 156 of the Company's Constitution, Dato' Haji Ishak bin Ismail, Lt. Col. (R) Khairudin bin Dahlan, Lt. Col. (R) Roseli bin Abdul Gani, Dato' Ts. Dr. Haji Amirudin bin Abdul Wahab, Dato' Dr. Anas bin Alam Faizli, Encik Mohd Azmi bin Mat Nayan, Dato' Ramli bin Din, Encik Mohamad Tirmizi bin Ishak, and Ms Michelle Yong Voon Sze retire from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.*

## DIRECTORS (CONT'D)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Abdul Razak bin Mohd Nordin
Anwar bin Ab Hamid
Danish Ng Soon Teck bin Abdullah
Ding Yong
Lee Chin Seong
Md Diah bin Ramli
Muhayuddin bin Musa
Mohd Shahrizan bin Shahadan
Soh Peng Nam
Suhana binti Jalaluddin
Yu Keng Ing
Abdullah Junaidi bin Monil (Appointed on 08.09.2025)
Ang Pei Gaik (Appointed on 19.05.2025)
Meor Mohamad Fadzil bin Meor Aris (Appointed on 08.01.2026)
Muhammad Hashim bin Hussin (Appointed on 26.03.2025)
Yang Si Rong (Appointed on 05.02.2026)
Adhitya Ulfa (Resigned on 20.05.2025)
Chuah Ban Cheng (Resigned on 20.05.2025)
Dato' Ahmad Syahril bin Abdullah (Resigned on 16.07.2025)
Muhamad Fakhrul Khir bin Abdul Samat (Resigned on 15.08.2025)
Hashim bin Abu (Resigned on 07.11.2025)
Khairul Nazry bin Sulaiman (Resigned on 22.09.2025)
Law Tien Soon (Resigned on 26.05.2025)
Ng Shih Shing (Resigned on 23.09.2025)
Tee Lay Ling (Resigned on 06.02.2026)
Azwan bin Omar (Resigned due to disposal of subsidiary on 06.02.2026)

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors of the Company at the end of the financial year in shares and option over shares in the Company and its related corporations during the financial year are as follows:-

| | Number of Ordinary Shares | | | |
|---|---|---|---|---|
| | At 01.04.2025 | Acquired/ Exercise of ESOS/ Conversation of warrant | Disposed/ Transferred | At 31.03.2026 |
| **THE COMPANY** | | | | |
| *Direct Interests* | | | | |
| Datuk Haji Abu Hanifah bin Noordin | 226,307,100 | 97,401,250 | - | 323,708,350 |
| Datuk Ab.Hamid bin Mohamad Hanipah | - | 4,200,000 | (4,200,000) | - |
| *Indirect Interests* | | | | |
| **Dato' Haji Ishak bin Ismail**[(1)] | | | | |
| Raya Aviation Holdings Sdn Bhd[(2)] | - | 711,700,449 | - | 711,700,449 |
| Siti Nur Aishah binti Ishak[(3)] | - | 87,151,600 | - | 87,151,600 |
| **Datuk Haji Abu Hanifah bin Noordin** | | | | |
| Handrianov Putra bin Abu Hanifah[(3)] | 10,000 | - | - | 10,000 |
| Safia Zuleira binti Abu Hanifah[(3)] | 6,000,000 | 1,500,000 | - | 7,500,000 |
| Talya Zholeikha binti Abu Hanifah[(3)] | - | 3,000,000 | - | 3,000,000 |
| Velocity Capital Sdn Bhd pledged securities account for Rembulan Lestari Sdn Bhd[(4)] | - | 150,342,700 | (150,342,700) | - |
| **Datuk Ab.Hamid bin Mohamad Hanipah** | | | | |
| Velocity Capital Sdn Bhd pledged securities account for Trendtrove Tradin Sdn Bhd[(5)] | - | 150,000,000 | (150,000,000) | - |
| Anwar bin Ab Hamid | | | | |
| Velocity Capital Sdn Bhd pledged securities account for Trendtrove Tradin Sdn Bhd[(3)(5)] | - | 150,000,000 | (150,000,000) | - |
| Munawar bin Ab Hamid[(3)] | - | 4,200,000 | (4,200,000) | - |

*Notes:-*

(1) *Appointed as Non-Independent Non-Executive Director on 13 March 2026.*
(2) *Interest in Raya Aviation Holdings Sdn Bhd.*
(3) *Deemed interest in shares held by children pursuant to Section 59(11)(c) of the Companies Act, 2016.*
(4) *Deemed interest through his substantial shareholdings in Rembulan Lestari Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*
(5) *Deemed interest through his substantial shareholdings in Trendtrove Tradin Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

## DIRECTORS' INTERESTS (CONT'D)

According to the register of directors' shareholdings, the interests of directors of the Company at the end of the financial year in shares and option over shares in the Company and its related corporations during the financial year are as follows:- (Cont'd)

### Employees' Share Options Scheme ("ESOS")

| | Number of Employees' Share Options Scheme ("ESOS") | | | |
|---|---|---|---|---|
| | **Option price RM** | **At 01.04.2025** | **Exercised** | **At 31.03.2026** |
| **THE COMPANY** | | | | |
| *Direct Interests* | | | | |
| Datuk Ab.Hamid bin Mohamad Hanipah | 0.446 | 4,200,000 | (4,200,000) | - |
| *Indirect Interests* | | | | |
| **Datuk Haji Abu Hanifah bin Noordin** | | | | |
| Safia Zuleira binti Abu Hanifah[(1)] | 0.446 | 1,500,000 | (1,500,000) | - |
| Talya Zholeikha binti Abu Hanifah[(1)] | 0.446 | 3,000,000 | (3,000,000) | - |

*Notes:-*

[(1)] *Deemed interest in shares held by children pursuant to Section 59(11)(c) of the Companies Act, 2016.*

## DIRECTORS' INTERESTS (CONT'D)

According to the register of directors' warrant holdings, the interests in warrants of the Company during the financial year of directors holding office at the end of the financial year are as follows:-

| | Number of Warrants | | | |
|---|---|---|---|---|
| | **At 01.04.2025** | **Acquired / Transferred** | **Disposed / Transferred / Converted** | **At 31.03.2026** |
| **THE COMPANY** | | | | |
| *Direct Interests* | | | | |
| Datuk Haji Abu Hanifah bin Noordin | - | 47,401,250 | (47,401,250) | - |
| *Indirect Interests* | | | | |
| **Datuk Haji Abu Hanifah bin Noordin** | | | | |
| Handrianov Putra bin Abu Hanifah (1) | 5,000 | - | - | 5,000 |
| Safia Zuleira binti Abu Hanifah (1) | 3,000,000 | - | - | 3,000,000 |
| Velocity Capital Sdn Bhd pledged securities account for Rembulan Lestari Sdn Bhd(2) | - | 150,342,700 | (150,342,700) | - |

*Notes:-*

(1) *Deemed interest in warrants held by children pursuant to Section 59(11)(c) of the Companies Act, 2016.*
(2) *Deemed interest by virtue of his shareholding in Rembulan Lestari Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

Other than as stated above, none of the other directors who were in office at the end of the financial year had any interest in shares or warrants or option over shares of the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

| | Group RM'000 | Company RM'000 |
|---|---|---|
| Fees | 318 | 318 |
| Salaries, bonuses and other benefits | 3,329 | 3,329 |
| Defined contribution benefits | 305 | 305 |
| ESOS expenses | 38 | 38 |
| | 3,990 | 3,990 |

## INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM10,000,000 and RM23,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

## SUBSIDIARIES

The details of the subsidiaries such as their name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 7 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

## SIGNIFICANT EVENTS DURING/AFTER THE FINANCIAL YEAR

The significant events during/after the financial year are disclosed in Note 53 to the financial statements.

## AUDITORS

The auditors, PKF Malaysia, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM430,000 and RM66,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 June 2026.

**Dato' Haji Ishak bin Ismail**

**Datuk Haji Abu Hanifah bin Noordin**

Registration No: 200801008472 (809759 - X)

**NEXG BERHAD**
(Incorporated in Malaysia)

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

We, Dato' Haji Ishak bin Ismail and Datuk Haji Abu Hanifah bin Noordin, being two of the directors of NexG Berhad, state that, in the opinion of the directors, the financial statements set out on pages 22 to 148 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting 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 of 31 March 2026 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 June 2026.

**Dato' Haji Ishak bin Ismail**

**Datuk Haji Abu Hanifah bin Noordin**

## STATUTORY DECLARATION
## PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Hajah Erna bt Ismail, being the director primarily responsible for the financial management of NexG Berhad, do solemnly and sincerely declare that the financial statements set out on pages 22 to 148 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Hajah Erna bt Ismail
at Kuala Lumpur
in the Federal Territory
on this 25 June 2026

**Hajah Erna bt Ismail**

Before me

PESURUHJAYA SUMPAH
W788
SHI'ARATUL AKMAR
BINTI SAHARI
1.1.2025 - 31.12.2027
MALAYSIA

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEXG BERHAD**
(Incorporated in Malaysia)
Registration No: 200801008472 (809759 - X)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of NexG Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 March 2026, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 22 to 148.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting 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.

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

### Key Audit Matters

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEXG BERHAD (CONT'D)**
(Incorporated in Malaysia)
Registration No: 200801008472 (809759 - X)

**Key Audit Matters (Cont'd)**

We have determined the matters described below to be the key audit matters to be communicated in our report.

**1. Revenue Recognition**
Refer to Note 4.23 and Note 36 to the financial statements

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| For the financial year ended 31 March 2026, the Group recognised revenue of RM348.16 million (2025: RM373.45 million).<br>The Group's revenue streams include:<br>• Manufacturing and sales of smart cards and booklets; and<br>• Rendering of services which includes provision of large-scale customised software and hardware systems for secure ID, credential management, total smart card solutions and ICT project management.<br>Revenue recognition under MFRS 15 Revenue from Contracts with Customers requires management to exercise significant judgement in:<br>• Identifying and disaggregating distinct performance obligations within long-term government contracts, particularly where contracts bundle supply of goods with ongoing maintenance and personalisation services;<br>• Determining the transaction price and allocating it to each performance obligation on a relative stand-alone selling price basis;<br>• Assessing whether revenue should be recognised at a point in time (e.g. delivery of cards and booklets) or over time (e.g. maintenance services); and<br>• Applying the input or output method for over-time performance obligations and the appropriateness of the percentage of completion applied. | **Our audit procedures included, amongst others:**<br>• Obtained an understanding of and evaluated the design and implementation of internal controls relevant to revenue recognition, including contract review, billing and collection processes;<br>• Reviewed and assessed management's identification of performance obligations within significant contracts, including long-term government contracts for supply of national identity cards and passports, and evaluated whether the accounting treatment adopted is consistent with MFRS 15;<br>• On a sample basis, agreed revenue recognised to underlying contracts, delivery orders, and acceptance documents to verify the existence and accuracy of revenue recorded;<br>• For revenue recognised over time, evaluated the appropriateness of the method used to measure progress (input or output method) and tested the completeness and accuracy of data used in the calculation;<br>• Assessed the cut-off of revenue transactions around the financial year end to ensure revenue was recognised in the correct period;<br>• Reviewed the terms of contracts with customers in relation to recently awarded and extended contracts, if any, to ascertain the commencement of revenue recognition; and<br>• Assessed the adequacy of the disclosures in the financial statements in accordance with MFRS 15. |

**Key Audit Matters (Cont'd)**

We have determined the matters described below to be the key audit matters to be communicated in our report. (cont'd)

| **1. Revenue Recognition (cont'd)**<br>Refer to Note 4.23 and Note 36 to the financial statements | |
|---|---|
| **Key Audit Matter** | **How our audit addressed the Key Audit Matter** |
| Given the revenue is a presumed fraud risk, the existence of multiple-element contracts with government customers, and the inherent judgements involved, we determined revenue recognition to be a key audit matter. | |

| **2. Expected Credit Loss ("ECL") Assessment on Financial Assets**<br>Refer to Note 4.10(a), Note 15 and Note 16 to the financial statements | |
|---|---|
| **Key Audit Matter** | **How our audit addressed the Key Audit Matter** |
| As at 31 March 2026, the Group's financial assets subject to ECL assessment comprised:<br>• Trade receivables of RM76.63 million (2025: RM178.71 million);<br>• Loan receivables of RM102.97 million (2025: Nil), against which an allowance for impairment of RM56.24 million was recognised during the financial year; and<br>The assessment of ECL under MFRS 9 Financial Instruments requires management to exercise significant judgement in:<br>• Determining whether a financial asset has experienced a significant increase in credit risk since initial recognition;<br>• Estimating probability of default, loss given default rate and exposure at default, incorporating forward-looking macroeconomic information using a provision matrix; and<br>• Assessing the recoverability of loan receivables, including the valuation of any securities held and the timing of expected cash flows. | **Our audit procedures included, amongst others:**<br>• Obtained an understanding of and evaluated the design and implementation of management's ECL model and related internal controls, including the credit review and approval processes for loan receivables;<br>• In respect of loan receivables, reviewed the Group's compliance with its money lending operation regulations;<br>• On a sample basis, tested the completeness and accuracy of data inputs used in the ECL models, including aging schedules, historical loss rates and forward-looking adjustments;<br>• Circularised confirmation to receivables on a sample basis;<br>• Reviewed subsequent receipts from major trade receivable customers after the financial year end to assess the recoverability of balances not impaired; and<br>• Evaluated the adequacy of disclosures relating to ECL in accordance with MFRS 7 Financial Instruments: Disclosures and MFRS 9 Financial Instruments. |

**Key Audit Matters (Cont'd)**

We have determined the matters described below to be the key audit matters to be communicated in our report. (cont'd)

| **2. Expected Credit Loss ("ECL") Assessment on Financial Assets (Cont'd)**<br>Refer to Note 4.10(a), Note 15 and Note 16 to the financial statements | |
|---|---|
| **Key Audit Matter** | **How our audit addressed the Key Audit Matter** |
| Given the materiality of these balances, the impairment losses recognised during the year, and the estimation involved, we identified ECL assessment as a key audit matter. | |

| **3. Valuation of Inventories**<br>Refer to Note 4.12 and Note 14 to the financial statements | |
|---|---|
| **Key Audit Matter** | **How our audit addressed the Key Audit Matter** |
| As at 31 March 2026, inventories amounted to RM43.19 million (2025: RM55.24 million). During the financial year, the Group recognised accumulated write down on inventories of RM8.60 million (2025: RM0.32 million).<br>The valuation of inventories at the lower of cost and net realisable value (NRV) under MFRS 102 Inventories involves management judgement in:<br>• Identifying slow-moving, obsolete or damaged inventory items requiring write-down;<br>• Estimating NRV based on estimated selling prices less costs necessary to make the sale; and<br>• Assessing the impact of technological changes and shorter product life cycles on the realisability of specialised smart card materials and consumables.<br>Given the material balance, the substantially higher write down recognised during the year, and the management judgement involved in estimating NRV for specialised document materials, we identified inventories as a key audit matter. | **Our audit procedures included, amongst others:**<br>• Attended physical inventory counts at year end, including assessing whether the count procedures were adequate and whether any variances were appropriately investigated and resolved;<br>• Obtained an understanding of the Group's controls and test the controls over the production and management of inventories to ensure compliance with the quality of inventories in accordance with the contracts;<br>• On a sample basis, tested the cost of inventories by agreeing to purchase invoices, import documents and production cost records, and assessed whether the cost formula applied is consistent with the prior year and appropriate under MFRS 102;<br>• Evaluated management's process for identifying slow-moving and obsolete inventory, including reviewing the ageing of inventory items and corroborating findings against contractual demand schedules and order books;<br>• Assessed the reasonableness of NRV estimates by comparing estimated selling prices to recent sales transactions, active contract pricing and post year-end sales evidence;<br>• Performed cut-off procedures and determined if inventories movement are accounted for in the correct accounting period; |

**Key Audit Matters (Cont'd)**

We have determined the matters described below to be the key audit matters to be communicated in our report. (cont'd)

| **3. Valuation of Inventories (Cont'd)**<br>Refer to Note 4.12 and Note 14 to the financial statements | |
|---|---|
| **Key Audit Matter** | **How our audit addressed the Key Audit Matter** |
| | **Our audit procedures included, amongst others: (cont'd)**<br>• Obtained confirmation from third parties in respect of inventories held by third parties and verified the balances held; and<br>• Assessed the adequacy of the Group's disclosures in respect of inventories in accordance with MFRS 102. |

**Key Audit Matters (Cont'd)**

We have determined the matters described below to be the key audit matters to be communicated in our report. (cont'd)

**4. Impairment Assessment of Goodwill**
Refer to Note 4.7, Note 4.10(b) and Note 10 to the financial statements

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| As at 31 March 2026, goodwill recognised on the Group's consolidated statement of financial position amounted to RM17.75 million (2025: RM17.56 million). Goodwill arising from business combinations is allocated to cash-generating units (CGUs) and is tested for impairment at least annually in accordance with MFRS 136 Impairment of Assets, or whenever there is an indication of impairment.<br><br>The impairment assessment of goodwill requires management to exercise significant judgement and estimation in:<br>• Identifying and defining the appropriate CGU or group of CGUs to which goodwill is allocated;<br>• Determining the recoverable amount of each CGU, being the higher of fair value less costs of disposal and value-in-use (VIU);<br>• Projecting future cash flows within the VIU model, including revenue growth rates, profit margins, capital expenditure requirements and working capital assumptions; and<br>• Selecting appropriate discount rates (pre-tax weighted average cost of capital) that reflect current market assessments of the time value of money and risks specific to each CGU.<br><br>Given the significant judgements and assumptions inherent in the impairment assessment, we identified impairment of goodwill as a key audit matter. | **Our audit procedures included, amongst others:**<br>• Obtained and reviewed management's formal impairment assessment, including the identification and composition of CGUs to which goodwill has been allocated, and assessed the reasonableness of the CGU determination;<br>• Evaluated the methodology applied by management in determining the recoverable amount of each CGU, including whether a VIU or fair value less costs of disposal approach is appropriate;<br>• Assessed the reasonableness of key assumptions surrounding the VIU calculations, including forecast revenue growth rates, gross margins and terminal growth rates, by comparing them to historical performance, industry benchmarks and management's business plans;<br>• Assessed the appropriateness of discount rates applied, including benchmarking against observable market data and comparable companies;<br>• Performed sensitivity analyses on the key assumptions (discount rate, growth rate and gross margins) to assess the headroom available and the extent to which changes in assumptions could result in an impairment charge; and<br>• Assessed the adequacy of the goodwill and impairment disclosures in the financial statements in accordance with MFRS 136 and MFRS 3 Business Combinations. |

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEXG BERHAD (CONT'D)**
(Incorporated in Malaysia)
Registration No: 200801008472 (809759 - X)

**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 Management Discussion and Analysis, Sustainability Statement, Audit and Risk Management Committee Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Disclosure of Financial Data for Shariah Screening and Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

**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 MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

The directors of the Company are responsible for overseeing the Group's and the Company's financial reporting process.

**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.

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEXG BERHAD (CONT'D)**
(Incorporated in Malaysia)
Registration No: 200801008472 (809759 - X)

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

## OTHER MATTERS

a) 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.

b) The comparative figures were audited by another firm of auditors who expressed an unmodified opinion on these statements on 28 May 2025.

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
Chartered Accountants

Kuala Lumpur

25 June 2026

Ngu Siow Ping
03033/11/2027 J
Chartered Accountant

Registration No: 200801008472 (809759 - X)

**NEXG BERHAD**
(Incorporated in Malaysia)

## STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2026

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **ASSETS** | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 5 | 96,557 | 95,162 | 4,856 | 5,093 |
| Right-of-use assets | 6 | 17,363 | 12,448 | 13,536 | 8,357 |
| Investment in subsidiaries | 7 | - | - | 129,892 | 167,877 |
| Investment in associates | 8 | 59,272 | - | 60,309 | - |
| Other investments | 9 | 350 | 1,350 | - | - |
| Goodwill | 10 | 17,748 | 17,559 | - | - |
| Development expenditure | 11 | 43,541 | 47,178 | - | - |
| Deferred tax assets | 12 | 201 | 483 | - | - |
| | | 235,032 | 174,180 | 208,593 | 181,327 |
| CURRENT ASSETS | | | | | |
| Projects-in-progress | 13 | 3,598 | 3,341 | - | - |
| Inventories | 14 | 43,189 | 55,240 | - | - |
| Loan receivables | 15 | 46,729 | - | - | - |
| Trade receivables | 16 | 72,570 | 168,496 | - | - |
| Other receivables, deposits and prepayments | 17 | 57,146 | 40,176 | 1,580 | 26,320 |
| Amounts owing by subsidiaries | 18 | - | - | 148,666 | 5,538 |
| Tax recoverable | | 327 | - | - | - |
| Other investments | 9 | 24,983 | 31,275 | 24,983 | 31,275 |
| Short-term investments | 19 | 104,346 | 9,175 | 25,678 | 2,534 |
| Deposits with licensed banks | 20 | 21,698 | 11,609 | - | - |
| Cash and bank balances | 20 | 28,798 | 61,598 | 464 | 31,115 |
| | | 403,384 | 380,910 | 201,371 | 96,782 |
| TOTAL ASSETS | | 638,416 | 555,090 | 409,964 | 278,109 |

## STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2026 (CONT'D)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| **EQUITY AND LIABILITIES** | | | | | |
| EQUITY | | | | | |
| Share capital | 21 | 461,555 | 266,002 | 461,555 | 266,002 |
| Treasury shares | 22 | (106,544) | (89,824) | (106,544) | (89,824) |
| Merger deficit | 23 | (11,072) | (11,072) | - | - |
| Employee share option reserve | 24 | 3,702 | 5,135 | 3,702 | 5,135 |
| Fair value reserve | 25 | 240 | 240 | - | - |
| Foreign exchange translation reserve | 26 | 77 | 375 | - | - |
| Retained profits | | 172,053 | 255,332 | 642 | 41,802 |
| Equity attributable to owners of the Company | | 520,011 | 426,188 | 359,355 | 223,115 |
| Non-controlling interests | 7(f) | 19,766 | 21,171 | - | - |
| TOTAL EQUITY | | 539,777 | 447,359 | 359,355 | 223,115 |
| NON-CURRENT LIABILITIES | | | | | |
| Long-term borrowings | 27 | 13,735 | 12,752 | 4,437 | 333 |
| Deferred tax liabilities | 12 | 12,378 | 14,617 | - | - |
| | | 26,113 | 27,369 | 4,437 | 333 |
| CURRENT LIABILITIES | | | | | |
| Trade payables | 31 | 21,893 | 10,832 | - | - |
| Other payables and accruals | 32 | 26,812 | 27,706 | 4,830 | 5,316 |
| Provision for taxation | | - | 2,272 | 20 | 111 |
| Amounts owing to subsidiaries | 18 | - | - | 39,575 | 49,113 |
| Short-term borrowings | 33 | 23,821 | 39,552 | 1,747 | 121 |
| | | 72,526 | 80,362 | 46,172 | 54,661 |
| TOTAL LIABILITIES | | 98,639 | 107,731 | 50,609 | 54,994 |
| TOTAL EQUITY AND LIABILITIES | | 638,416 | 555,090 | 409,964 | 278,109 |
| NET ASSETS PER SHARE (SEN) | 34 | 14.90 | 15.32 | | |

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**NEXG BERHAD**
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | 36 | 348,162 | 373,454 | 95,108 | 81,796 |
| COST OF SALES | | (117,672) | (126,205) | - | - |
| GROSS PROFIT | | 230,490 | 247,249 | 95,108 | 81,796 |
| OTHER (EXPENSES)/INCOME | 37 | (109,546) | 17,274 | (105,398) | 16,848 |
| | | 120,944 | 264,523 | (10,290) | 98,644 |
| ADMINISTRATIVE EXPENSES | | (173,622) | (110,281) | (27,953) | (38,235) |
| | | (52,678) | 154,242 | (38,243) | 60,409 |
| FINANCE COSTS | 39 | (3,199) | (2,467) | (3,572) | (30) |
| SHARE OF RESULTS OF AN ASSOCIATE | 8 | (1,037) | # | - | - |
| (LOSS)/PROFIT BEFORE TAXATION | 40 | (56,914) | 151,775 | (41,815) | 60,379 |
| INCOME TAX EXPENSE | 41 | (28,803) | (36,099) | (304) | (217) |
| (LOSS)/PROFIT AFTER TAXATION | | (85,717) | 115,676 | (42,119) | 60,162 |
| OTHER COMPREHENSIVE INCOME | | | | | |
| <u>Item that May be Reclassified Subsequently to Profit or Loss</u> | | | | | |
| Foreign currency translation differences | | (224) | 247 | - | - |
| TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR | | (85,941) | 115,923 | (42,119) | 60,162 |

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**NEXG BERHAD**
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-** | | | | | |
| Owners of the Company | | (84,238) | 115,549 | (42,119) | 60,162 |
| Non-controlling interests | | (1,479) | 127 | - | - |
| | | (85,717) | 115,676 | (42,119) | 60,162 |
| **TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-** | | | | | |
| Owners of the Company | | (84,536) | 116,096 | (42,119) | 60,162 |
| Non-controlling interests | | (1,405) | (173) | - | - |
| | | (85,941) | 115,923 | (42,119) | 60,162 |
| **(LOSS)/EARNINGS PER SHARE (SEN)** | | | | | |
| Basic | 42 | (2.35) | 4.15 | | |
| Diluted | 42 | (1.91) | 2.77 | | |

*Note:-*
*# - Amount less than RM1,000.*

**NEXG BERHAD**
(Incorporated in Malaysia)

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

| Group | Note | Share Capital RM'000 | Treasury Shares RM'000 | Merger Deficit RM'000 | <----Non-Distributable Employee Share Option Reserve RM'000 | Fair Value Reserve RM'000 | Foreign Exchange Translation Reserve RM'000 ----> | Distributable Retained Profits RM'000 | Attributable to Owners of the Company RM'000 | Non-controlling Interests RM'000 | Total Equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| At 1 April 2025 | | 266,002 | (89,824) | (11,072) | 5,135 | 240 | 375 | 255,332 | 426,188 | 21,171 | 447,359 |
| Loss after taxation for the financial year | | - | - | - | - | - | - | (84,238) | (84,238) | (1,479) | (85,717) |
| Other comprehensive income for the financial year: | | | | | | | | | | | |
| - foreign currency translation differences: | | | | | | | | | | | |
| (i) changes during the financial year | | - | - | - | - | - | 748 | - | 748 | 74 | 822 |
| (ii) transfer to profit or loss on disposal of a subsidiary | 44 | - | - | - | - | - | (1,046) | - | (1,046) | - | (1,046) |
| Total comprehensive expenses for the financial year | | - | - | - | - | - | (298) | (84,238) | (84,536) | (1,405) | (85,941) |
| Contributions by and distributions to Owners of the Company | | | | | | | | | | | |
| - issuance of shares upon: | | | | | | | | | | | |
| (i) exercise of warrants | 21 | 121,944 | - | - | - | - | - | - | 121,944 | - | 121,944 |
| (ii) private placement | 21 | 66,000 | - | - | - | - | - | - | 66,000 | - | 66,000 |
| (iii) exercise of ESOS | 21 | 6,631 | - | - | - | - | - | - | 6,631 | - | 6,631 |
| - purchase of treasury shares | 22 | - | (16,720) | - | - | - | - | - | (16,720) | - | (16,720) |
| - recognition of ESOS expense | 24 | - | - | - | 504 | - | - | - | 504 | - | 504 |
| - ESOS exercised | 21,24 | 978 | - | - | (978) | - | - | - | - | - | - |
| - transfer of lapsed ESOS | 24 | - | - | - | (959) | - | - | 959 | - | - | - |
| Total transactions with owners | | 195,553 | (16,720) | - | (1,433) | - | - | 959 | 178,359 | - | 178,359 |
| At 31 March 2026 | | 461,555 | (106,544) | (11,072) | 3,702 | 240 | 77 | 172,053 | 520,011 | 19,766 | 539,777 |

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

## NEXG BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

| Group | Note | Share Capital RM'000 | Treasury Shares RM'000 | Merger Deficit RM'000 | <-----Non-Distributable----> Employee Share Option Reserve RM'000 | Fair Value Reserve RM'000 | Foreign Exchange Translation Reserve RM'000 | Distributable Retained Profits RM'000 | Attributable to Owners of the Company RM'000 | Non-controlling Interests RM'000 | Total Equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| At 1 April 2024 | | 261,294 | (78,811) | (11,072) | - | 240 | (172) | 195,562 | 367,041 | 233 | 367,274 |
| Profit after taxation for the financial year | | - | - | - | - | - | - | 115,549 | 115,549 | 127 | 115,676 |
| Other comprehensive income for the financial year: | | | | | | | | | | | |
| - foreign currency translation differences | | - | - | - | - | - | 547 | - | 547 | (300) | 247 |
| Total comprehensive income for the financial year | | - | - | - | - | - | 547 | 115,549 | 116,096 | (173) | 115,923 |
| Contributions by and distributions to Owners of the Company | | | | | | | | | | | |
| - issuance of shares upon: | | | | | | | | | | | |
| (i) exercise of warrants | 21 | # | - | - | - | - | - | - | # | - | # |
| (ii) exercise of ESOS | 21 | 4,065 | - | - | - | - | - | - | 4,065 | - | 4,065 |
| - purchase of treasury shares | 22 | - | (11,013) | - | - | - | - | - | (11,013) | - | (11,013) |
| - dividends | 35 | - | - | - | - | - | - | (57,157) | (57,157) | - | (57,157) |
| - recognition of ESOS expense | 24 | - | - | - | 7,156 | - | - | - | 7,156 | - | 7,156 |
| - ESOS exercised | 21,24 | 643 | - | - | (643) | - | - | - | - | - | - |
| - transfer of lapsed ESOS | 24 | - | - | - | (1,378) | - | - | 1,378 | - | - | - |
| Total transactions with owners | | 4,708 | (11,013) | - | 5,135 | - | - | (55,779) | (56,949) | - | (56,949) |
| Acquisition of a subsidiary | | - | - | - | - | - | - | - | - | 21,111 | 21,111 |
| At 31 March 2025 | | 266,002 | (89,824) | (11,072) | 5,135 | 240 | 375 | 255,332 | 426,188 | 21,171 | 447,359 |

*Note:-*
*# - Amount less than RM1,000.*

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

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## NEXG BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CHANGES IN EQUITY
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

| Company | Note | Share Capital RM'000 | Treasury Shares RM'000 | Non-Distributable Employee Shares Option Reserves RM'000 | Distributable Retained Profits RM'000 | Total Equity RM'000 |
|---|---|---|---|---|---|---|
| At 1 April 2025 | | 266,002 | (89,824) | 5,135 | 41,802 | 223,115 |
| Profit after taxation/Total comprehensive income for the financial year | | - | - | - | (42,119) | (42,119) |
| Contributions by and distributions to owners of the Company: | | | | | | |
| - issuance of shares upon: | | | | | | |
| (i) exercise of warrants | 21 | 121,944 | - | - | - | 121,944 |
| (ii) private placement | 21 | 66,000 | - | - | - | 66,000 |
| (iii) exercise of ESOS | 21 | 6,631 | - | - | - | 6,631 |
| - purchase of treasury shares | 22 | - | (16,720) | - | - | (16,720) |
| - recognition of ESOS expense | 24 | - | - | 504 | - | 504 |
| - ESOS exercised | 24 | 978 | - | (978) | - | - |
| - transfer of lapsed ESOS | 24 | - | - | (959) | 959 | - |
| At 31 March 2026 | | 461,555 | (106,544) | 3,702 | 642 | 359,355 |

**NEXG BERHAD**
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)**

| Company | Note | Share Capital RM'000 | Treasury Shares RM'000 | Non-Distributable Employee Shares Option Reserves RM'000 | Distributable Retained Profits RM'000 | Total Equity RM'000 |
|---|---|---|---|---|---|---|
| At 1 April 2024 | | 261,294 | (78,811) | - | 37,419 | 219,902 |
| Profit after taxation/Total comprehensive income for the financial year | | - | - | - | 60,162 | 60,162 |
| Contributions by and distributions to owners of the Company: | | | | | | |
| - issuance of shares upon: | | | | | | |
| (i) exercise of warrants | 21 | # | - | - | - | # |
| (ii) exercise of ESOS | 21 | 4,065 | - | - | - | 4,065 |
| - purchase of treasury shares | 22 | - | (11,013) | - | - | (11,013) |
| - dividends | 35 | - | - | - | (57,157) | (57,157) |
| - recognition of ESOS expense | 24 | - | - | 2,856 | - | 2,856 |
| - ESOS granted to employees of subsidiaries | 24 | - | - | 4,300 | - | 4,300 |
| - ESOS exercised | 24 | 643 | - | (643) | - | - |
| - transfer of lapsed ESOS | 24 | - | - | (1,378) | 1,378 | - |
| At 31 March 2025 | | 266,002 | (89,824) | 5,135 | 41,802 | 223,115 |

*Note:-*
*# - Amount less than RM1,000.*

**NEXG BERHAD**
(Incorporated in Malaysia)

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES | | | | | |
| Profit before taxation | | (56,914) | 151,775 | (41,815) | 60,379 |
| Adjustments for:- | | | | | |
| Allowance for impairment losses on: | | | | | |
| - amount owing by a subsidiary | | - | - | 1,482 | 2,909 |
| - goodwill | | - | 2,693 | - | - |
| - inventories | | 8,363 | 106 | - | - |
| - other investments | | 1,000 | - | - | - |
| - trade receivables | | 126 | - | - | - |
| - loan receivables | | 56,244 | - | - | - |
| Amortisation of development expenditure | | 3,637 | 275 | - | - |
| Depreciation of property, plant and equipment | | 12,675 | 13,986 | 757 | 944 |
| Depreciation of right-of-use assets | | 2,027 | 994 | 1,510 | 735 |
| ESOS expense | | 504 | 7,156 | 504 | 2,856 |
| Fair value loss/(gain) on other investments | | 111,941 | (13,275) | 111,941 | (13,275) |
| Interest expense: | | | | | |
| - interest expense on lease liabilities | | 251 | 28 | 240 | 9 |
| - other interest expense | | 2,948 | 2,439 | 3,332 | 21 |
| Written off: | | | | | |
| - amount owing by a subsidiary | | - | - | 18 | 160 |
| - inventories | | - | 156 | - | - |
| - investment in an associate | | - | 1,500 | - | - |
| - other receivables | | 428 | - | 428 | - |
| (Gain)/loss on disposal of a subsidiary | | (590) | - | 645 | 201 |
| Share of results of an associate | | 1,037 | - | - | - |
| Unrealised loss on foreign exchange | | 1,183 | 883 | - | - |
| Dividend income | | - | - | (74,708) | (55,000) |
| Gain on disposal of property, plant and equipment | | - | (30) | - | (30) |
| Interest income | | (1,321) | (1,315) | (4,153) | (975) |
| Written back of impairment losses on: | | | | | |
| - amount owing by a subsidiary | | - | - | (320) | - |
| - inventories | | (22) | (4) | - | - |
| - trade receivables | | (519) | (406) | - | - |
| Operating profit/(loss) before working capital changes | | 142,998 | 166,961 | (139) | (1,066) |
| Increase in projects-in-progress | | (257) | (2,159) | - | - |
| Decrease in inventories | | 3,424 | 3,229 | - | - |
| Increase in trade and other receivables | | (29,655) | (27,028) | 24,740 | (25,354) |
| Increase in trade and other payables | | 15,054 | 845 | (486) | 970 |
| (Increase)/Decrease in amount owing by subsidiaries | | - | - | (130,611) | 68,182 |
| (Decrease)/Increase in amount owing to subsidiaries | | - | - | (9,538) | 49,047 |
| CASH FROM/(USED IN) OPERATING ACTIVITIES | | 131,564 | 141,848 | (116,034) | 91,779 |

**NEXG BERHAD**
(Incorporated in Malaysia)

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

| | Note | Group 2026 RM'000 | Group 2025 RM'000 | Company 2026 RM'000 | Company 2025 RM'000 |
|---|---|---|---|---|---|
| CASH FROM/(USED IN) OPERATING ACTIVITIES (CONT'D) | | 131,564 | 141,848 | (116,034) | 91,779 |
| Income tax paid | | (33,462) | (42,818) | (395) | (207) |
| Income tax refunded | | 112 | - | - | - |
| Interest paid | | (3,199) | (2,467) | (3,572) | (30) |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES | | 95,015 | 96,563 | (120,001) | 91,542 |
| CASH FLOWS (USED IN) /FROM INVESTING ACTIVITIES | | | | | |
| Addition of investment in: | | | | | |
| - an associate | 8 | (60,309) | (1,500) | (60,309) | - |
| - subsidiaries | | - | - | (2,000) | - |
| Purchase of other investments | 9 | (105,649) | (18,000) | (105,649) | (18,000) |
| Addition of intangible asset | 11 | - | (108) | - | - |
| Interest received | | 1,321 | 1,315 | 4,153 | 975 |
| Dividend received | | - | - | 99,808 | 56,000 |
| Proceeds from disposal of plant and equipment | | - | 450 | - | 450 |
| Purchase of property, plant and equipment | 45(a) | (14,225) | (5,111) | (535) | (350) |
| Acquisition of a subsidiary, net of cash and cash equivalents acquired | 43 | (189) | (30,781) | - | (37,250) |
| Net cash inflow from disposal of a subsidiary | 44 | 71 | - | 130 | - |
| Withdrawal of deposits pledged to licensed banks | | (15,195) | 401 | - | - |
| NET CASH (USED IN)/FROM INVESTING ACTIVITIES | | (194,175) | (53,334) | (64,402) | 1,825 |

**NEXG BERHAD**
(Incorporated in Malaysia)

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES | | | | | |
| Proceeds from issuance of | | | | | |
| - ordinary shares | | 187,944 | # | 187,944 | # |
| - ESOS exercised | | 6,631 | 4,065 | 6,631 | 4,065 |
| Dividends paid | 35 | - | (57,157) | - | (57,157) |
| Purchase of treasury shares | 22 | (16,720) | (11,013) | (16,720) | (11,013) |
| Repayment of lease liabilities | 45(b) | (1,277) | (755) | (838) | (551) |
| Repayment of hire purchase | 45(b) | (157) | (117) | (121) | (117) |
| Drawdown of trade financing | 45(b) | 83,514 | 73,509 | - | - |
| Repayment of trade financing | 45(b) | (100,827) | (77,730) | - | - |
| Repayment of term loans | 45(b) | (3,093) | (4,080) | - | - |
| Repayment of term financing | 45(b) | - | (496) | - | (496) |
| NET CASH FROM/(USED IN) FINANCING ACTIVITIES | | 156,015 | (73,774) | 176,896 | (65,269) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 56,855 | (30,545) | (7,507) | 28,098 |
| EFFECTS OF FOREIGN EXCHANGE TRANSLATION | | 410 | (122) | - | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | | 75,879 | 106,546 | 33,649 | 5,551 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 20 | 133,144 | 75,879 | 26,142 | 33,649 |

*Note:-*
*# - Amount less than RM1,000.*

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the main market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are at Level 6, Bangunan Setia 1, No. 15, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 June 2026.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

## 3. BASIS OF PREPARATION

### 3.1 BASIS OF ACCOUNTING

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

(a) During the current financial year, the Group and the Company have adopted the following new accounting standard and/or interpretation (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standard and/or interpretation (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

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

### 3.1 BASIS OF ACCOUNTING (CONT'D)

(b) The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

| MFRSs and/or IC Interpretations (Including The Consequential Amendments) | Effective Date |
|---|---|
| Annual Improvements to MFRS Accounting Standards – Volume 11 | 1 January 2026 |
| Amendments to MFRS 7 and MFRS 9: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to MFRS 7 and MFRS 9: Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| MFRS 18: Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19: Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency | 1 January 2027 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:-

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently assessing the impact of implementing this new standard.

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

### 3.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

**(a) Merger Accounting for Common Control Business Combinations**

Acquisitions which result in a business combination involving common control entities, are outside the scope of MFRS 3. Accordingly, merger accounting has been used by the Group to account for such common control business combinations.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the interests of the controlling party or parties.

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

### 3.2 BASIS OF CONSOLIDATION (CONT'D)

**(a) Merger Accounting for Common Control Business Combinations (Cont'd)**

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

**(b) Acquisition Method of Accounting for Non-common Control Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

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

### 3.2 BASIS OF CONSOLIDATION (CONT'D)

#### (c) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each financial year, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

#### (d) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

#### (e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

*Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

**(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

**(b) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

**(c) Impairment of Property, Plant and Equipment and Right-of-use Assets**

The Group determines whether its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

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

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

**(d) Amortisation of Development Expenditure**

The estimates for the residual values, useful lives and related amortisation charges for the development expenditure are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its development expenditure will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised.

**(e) Write-down of Inventories and Projects-in-progress**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories and projects-in-progress. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories and projects-in-progress.

**(f) Impairment of Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

**(g) Impairment of Other Receivables**

The loss allowances for other financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period.

**(h) Impairment of Loan Receivables**

The loss allowance for financing receivables are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the financing receivables at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of loan receivables as at the reporting date are disclosed in Note 15 to the financial statements.

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

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

**(i) Impairment of Goodwill**

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

**(j) Fair Value Estimates for Certain Financial Assets and Financial Liabilities**

The Group carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

**(k) Impairment of Development Expenditure**

The Group determines whether the development expenditure are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

**(l) Discount Rates 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.

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

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

**(m) Impairment of investment in associated companies**

The Group carried out the impairment test based on the assessment of the FVLCTS of the investees' net assets. Estimating the fair value less costs to sell requires the Group to make an estimate of the expected selling price and cost of selling. The carrying amounts of investments in associated companies of the Group are disclosed in Note 8 to the financial statements.

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

**(a) Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

**(b) Share-based Payments**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

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

### 4.2 FAIR VALUE MEASUREMENTS

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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

### 4.3 FUNCTIONAL AND FOREIGN CURRENCIES

**(a) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

**(b) Foreign Currency Transactions and Balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the financial period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

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

### 4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

#### (c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the financial year. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the financial year.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

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

### 4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

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

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

**(a) Financial Assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

*Debt Instruments*

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change, if any.

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

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

**(a) Financial Assets (Cont'd)**

*Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

**(b) Financial Liabilities**

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

**(c) 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 when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**(d) Equity Instruments**

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

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

### 4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the financial period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

### 4.6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to the end of the financial year. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

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

### 4.7 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

### 4.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use, and the costs dismantling and removing the items and restoring that site on which they are located.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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

### 4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

| | |
|---|---|
| Furniture and fittings | 10.00% |
| Motor vehicles | 20.00% |
| Office equipment | 10.00% - 33.33% |
| Machineries | Over the project output or contract period, 6.67% - 25.00% |
| Renovation | 10.00% |
| Buildings | 2.00% |

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each financial year to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Assets-in-progress represent assets under construction, and which are not ready for commercial use at the end of the financial year. Assets-in-progress are stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of assets-in-progress include direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

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

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

### 4.9 RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as expense except that expenditure incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(a) its ability to measure reliably the expenditure attributable to the asset under development;
(b) the product or process is technically and commercially feasible;
(c) its future economic benefits are probable;
(d) its intention to complete and the ability to use or sell the developed asset; and
(e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as expenses are not recognised as assets in the subsequent period.

The development expenditure is amortised on either a unit of production method over the life of the project or straight-line method over a period of 5 years, where applicable, when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each financial year.

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

### 4.10 IMPAIRMENT

#### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

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

### 4.10 IMPAIRMENT (CONT'D)

#### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each financial year for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the assets' fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment losses recognised in respect of a cash-generating units is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

### 4.11 PROJECTS-IN-PROGRESS

Projects-in-progress represent costs incurred on projects which are not completed as at the end of the financial year. Projects-in-progress are stated at cost, which includes directly attributable labour costs and an appropriate proportion of directly attributable costs and overheads on such projects. When it is probable that total project costs will exceed total project revenue, the expected loss is recognised as an expense immediately. The revenue is recognised progressively in profit or loss upon completion of the projects based on delivery of goods and customers' acceptance.

### 4.12 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for obsolete, damaged and slowing-moving items. The Group write down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

### 4.13 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and the estimated costs of dismantling and restoration costs, less any incentives received.

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

### 4.13 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment. The principal annual rates used for this purpose are:-

| | |
|---|---|
| Office premises | Over the lease periods |
| Leasehold land | Over 54 years |

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

### 4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

### 4.15 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

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

### 4.16 BORROWING COSTS

Borrowing costs that directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### 4.17 INCOME TAXES

**(a) Current Tax**

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and 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).

**(b) Deferred Tax**

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

### 4.17 INCOME TAXES (CONT'D)

**(b) Deferred Tax (Cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

**(c) Sales Tax and Service Tax ("SST")**

SST are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are either capitalised or recognised in profit or loss. The amount of SST charged arising from revenue and is payable to the authorities at the end of the reporting period is included in other payables.

### 4.18 EMPLOYEE BENEFITS

**(a) Short-term Benefits**

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss or included in the development expenditure, where appropriate, in the period in which the associated services are rendered by employees of the Group.

**(b) Defined Contribution Plans**

The Group's contributions to defined contribution plans are recognised in profit or loss or included in the development expenditure, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

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

### 4.18 EMPLOYEE BENEFITS (CONT'D)

**(c) Share-based Payment Transactions**

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Company (known as "share options").

At grant date, the fair value of the share options is recognised as an expense on a straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to employee share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of the share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

Upon expiry of the share option, the employee share option reserve is transferred to retained profits.

When the share options are exercised, the employee share option reserve is transferred to share capital if new ordinary shares are issued.

### 4.19 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

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

### 4.20 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 4.21 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

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

### 4.22 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

   (i) has control or joint control over the reporting entity;
   (ii) has significant influence over the reporting entity; or
   (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

   Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

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

### 4.22 RELATED PARTIES (CONT'D)

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) 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).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as directors having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly.

### 4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.

- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

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

### 4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

**(a) Sale of Goods and Software Solutions ("SS")**

Revenue from sale of goods and SS is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**(b) Rendering of Services**

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

### 4.24 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

**(a) Management Fee**

Management fee is recognised on an accrual basis.

**(b) Dividend Income**

Dividend income from investment is recognised when the right to receive dividend payment is established.

**(c) Interest Income**

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

**(d) Rental Income**

Rental income is accounted for on a straight-line method over the lease term.

## 5. PROPERTY, PLANT AND EQUIPMENT

| Group | Furniture and Fittings RM'000 | Motor Vehicles RM'000 | Office Equipment RM'000 | Machineries RM'000 | Renovation RM'000 | Buildings RM'000 | Freehold Land RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| At 1 April 2025 | 1,259 | 1,870 | 15,946 | 236,526 | 16,886 | 41,332 | 11,735 | 325,554 |
| Additions (Note 45(a)) | 63 | 438 | 1,298 | 12,553 | 23 | - | - | 14,375 |
| Disposal of a subsidiary (Note 44) | - | - | (31) | (708) | - | - | - | (739) |
| Write offs | - | (276) | - | (736) | - | - | - | (1,012) |
| Translation difference | - | - | # | (11) | - | - | - | (11) |
| At 31 March 2026 | 1,322 | 2,032 | 17,213 | 247,624 | 16,909 | 41,332 | 11,735 | 338,167 |

*Note:-*
*# - Amount less than RM1,000.*

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

| Group | Furniture and Fittings RM'000 | Motor Vehicles RM'000 | Office Equipment RM'000 | Machineries RM'000 | Renovation RM'000 | Buildings RM'000 | Freehold Land RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Accumulated Depreciation** | | | | | | | | |
| At 1 April 2025 | 809 | 1,190 | 12,137 | 197,149 | 13,523 | 5,584 | - | 230,392 |
| Charge for the year | 91 | 231 | 2,475 | 8,255 | 796 | 827 | - | 12,675 |
| Disposal of a subsidiary (Note 44) | - | - | (29) | (411) | - | - | - | (440) |
| Write offs | - | (276) | - | (736) | - | - | - | (1,012) |
| Translation difference | - | - | # | (5) | - | - | - | (5) |
| At 31 March 2026 | 900 | 1,145 | 14,583 | 204,252 | 14,319 | 6,411 | - | 241,610 |
| **Net carrying amount** | 422 | 887 | 2,630 | 43,372 | 2,590 | 34,921 | 11,735 | 96,557 |

*Note:-*
*# - Amount less than RM1,000.*

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

| Group | Furniture and Fittings RM'000 | Motor Vehicles RM'000 | Office Equipment RM'000 | Machineries RM'000 | Renovation RM'000 | Buildings RM'000 | Freehold Land RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| At 1 April 2024 | 1,009 | 2,241 | 14,609 | 235,017 | 16,731 | 41,332 | 11,735 | 322,674 |
| Additions (Note 45(a)) | 71 | 228 | 846 | 3,939 | 27 | - | - | 5,111 |
| Acquisition of a subsidiary (Note 43) | 179 | - | 661 | - | 128 | - | - | 968 |
| Write offs | - | - | (165) | (2,346) | - | - | - | (2,511) |
| Disposals | - | (599) | - | - | - | - | - | (599) |
| Translation difference | - | - | (5) | (84) | - | - | - | (89) |
| At 31 March 2025 | 1,259 | 1,870 | 15,946 | 236,526 | 16,886 | 41,332 | 11,735 | 325,554 |
| **Accumulated Depreciation** | | | | | | | | |
| At 1 April 2024 | 579 | 994 | 9,204 | 190,748 | 12,101 | 4,757 | - | 218,383 |
| Charge for the year | 97 | 375 | 2,541 | 8,789 | 1,357 | 827 | - | 13,986 |
| Acquisition of a subsidiary (Note 43) | 133 | - | 561 | - | 65 | - | - | 759 |
| Write offs | - | - | (165) | (2,346) | - | - | - | (2,511) |
| Disposals | - | (179) | - | - | - | - | - | (179) |
| Translation difference | - | - | (4) | (42) | - | - | - | (46) |
| At 31 March 2025 | 809 | 1,190 | 12,137 | 197,149 | 13,523 | 5,584 | - | 230,392 |
| **Net carrying amount** | 450 | 680 | 3,809 | 39,377 | 3,363 | 35,748 | 11,735 | 95,162 |

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

| Company | Furniture and Fittings RM'000 | Motor Vehicles RM'000 | Office Equipment RM'000 | Renovation RM'000 | Building RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 April 2025 | 436 | 1,513 | 1,595 | 5,953 | 4,306 | 13,803 |
| Additions (Note 45(a)) | 24 | 5 | 506 | - | - | 535 |
| Write offs | - | (128) | - | - | - | (128) |
| Disposals | - | (148) | - | - | - | (148) |
| Transfer from subsidiaries | - | - | 3 | - | - | 3 |
| Transfer to subsidiaries | - | - | (28) | - | - | (28) |
| At 31 March 2026 | 460 | 1,242 | 2,076 | 5,953 | 4,306 | 14,037 |
| **Accumulated Depreciation** | | | | | | |
| At 1 April 2025 | 300 | 1,023 | 1,165 | 5,204 | 1,018 | 8,710 |
| Charge for the year | 35 | 140 | 260 | 236 | 86 | 757 |
| Write offs | - | (128) | - | - | - | (128) |
| Disposals | - | (148) | - | - | - | (148) |
| Transfer to subsidiaries | - | - | (10) | - | - | (10) |
| At 31 March 2026 | 335 | 887 | 1,415 | 5,440 | 1,104 | 9,181 |
| **Net carrying amount** | 125 | 355 | 661 | 513 | 3,202 | 4,856 |

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

| Company | Furniture and Fittings RM'000 | Motor Vehicles RM'000 | Office Equipment RM'000 | Renovation RM'000 | Building RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 April 2024 | 432 | 2,112 | 1,292 | 5,953 | 4,306 | 14,095 |
| Additions (Note 45(a)) | 4 | - | 346 | - | - | 350 |
| Write offs | - | - | (28) | - | - | (28) |
| Disposals | - | (599) | - | - | - | (599) |
| Transfer from subsidiaries | - | - | 6 | - | - | 6 |
| Transfer to subsidiaries | - | - | (21) | - | - | (21) |
| At 31 March 2025 | 436 | 1,513 | 1,595 | 5,953 | 4,306 | 13,803 |
| **Accumulated Depreciation** | | | | | | |
| At 1 April 2024 | 249 | 865 | 1,043 | 4,894 | 932 | 7,983 |
| Charge for the year | 51 | 337 | 160 | 310 | 86 | 944 |
| Write offs | - | - | (28) | - | - | (28) |
| Disposals | - | (179) | - | - | - | (179) |
| Transfer to subsidiaries | - | - | (10) | - | - | (10) |
| At 31 March 2025 | 300 | 1,023 | 1,165 | 5,204 | 1,018 | 8,710 |
| **Net carrying amount** | 136 | 490 | 430 | 749 | 3,288 | 5,093 |

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

(a) The net carrying amount of the property, plant and equipment which were charged to licensed banks for facilities granted to the Group and the Company as at the end of the financial year were as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Freehold land | 11,735 | 11,735 | - | - |
| Buildings | 21,960 | 33,275 | - | 3,288 |
| | 33,695 | 45,010 | - | 3,288 |

(b) Included in the property, plant and equipment of the Group and of the Company were motor vehicles held under hire purchase arrangements with a total carrying amount of RM485,000 (2025 - RM490,000) and RM350,000 (2025 - RM490,000) respectively. These assets have had been pledged as security for the hire purchase payables of the Group and of the Company as disclosed in Note 30 to the financial statements.

## 6. RIGHT-OF-USE ASSETS

| Group | Office Premises RM'000 | Leasehold Land RM'000 | Total RM'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2025 | 4,377 | 13,340 | 17,717 |
| Additions (Note 45(a)) | 6,942 | - | 6,942 |
| At 31 March 2026 | 11,319 | 13,340 | 24,659 |
| **Accumulated Depreciation** | | | |
| At 1 April 2025 | 2,216 | 3,053 | 5,269 |
| Charge for the year | 1,780 | 247 | 2,027 |
| At 31 March 2026 | 3,996 | 3,300 | 7,296 |
| **Net carrying amount** | 7,323 | 10,040 | 17,363 |

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

| Group | Office Premises RM'000 | Leasehold Land RM'000 | Total RM'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2024 | 1,856 | 13,340 | 15,196 |
| Additions (Note 45(a)) | 60 | - | 60 |
| Acquisition of a subsidiary (Note 43) | 2,461 | - | 2,461 |
| At 31 March 2025 | 4,377 | 13,340 | 17,717 |
| **Accumulated Depreciation** | | | |
| At 1 April 2024 | 1,012 | 2,807 | 3,819 |
| Charge for the year | 748 | 246 | 994 |
| Acquisition of a subsidiary (Note 43) | 456 | - | 456 |
| At 31 March 2025 | 2,216 | 3,053 | 5,269 |
| **Net carrying amount** | 2,161 | 10,287 | 12,448 |

| Company | Office Premise RM'000 | Leasehold Land RM'000 | Total RM'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2025 | 1,430 | 10,740 | 12,170 |
| Additions (Note 45(a)) | 6,689 | - | 6,689 |
| At 31 March 2026 | 8,119 | 10,740 | 18,859 |
| **Accumulated Depreciation** | | | |
| At 1 April 2025 | 1,430 | 2,383 | 3,813 |
| Charge for the year | 1,312 | 198 | 1,510 |
| At 31 March 2026 | 2,742 | 2,581 | 5,323 |
| **Net carrying amount** | 5,377 | 8,159 | 13,536 |

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

| **Company** | **Office Premise RM'000** | **Leasehold Land RM'000** | **Total RM'000** |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2024/31 March 2025 | 1,430 | 10,740 | 12,170 |
| **Accumulated Depreciation** | | | |
| At 1 April 2024 | 894 | 2,184 | 3,078 |
| Charge for the year | 536 | 199 | 735 |
| At 31 March 2025 | 1,430 | 2,383 | 3,813 |
| **Net carrying amount** | - | 8,357 | 8,357 |

**(a) Office Premises**

The Group and the Company entered into operating lease agreements for the use of the office premises. The lease agreement is for a period of 2 to 4 years (2025 - 2 to 4 years) with no purchase option.

**(b) Leasehold Land**

The Group entered into 2 non-cancellable operating lease agreements for the use of the land. The leases are for a period of 54 years with no renewal or purchase option in the agreements. The leases do not allow the Group and the Company to assign, transfer or sublease the whole or any part of the land. The leasehold land of the Group and of the Company amounting to approximately RM8,159,000 (2025 - RM8,357,000) is charged to licensed banks for facilities granted to the Group and to the Company respectively as at the end of the financial year.

## 7. INVESTMENT IN SUBSIDIARIES

| | Company 2026 RM'000 | Company 2025 RM'000 |
|---|---|---|
| Unquoted shares, at cost: | | |
| - in Malaysia | 125,226 | 162,749 |
| - outside Malaysia | 53 | 828 |
| ESOS granted to employees of subsidiaries | 4,613 | 4,300 |
| | 129,892 | 167,877 |

The details of the subsidiaries are as follows:-

| Name of Subsidiary | Principal Place of Business/ Country of Incorporation | Percentage of Issued Share Capital Held by Parent 2026 % | 2025 % | Principal Activities |
|---|---|---|---|---|
| Datasonic Corporation Sdn. Bhd. | Malaysia | 100 | 100 | Personalisation of smart cards. |
| Datasonic Technologies Sdn. Bhd. ("DTSB") | Malaysia | 100 | 100 | Customisation of software and hardware solutions, project management, consultancy, manufacturing and research and development activities. |
| Datasonic Smart Solutions Sdn. Bhd. | Malaysia | 100 | 100 | Research and development and technical consultancy services. |
| Datasonic Manufacturing Sdn. Bhd. ("DMSB") | Malaysia | 100 | 100 | Manufacturing of electrical integrated circuit cards or commonly known as smart cards and its related products. |
| Amalan Fokus Sdn. Bhd. | Malaysia | 100 | 100 | Provision of information technology services, machine learning, artificial intelligence solutions, deep learning, and other information technology solutions. |
| Datasonic Innovation Sdn. Bhd. | Malaysia | 100 | 100 | Provision of biometrics solution. |

## 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

| Name of Subsidiary | Principal Place of Business/ Country of Incorporation | Percentage of Issued Share Capital Held by Parent 2026 % | 2025 % | Principal Activities |
|---|---|---|---|---|
| Medicloud Malaysia Sdn. Bhd. | Malaysia | 100 | 100 | Wholesale of pharmaceutical and medical goods. |
| NexG Asset Sdn. Bhd. ("NASB") | Malaysia | 100 | 100 | Investment holdings. |
| NexG CSA Sdn. Bhd. | Malaysia | 100 | 100 | Dormant. |
| MyNasional Holdings Sdn Bhd ("MNHSB") | Malaysia | 100 | - | Investment holdings. |
| Datasonic Global Technologies Sdn. Bhd. | Malaysia | 100 | - | Dormant. |
| Datasonic New Zealand Limited ("DNZL") ~ | New Zealand | 100 | 100 | Software development services and computer systems design and related activities. |
| PT Datasonic Teknologi Indonesia ("PTDTI") ^ # | Indonesia | - | 100 | Personalisation of smart cards. |
| Datasonic Digent Sdn. Bhd. | Malaysia | 60 | 60 | Dormant. |
| MyNasional eKYC Holdings Sdn Bhd (formerly known as Innov8tif Holdings Sdn. Bhd.) ("MNeKYC") | Malaysia | - | 51 | Investment holdings. |
| ***Held by NASB*** | | | | |
| NexG Capital Sdn. Bhd. | Malaysia | 100 | 100 | Dormant. |
| MMR Capital Sdn. Bhd. ("MMR") | Malaysia | 100 | - | Business licensed money lending activities, financial consultancy services and financial leasing activities. |

## 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

| Name of Subsidiary | Principal Place of Business/ Country of Incorporation | Percentage of Issued Share Capital Held by Parent 2026 % | 2025 % | Principal Activities |
|---|---|---|---|---|
| ***Held by MNHSB*** | | | | |
| MyNasional eKYC Holdings Sdn Bhd (formerly known as Innov8tif Holdings Sdn. Bhd.) ("MNeKYC") | Malaysia | 51 | - | Investment holdings. |
| MyNasional Sdn. Bhd. ("MNSB") | Malaysia | 70 | - | Information technology solutions, secure printing and document personalisation, e-government and digital service |
| MyNasional Bizfile Sdn. Bhd. | Malaysia | 100 | - | Dormant. |
| MyNasional Digital Sdn. Bhd. | Malaysia | 100 | - | Dormant. |
| MyNasional AI Sdn. Bhd. | Malaysia | 51 | - | Dormant. |
| ***Held by MNeKYC*** | | | | |
| Innov8tif Solutions Sdn. Bhd. ("ISSB") | Malaysia | 51 | 51 | Engaged in information communications technology development, development and maintenance service with software trading and services. |
| Xendity Sdn. Bhd. | Malaysia | 51 | 51 | Engaged in business of development of software and programming activities. |
| Innov8tif Solutions Co., Ltd ^ | Cambodia | 51 | 51 | Engaged in information technology consultation services. |

## 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

| Name of Subsidiary | Principal Place of Business/ Country of Incorporation | Percentage of Issued Share Capital Held by Parent 2026 % | 2025 % | Principal Activities |
|---|---|---|---|---|
| ***Held by ISSB*** | | | | |
| Innov8tif Technology Sdn. Bhd. | Malaysia | 51 | 51 | Engaged in information technology and event marketing business. |
| Innov8tif Solutions Pte Ltd ^ | Singapore | 51 | 51 | Provide IT consultancy and computer services activities. |

*Notes:-*

^ - *These subsidiaries are audited by other firms of chartered accountants.*

~ - *No audit is required for this subsidiary under New Zealand Companies Act 1993 as the company satisfied the exemption requirements.*

# - *1% held by a wholly-owned subsidiary, DTSB.*

(a) During the financial year, a wholly owned subsidiary of the Company, NASB has acquired 100% equity interests in MMR. The details of the acquisition are disclosed in Note 43.

(b) During the financial year, the Company has acquired 70% equity interests in MNSB. Subsequently, the Company has disposed MNSB 70% equity interests to MNHSB.

(c) During the year, the Company has disposed 51% equity interests in MNeKYC to a wholly owned subsidiary, MNHSB for total consideration of RM40,000,000.00.

(d) In the previous financial year, the Company has acquired 51% equity interests in MNeKYC. The details of the acquisition are disclosed in Note 43.

(e) During the current financial year, the Company has disposed PTDTI. The details of the disposal are disclosed in Note 44.

## 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) The non-controlling interests at the end of the financial year comprise the following:-

| | Effective Equity Interest | | Group | |
|---|---|---|---|---|
| | 2026 % | 2025 % | 2026 RM'000 | 2025 RM'000 |
| IHSB | 49 | 49 | 19,678 | 21,111 |
| Other individually immaterial subsidiaries | | | 88 | 60 |
| | | | 19,766 | 21,171 |

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

| | IHSB Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| At 31 March | | |
| Non-current assets | 46,318 | 50,042 |
| Current assets | 13,574 | 12,973 |
| Non-current liabilities | (12,940) | (2,026) |
| Current liabilities | (6,792) | (17,905) |
| Net assets | 40,160 | 43,084 |
| Financial Year Ended 31 March | | |
| Revenue | 18,236 | 1,476 |
| (Loss)/Profit for the financial year | (279) | 97 |
| Total comprehensive (loss)/income | (279) | 97 |
| Total comprehensive income attributable to non-controlling interests | (1,476) | 47 |
| Net cash flows for operating activities | (2,570) | (681) |
| Net cash flows for investing activities | (8) | (130) |
| Net cash flows for financial activities | (312) | (20) |

## 8. INVESTMENT IN ASSOCIATES

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Unquoted share, at cost | 60,309 | 1,500 | 60,309 | - |
| Less: Written off during the year | - | (1,500) | - | - |
| Share of post-acquisition loss | (1,037) | (#) | - | - |
| | 59,272 | - | 60,309 | - |

*Note:-*
*# - Amount less than RM1,000.*

The details of the associate are as follows:-

| Name of Associate | Principal Place of Business/ Country of Incorporation | Effective Equity Interest 2026 | Effective Equity Interest 2025 | Principal Activities |
|---|---|---|---|---|
| | | % | % | |
| Pelangi Digital Sdn. Bhd. ("PDSB") | Malaysia | 30.00 | 30.00 | Engaged in business of providing infrastructure for hosting, data processing services, provision of telecommunications services over existing telecom connection, and telecommunication resellers. |
| NexG Bina Berhad (formerly known as Classita Holdings Berhad) | Malaysia | 32.61 | - | Engaged in the businesses of property investment and trading, property development and construction, manufacturing and sales of undergarments, direct selling and retail of childcare and maternity products and other consumer products. |
| *Held by DTSB* | | | | |
| Datasonic Grid Sdn. Bhd. ("DGSB") | Malaysia | - | 25.00 | Dormant. |

## 8. INVESTMENT IN ASSOCIATES (CONT'D)

(a) The share of result in the associate is based on the unaudited financial statements drawn up to the most recent reporting date, which is 31 March 2026.

(b) During the financial year, the Group has acquired 402,057,900 ordinary shares in NexG Bina Berhad (formerly known as Classita Holdings Berhad), representing 32.61% equity interest of the NexG Bina Berhad. The associate, being listed on Bursa Malaysia Securities, is unable to release information other than those publicly published.

(c) During the financial year, the Group has disposed DGSB.

(d) In the previous financial year, the Group has not recognised the post-acquisition loss of PDSB, as there are no business operations after the acquisition. Directors of the subsidiary are in their view that cost of the investment is irrecoverable thus it has been written off in the previous year.

(e) Summarised financial information in respect of the material associated companies is set out below. The summarised financial information represents the amounts in the financial statements of the associated companies and not the Group's share of those amounts.

| | **NexG Bina 2026 RM'000** |
|---|---|
| Non-current assets | 56,761 |
| Current assets | 158,764 |
| Non-current liabilities | 9,916 |
| Current liabilities | 18,262 |
| Net assets | 187,347 |
| Equity attributable to: | |
| - owners of the associated company | 187,602 |
| - non-controlling interests of the associated company | (255) |
| Total equity | 187,347 |

| | **NexG Bina 2026 RM'000** |
|---|---|
| Revenue | 39,715 |
| Loss for the year | (3,658) |
| Other comprehensive income | 15 |
| Total comprehensive loss | (3,643) |

NexG Bina has a financial year end of 30 June 2026. During the year, the Group equity accounts the results of NexG Bina from the date of acquisition to its financial year end.

## 8. INVESTMENT IN ASSOCIATES (CONT'D)

(e) Summarised financial information in respect of the material associated companies is set out below. The summarised financial information represents the amounts in the financial statements of the associated companies and not the Group's share of those amounts. (Cont'd)

| | NexG Bina 2026 RM'000 |
|---|---|
| Loss for the year attributable to: | |
| - owners of the associated company | (3,115) |
| - non-controlling interests of the associated company | (543) |
| Total comprehensive loss | (3,658) |
| Total comprehensive loss for the year attributable to: | |
| - owners of the associated company | (3,109) |
| - non-controlling interests of the associated company | (534) |
| | (3,643) |

## 9. OTHER INVESTMENTS

| | Note | Group 2026 RM'000 | Group 2025 RM'000 | Company 2026 RM'000 | Company 2025 RM'000 |
|---|---|---|---|---|---|
| **Non-current assets:** | | | | | |
| At fair value:- | | | | | |
| Investment in a club membership | | 350 | 350 | - | - |
| Unquoted ordinary shares | (a) | 1,000 | 1,000 | - | - |
| Less: Allowance for impairment loss | | (1,000) | - | - | - |
| | | 350 | 1,350 | - | - |
| **Current assets:** | | | | | |
| At fair value:- | | | | | |
| Quoted ordinary shares | | 24,983 | 31,275 | 24,983 | 31,275 |
| Non-current assets | | 350 | 1,350 | - | - |
| Current assets | | 24,983 | 31,275 | 24,983 | 31,275 |
| | | 25,333 | 32,625 | 24,983 | 31,275 |

## 9. OTHER INVESTMENTS (CONT'D)

(a) The Group considered this investment in unquoted ordinary shares measured at fair value through profit or loss because the Group do not intend to hold it for long-term strategic purposes. The carrying amount was impaired in full during the financial year as the Group foresees that it will not be able to recover its carrying amount.

(b) The movement of other investments during the year were as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | **2026 RM'000** | **2025 RM'000** | **2026 RM'000** | **2025 RM'000** |
| At 1 April 2025/2024 | 32,625 | 1,350 | 31,275 | - |
| Additions | 105,649 | 18,000 | 105,649 | 18,000 |
| Fair value (loss)/gain | (111,941) | 13,275 | (111,941) | 13,275 |
| Allowance for impairment loss | (1,000) | - | - | - |
| At 31 March 2026/2025 | 25,333 | 32,625 | 24,983 | 31,275 |

## 10. GOODWILL

| | Group | |
|---|---|---|
| | **2026 RM'000** | **2025 RM'000** |
| At cost:- | | |
| At 1 April 2025/2024 | 21,712 | 4,162 |
| Acquisition of a subsidiary (Note 43) | 189 | 17,550 |
| At 31 March 2026/2025 | 21,901 | 21,712 |
| Accumulated impairment losses:- | | |
| At 1 April 2025/2024 | (4,153) | (1,460) |
| Additions (Note 40) | - | (2,693) |
| At 31 March 2026/2025 | (4,153) | (4,153) |
| | 17,748 | 17,559 |

## 10. GOODWILL (CONT'D)

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

| | Group | |
|---|---|---|
| | **2026** | **2025** |
| | **RM'000** | **RM'000** |
| Proprietary technology and software | 17,550 | 17,550 |
| Others | 198 | 9 |
| | 17,748 | 17,559 |

The amount of goodwill relates to the proprietary technology and software and others cash-generating unit. The goodwill arose from the investment in subsidiaries and is reviewed for impairment annually.

(b) Impairment review

In the previous financial year, the Group has assessed the recoverable amount of goodwill, and recognised an impairment loss of RM2,693,000 on goodwill arising from others cash-generating unit.

The recoverable amount of the proprietary technology and software cash-generating unit is computed using the value in use approach, and this is derived from the present value of the future cash flows from the cash-generating unit based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amount are as follows:-

| | | Proprietary technology and software |
|---|---|---|
| (i) | Budgeted gross margin | Gross margin is fixed approximately at 70% for the 5 years budgeted period. |
| (ii) | Growth rate | Based on the expected projection of the proprietary technology and software business and expected industry growth in Malaysia and the region |
| (iii) | Discount rate (pre-tax) | Reflects specific risks relating to the relevant cash-generating unit. |

The values assigned to the key assumptions represent management's assessment of future projections in the cash-generating unit and are based on both external sources and internal historical data.

*Sensitivity to changes in key assumptions*

The management believes that there is no reasonably possible change in any of the above key assumptions which would cause the carrying amount of the cash-generating unit to materially exceed the recoverable amount.

## 11. DEVELOPMENT EXPENDITURE

| | Note | Group 2026 RM'000 | Group 2025 RM'000 |
|---|---|---|---|
| At cost:- | | | |
| At 1 April 2025/2024 | | 99,260 | 51,807 |
| Acquisition of a subsidiary (Note 43) | (c) | - | 47,345 |
| Additions | | - | 108 |
| At 31 March 2026/2025 | | 99,260 | 99,260 |
| Accumulated amortisation:- | | | |
| At 1 April 2025/2024 | | (50,860) | (50,585) |
| Charge for the year | | (3,637) | (275) |
| At 31 March 2026/2025 | | (54,497) | (50,860) |
| Accumulated impairment losses:- | | | |
| At 31 March 2026/2025 | | (1,222) | (1,222) |
| | | 43,541 | 47,178 |

The development expenditure consist of:-

(a) direct and related costs for overhead and software solutions incurred in the process of development, and attributable to the Group's customised smart card solutions ("CSCS") reportable segment. Their amortisation charges are recognised in profit or loss under Cost of Sales line item;

(b) software and staff salaries of research and development incurred in the process of software development of IHSB Group; and

(c) proprietary technology and software of IHSB. IHSB's identity verification of its proprietary technology and software represents a unique solution that is not easily replicable in the market. It has distinctiveness and legal protection, such as patents and certificates making it an asset with clear boundary for the valuation. As this technology and software is crucial in the development of the IHSB's products and services, this intangible asset contributes to the revenue generation and competitive advantage of IHSB. Thus, in prior financial year, the Group acquired the readily available digital ID assurance and digital onboarding businesses of IHSB to complement and enhance the Group's existing business as an ICT solutions provider.

The Group conducted an impairment review on the recoverable amount of the development expenditure as the CGU incurred losses during the financial year. As a result, there were no impairment losses incurred as the recoverable amount derived using value in use is higher than the carrying amount.

Details of the impairment test is as disclosed in Note 10(b).

## 12. DEFERRED TAX ASSETS/(DEFERRED TAX LIABILITIES)

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| *Deferred Tax Assets* | | |
| At 1 April 2025/2024 | 483 | - |
| Acquisition of a subsidiary (Note 43) | - | 483 |
| Recognised in profit or loss (Note 41) | (282) | - |
| At 31 March 2026/2025 | 201 | 483 |

The deferred tax assets recognised in the financial statements consist of the tax effects of temporary differences arising from the following item:-

| | Group | | | |
|---|---|---|---|---|
| | Unutilised tax losses RM'000 | Lease liabilities RM'000 | Deferred income RM'000 | Total RM'000 |
| At 1 April 2024 | - | - | - | - |
| Acquisition of a subsidiary | 189 | 20 | 274 | 483 |
| At 31 March 2025 | 189 | 20 | 274 | 483 |
| Recognised in profit or loss | (127) | (20) | (135) | (282) |
| At 31 March 2026 | 62 | - | 139 | 201 |

| | Group | |
|---|---|---|
| | 2026 RM'000 | 2025 RM'000 |
| *Deferred Tax Liabilities* | | |
| At 1 April 2025/2024 | 14,617 | 4,692 |
| Acquisition of a subsidiary (Note 43) | - | 11,363 |
| Recognised in profit or loss (Note 41) | (2,239) | (1,438) |
| At 31 March 2026/2025 | 12,378 | 14,617 |

## 12. DEFERRED TAX ASSETS/(DEFERRED TAX LIABILITIES) (CONT'D)

The deferred tax liabilities recognised in the financial statements consist of the tax effects of temporary differences arising from the following item:-

| | Group | | |
|---|---|---|---|
| | Accelerated capital allowances RM'000 | Development expenditure RM'000 | Total RM'000 |
| 1 April 2024 | 4,692 | - | 4,692 |
| Acquisition of a subsidiary | - | 11,363 | 11,363 |
| Recognised in profit or loss | (1,372) | (66) | (1,438) |
| 31 March 2025 | 3,320 | 11,297 | 14,617 |
| Recognised in profit or loss | (1,446) | (793) | (2,239) |
| 31 March 2026 | 1,874 | 10,504 | 12,378 |

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Unabsorbed capital allowances | 660 | 1,936 | 652 | 252 |
| Unutilised tax losses | 1,882 | 3,114 | - | - |
| (Accelerated)/Excess of capital allowances over depreciation | (855) | (1,980) | 2,180 | 1,861 |
| Provisions | 62,033 | 5,621 | 1,285 | 1,727 |
| | 63,720 | 8,691 | 4,117 | 3,840 |

## 12. DEFERRED TAX ASSETS/(DEFERRED TAX LIABILITIES) (CONT'D)

Unutilised tax losses can be carried forward for a period of 10 years of assessment ("YA") to set off against future taxable profits as follows:

| | Group | | |
|---|---|---|---|
| | **2026 RM'000** | **2025 RM'000** | **Utilised up to YA RM'000** |
| YA2019 | 4 | 4 | 2029 |
| YA2022 | - | 925 | 2032 |
| YA2023 | 187 | 258 | 2033 |
| YA2024 | 576 | 677 | 2034 |
| YA2025 | 726 | 1,250 | 2035 |
| YA2026 | 389 | - | 2036 |
| 31 March 2026 | 1,882 | 3,114 | |

## 13. PROJECTS-IN-PROGRESS

| | Group | |
|---|---|---|
| | **2026 RM'000** | **2025 RM'000** |
| At cost:- | | |
| Technical services | 305 | 737 |
| Site preparation | 1,968 | 1,014 |
| Software maintenance and license fees | 1,248 | 1,373 |
| Others | 77 | 217 |
| | 3,598 | 3,341 |

## 14. INVENTORIES

| | Group | |
|---|---|---|
| | **2026** | **2025** |
| | **RM'000** | **RM'000** |
| At cost:- | | |
| Raw materials | 28,371 | 32,716 |
| Finished goods | 4,294 | 4,742 |
| Spare parts | 2,221 | 2,854 |
| Consumables | 2,005 | 2,327 |
| Equipment | 11,669 | 9,931 |
| Software | 5 | 5 |
| Goods in transit | 3,225 | 2,992 |
| | 51,790 | 55,567 |
| Less: Allowance for impairment losses | (8,601) | (327) |
| | 43,189 | 55,240 |
| Allowance for impairment losses:- | | |
| At 1 April 2025/2024 | (327) | (225) |
| Additions | (8,363) | (106) |
| Write backs | 22 | 4 |
| Write offs | 67 | - |
| At 31 March 2026/2025 | (8,601) | (327) |
| <u>Recognised in profit or loss</u> | | |
| Inventories sold | 52,599 | 63,916 |
| Impairment losses | 8,363 | 106 |
| Write back of impairment losses | (22) | (4) |
| Inventories written off | - | 156 |

## 15. LOAN RECEIVABLES

| | Group | |
|---|---|---|
| | **2026** **RM'000** | **2025** **RM'000** |
| Loan receivables | 102,973 | - |
| Allowance for impairment losses | (56,244) | - |
| | 46,729 | - |

The loan receivables are secured against properties and quoted shares on Bursa Malaysia Securities Berhad and are subject to interest rate of 8% per annum.

Movement in allowance for impairment loss:

| | Group | |
|---|---|---|
| | **2026** **RM'000** | **2025** **RM'000** |
| At 1 April 2025/2024 | - | - |
| Additions | 56,244 | - |
| At 31 March 2026/2025 | 56,244 | - |

The allowance for impairment losses is made on loan receivables to reflect the fair value of the securities against the loan.

## 16. TRADE RECEIVABLES

| | Group | |
|---|---|---|
| | **2026** **RM'000** | **2025** **RM'000** |
| Trade receivables | 55,343 | 156,927 |
| Allowance for impairment losses | (4,066) | (10,215) |
| | 51,277 | 146,712 |
| Accrued income | 21,293 | 21,784 |
| | 72,570 | 168,496 |

| | | |
|---|---|---|
| Allowance for impairment losses:- | | |
| At 1 April 2025/2024 | (10,215) | (11,017) |
| Additions | (126) | - |
| Acquisition of a subsidiary | - | (961) |
| Disposal of a subsidiary (Note 44) | 5,223 | - |
| Write backs | 519 | 406 |
| Write offs | 533 | 1,357 |
| At 31 March 2026/2025 | (4,066) | (10,215) |

*Note:-*
*# - Amount less than RM1,000.*

The Group's normal trade credit terms range from 30 to 90 (2025: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

The allowance for impairment losses is made on those trade receivables from those companies which are in significant financial difficulties and which have defaulted on payments.

Accrued income represents revenue earned for work performed and goods delivered but the related invoices have yet to be issued.

## 17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2026** **RM'000** | **2025** **RM'000** | **2026** **RM'000** | **2025** **RM'000** |
| Other receivables | 650 | 793 | 22 | 445 |
| Allowance for impairment losses | (154) | (155) | - | - |
| | 496 | 638 | 22 | 445 |
| Deposits | 11,200 | 1,757 | 981 | 274 |
| Prepayments | 45,450 | 37,781 | 577 | 25,601 |
| | 57,146 | 40,176 | 1,580 | 26,320 |

Prepayments consist of downpayment for purchases of materials and machineries and prepayment of other investment.

## 18. AMOUNTS OWING BY/(TO) SUBSIDIARIES

| | Company | |
|---|---|---|
| | **2026** **RM'000** | **2025** **RM'000** |
| Amounts owing by:- | | |
| for non-trade balances | 151,255 | 12,475 |
| Allowance for impairment losses | (2,589) | (6,937) |
| | 148,666 | 5,538 |
| Allowance for impairment losses:- | | |
| At 1 April 2025/2024 | (6,937) | (4,028) |
| Additions | (1,482) | (2,909) |
| Disposal of a subsidiary (Note 44) | 5,510 | - |
| Write backs | 320 | - |
| At 31 March 2026/2025 | (2,589) | (6,937) |
| Amounts owing (to):- | | |
| for non-trade balances | (39,575) | (49,113) |

The amounts owing by/(to) subsidiaries represent unsecured payments made on behalf and are interest-free and receivable/(repayable) on demand.

The amounts owing are to be settled in cash or in kind as appropriate.

## 19. SHORT-TERM INVESTMENTS

| | Group | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Carrying Amount RM'000 | Market Value RM'000 | Carrying Amount RM'000 | Market Value RM'000 |
| Money market funds, at fair value | 104,346 | 104,346 | 9,175 | 9,175 |

| | Company | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Carrying Amount RM'000 | Market Value RM'000 | Carrying Amount RM'000 | Market Value RM'000 |
| Money market funds, at fair value | 25,678 | 25,678 | 2,534 | 2,534 |

The money market funds represent investments in highly liquid money market instruments which are redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

## 20. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Deposits with licensed banks | 21,698 | 11,609 | - | - |
| Cash and bank balances | 28,798 | 61,598 | 464 | 31,115 |
| Short-term investments (Note 19) | 104,346 | 9,175 | 25,678 | 2,534 |
| | 154,842 | 82,382 | 26,142 | 33,649 |
| Less: Deposits pledged to licensed banks | (21,698) | (6,503) | - | - |
| | 133,144 | 75,879 | 26,142 | 33,649 |

The deposits with licensed banks of the Group at the end of the financial year bore effective interest rates ranging from 1.80% to 2.70% (2025: 1.50% to 3.45%) per annum. The deposits have maturity periods ranging from 1 to 12 (2025 - 1 to 12) months for the Group.

Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of approximately RM21,698,000 (2025: RM6,503,000) which have been pledged to licensed banks as securities for banking facilities granted to the Group.

## 21. SHARE CAPITAL

| Group/Company | 2026 Number of Shares '000 | 2026 Share Capital RM'000 | 2025 Number of Shares '000 | 2025 Share Capital RM'000 |
|---|---|---|---|---|
| **Issued and Fully Paid-up** | | | | |
| Ordinary shares | | | | |
| At 1 April 2025/2024 | 2,971,135 | 266,002 | 2,962,019 | 261,294 |
| New shares issued upon: | | | | |
| - exercise of warrants | 576,021 | 121,944 | 3 | # |
| - exercise of ESOS | 14,868 | 7,609 | 9,113 | 4,708 |
| - private placement | 150,000 | 66,000 | - | - |
| At 31 March 2026/2025 | 3,712,024 | 461,555 | 2,971,135 | 266,002 |

*Note:*
*# - Amount less than RM1,000.*

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

During the financial year, the Company issued: -

(i) issuance of 576,021,549 new ordinary shares from the exercise of warrants at the exercise price of RM0.2117 per share which amounted to RM121,943,762;

(ii) issuance of 150,000,000 new ordinary shares from the Private Placement at an issue price of RM0.44 per share which amounted to RM66,000,000; and

(iii) issuance of 14,867,900 new ordinary shares from the exercise of options under the Company's Employee Share Option Scheme at the exercise prices as disclosed in Note 24 to the financial statements which amounted to RM6,631,083.

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

## 22. TREASURY SHARES

During the financial year, the Company purchased 34,009,900 (2025: 23,041,200) of its issued ordinary shares from the open market at an average price of RM0.49 (2025: RM0.48) per share. The total consideration paid for the purchase was RM16,720,612 (2025: RM11,012,870) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

Of the total 3,712,024,000 (2025: 2,971,135,000) issued and fully paid-up ordinary shares at the end of the reporting period, 222,983,000 (2025: 188,973,100) ordinary shares are held as treasury shares by the Company. The treasury shares are held at a carrying amount of RM106,544,749 (2025: RM89,824,137).

## 23. MERGER DEFICIT

The merger deficit of RM11,072,000 (2025: RM11,072,000) resulted from the difference between the carrying value of the investments in subsidiaries and the nominal value of the shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

## 24. EMPLOYEE SHARE OPTION RESERVE

| | Group | | Company | |
|---|---|---|---|---|
| | **2026 RM'000** | **2025 RM'000** | **2026 RM'000** | **2025 RM'000** |
| As at 1 April 2025/2024 | 5,135 | - | 5,135 | - |
| Recognition of ESOS expense | 504 | 7,156 | 504 | 2,856 |
| ESOS granted to employees of subsidiaries | - | - | - | 4,300 |
| Transfer to share capital for ESOS exercised | (978) | (643) | (978) | (643) |
| Transfer of ESOS reserve for ESOS lapsed | (959) | (1,378) | (959) | (1,378) |
| As at 31 March 2026/2025 | 3,702 | 5,135 | 3,702 | 5,135 |

The employee share option reserve 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.

## 24. EMPLOYEE SHARE OPTION RESERVE (CONT'D)

The Employee Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 20 February 2020. The ESOS is to be in force for a period of 5 years effective from 16 July 2021.

The main features of the ESOS are as follows:-

(i) Eligible persons are employees and/or directors of the Group, save for companies which are dormant, and determined at the discretion of the ESOS committee after taking into consideration amongst others, the performance, contribution, employment grade, seniority, length of service and his/her potential contribution of the Eligible persons to the success of the Group.

(ii) The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate 7.5%, or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.

(iii) The option price shall be determined by the ESOS Committee based on the 5-day weighted average market price of ordinary shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%.

(iv) The option may be exercised by the eligible person by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the ESOS.

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.

The option prices and the details in the movement of the options granted are as follows:-

| | Vesting Period | At 01.04.2024 '000 | Granted '000 | Not accepted by employees '000 | Lapsed '000 | Exercised '000 | At 31.03.2025 '000 |
|---|---|---|---|---|---|---|---|
| Tranche 1 | - | - | 71,725 | (4,315) | (19,550) | (9,113) | 38,747 |
| Tranche 2 | 1 year | - | 71,725 | (4,315) | (19,550) | - | 47,860 |
| | | - | 143,450 | (8,630) | (39,100) | (9,113) | 86,607 |

## 24. EMPLOYEE SHARE OPTION RESERVE (CONT'D)

The option prices and the details in the movement of the options granted are as follows:- (Cont'd)

| | Vesting Period | At 01.04.2025 '000 | Lapsed '000 | Exercised '000 | At 31.03.2026 '000 |
|---|---|---|---|---|---|
| Tranche 1 | - | 38,747 | (7,410) | (7,447) | 23,890 |
| Tranche 2 | 1 year | 47,860 | (7,410) | (7,421) | 33,029 |
| | | 86,607 | (14,820) | (14,868) | 56,919 |

On 5 June 2024, the Company granted 143,450,000 share options under the ESOS, which were allocated into Tranche 1 and Tranche 2. Tranche 1 options were exercisable upon acceptance of the offer, while tranche 2 were exercisable after 1 year from the date of offering by 5 June 2025.

The options which lapsed during the financial year were due to resignation of employees.

The fair values of the share options granted were estimated using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted.

The inputs used in the measurement of the fair value at grant date were as follows:-

| | Group | |
|---|---|---|
| | Tranche 1 | Tranche 2 |
| Fair value of share options at the grant date (RM) | 0.0705 | 0.0611 |
| Weighted average ordinary share price (RM) | 0.502 | 0.502 |
| Exercise price of share option (RM) | 0.446 | 0.446 |
| Expected volatility (%) | 27.930 | 27.930 |
| Expected life (years) | - | 2 years |
| Risk free rate (%) | 3.430 | 3.430 |
| Expected dividend yield (%) | 13.760 | 13.760 |

Expected volatility was based on an evaluation of the historical volatility of the Company's share price over the last 2 years. Expected dividends was based on historical dividends. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and general behaviour of option holders.

## 25. FAIR VALUE RESERVE

The fair value reserve of RM240,000 (2025 - RM240,000) represents change in fair value of investment in club membership.

## 26. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

## 27. LONG-TERM BORROWINGS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026<br>RM'000 | 2025<br>RM'000 | 2026<br>RM'000 | 2025<br>RM'000 |
| Secured:- | | | | |
| Term loans (Note 28) | 7,542 | 10,533 | - | - |
| Lease liabilities (Note 29) | 5,887 | 1,886 | 4,229 | - |
| Hire purchase payables (Note 30) | 306 | 333 | 208 | 333 |
| | 13,735 | 12,752 | 4,437 | 333 |

## 28. TERM LOANS (SECURED)

| | Group | |
|---|---|---|
| | 2026<br>RM'000 | 2025<br>RM'000 |
| Current liabilities (Note 33) | 2,979 | 3,081 |
| Non-current liabilities (Note 27) | 7,542 | 10,533 |
| | 10,521 | 13,614 |

## 28. TERM LOANS (SECURED) (CONT'D)

Details of the repayment terms are as follows:-

| Term Loan | Number Of Monthly Instalments | Monthly Instalment Amount RM'000 | Date Of Commencement Of Repayment | Effective Interest Rate | Group Amount Outstanding 2026 RM'000 | 2025 RM'000 |
|---|---|---|---|---|---|---|
| 1 | 144 | 52 | 1 January 2015 | 4.20% (2025 - 4.45%) | 452 | 1,055 |
| 2 | 144 | 86 | 1 July 2017 | 4.05% (2025 - 4.30%) | 3,133 | 4,015 |
| 3 | 120 | 134 | 6 July 2020 | 4.05% (2025 - 4.30%) | 6,936 | 8,544 |
| | | | | | 10,521 | 13,614 |

The term loans above bear floating rates ranging from 4.05% to 4.20% (2025 - 4.30% to 4.45%) per annum.

Term loan 1 is secured by:-

(a) a legal charge over certain properties of the Group; and
(b) a corporate guarantee of the Company.

Term loan 2 is secured by:-

(a) a legal charge over certain properties of the Group; and
(b) a corporate guarantee of the Company.

Term loan 3 is secured by:-

(a) a legal charge over a property of the Group; and
(b) a corporate guarantee of the Company.

## 29. LEASE LIABILITIES

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| At 1 April 2025/2024 | 2,261 | 863 | - | 551 |
| Interest expenses recognised in profit or loss (Note 39) | 251 | 28 | 240 | 9 |
| Additions | 6,942 | 60 | 6,689 | - |
| Acquisition of a subsidiary (Note 43) | - | 2,093 | - | - |
| Repayment of principal (Note 45(b)) | (1,277) | (755) | (838) | (551) |
| Repayment of interest expenses (Note 45(c)) | (251) | (28) | (240) | (9) |
| At 31 March 2026/2025 | 7,926 | 2,261 | 5,851 | - |
| Represented by:- | | | | |
| Current liabilities (Note 33) | 2,039 | 375 | 1,622 | - |
| Non-current liabilities (Note 27) | 5,887 | 1,886 | 4,229 | - |
| | 7,926 | 2,261 | 5,851 | - |

## 30. HIRE PURCHASE PAYABLES (SECURED)

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Minimum hire purchase payables: | | | | |
| - not later than 1 year | 155 | 135 | 135 | 135 |
| - later than 1 year and not later than 5 years | 324 | 347 | 213 | 347 |
| | 479 | 482 | 348 | 482 |
| Less: Future finance charges | (32) | (28) | (15) | (28) |
| Present value of hire purchase payables | 447 | 454 | 333 | 454 |
| Analysed by:- | | | | |
| Current liabilities (Note 33) | 141 | 121 | 125 | 121 |
| Non-current liabilities (Note 27) | 306 | 333 | 208 | 333 |
| | 447 | 454 | 333 | 454 |

The hire purchase payable of the Group and the Company bore an effective interest rate ranging from 3.39% to 4.22% (2025: 3.39%) and 3.39% (2025: 3.39%) per annum respectively at the end of the financial year.

## 31. TRADE PAYABLES

| | Group 2026 RM'000 | Group 2025 RM'000 |
|---|---|---|
| Trade payables | 21,893 | 10,832 |

The normal trade credit terms granted to the Group range from 30 to 90 (2025 - 30 to 90) days.

## 32. OTHER PAYABLES AND ACCRUALS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Other payables | 3,686 | 4,937 | 618 | 1,103 |
| Deferred income | 7,053 | 8,201 | - | - |
| Provisions | 6,993 | 6,956 | 1,348 | 1,808 |
| Accruals | 9,080 | 7,612 | 2,864 | 2,405 |
| | 26,812 | 27,706 | 4,830 | 5,316 |

## 33. SHORT-TERM BORROWINGS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Secured:- | | | | |
| Term loans (Note 28) | 2,979 | 3,081 | - | - |
| Trade financing | 18,662 | 35,975 | - | - |
| Lease liabilities (Note 29) | 2,039 | 375 | 1,622 | - |
| Hire purchase payables (Note 30) | 141 | 121 | 125 | 121 |
| | 23,821 | 39,552 | 1,747 | 121 |

The trade financing bore effective interest rates ranging from 4.64% to 5.36% (2025: 4.91% to 5.85%) per annum and are secured by a corporate guarantee of the Company. Certain trade financing is secured by a legal charge over a property of the Group and of the Company.

## 34. NET ASSETS PER SHARE

The net assets per share of the Group is calculated based on the net asset value at the end of the financial year of approximately RM520,011,000 (2025 - RM426,188,000) divided by the number of ordinary shares (net of treasury shares of 222,983,000 (2025 - 188,973,100)) at the end of the financial year of 3,489,041,500 (2025 - 2,782,161,900).

## 35. DIVIDENDS

| | Group/Company | | | |
|---|---|---|---|---|
| | Sen Per Share | 2026 RM'000 | Sen Per Share | 2025 RM'000 |
| In respect of the financial year ended 31 March 2024: | | | | |
| - Fourth interim single tier tax-exempt dividend declared on 30 May 2024 and paid on 2 July 2024 | - | - | 1.30 | 36,258 |
| In respect of the financial year ended 31 March 2025: | | | | |
| - First interim single tier tax-exempt dividend declared on 29 August 2024 and paid on 27 September 2024 | - | - | 0.75 | 20,899 |
| | | - | | 57,157 |

In respect of the financial year ended 31 March 2026, the Directors had on 21 May 2026 declared an interim single tier tax-exempt dividend of 0.01 sen per share, where the Entitlement Date is 25 June 2026 and payable on 7 July 2026. This dividend has not been reflected in the financial statements for the current financial year but it will be accounted for in shareholders' equity as an appropriation of retained profits for the financial year ending 31 March 2027.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2026.

## 36. REVENUE

| | Group | | Company | |
|---|---|---|---|---|
| | **2026** **RM'000** | **2025** **RM'000** | **2026** **RM'000** | **2025** **RM'000** |
| Sale of goods and services | 348,162 | 373,454 | - | - |
| Management service fee | - | - | 20,400 | 26,796 |
| Dividend income from subsidiaries | - | - | 74,708 | 55,000 |
| | 348,162 | 373,454 | 95,108 | 81,796 |

**(a) Sale of goods and software solutions**

Revenue from sale of goods and software solutions is recognised at a point in time when goods have been delivered and accepted by customers.

Revenue is measured based on the price specified in the contract, net of trade and the estimated volume discounts based on aggregate sales over a 12-month period. Accumulated experience with the customer's purchasing pattern is used to estimate and provide for the discounts, using the expected value method. The estimated volume discounts considered is constrained 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.

The Group provides warranties for any defective goods sold and the related obligation is recognised as a provision. The Group does not provide returns, refunds, or other similar obligations to its customers.

No element of significant financing is deemed present as the sales are made with credit terms not exceeding 12 months which are consistent with prevailing market practice.

**(b) Sale of services**

Sale of services is recognised over time in the period when services are rendered using straight-line method over the period of service.

There is no significant financing component in the selling price as the sales are made on normal credit terms not exceeding 12 months.

**(c) Management service fee**

Management service fee is recognised at a point in time upon completion of the service and acceptance by the customers.

Details of revenue are disclosed in Note 49 to the financial statements.

## 37. OTHER (EXPENSES)/INCOME

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Interest income on financial assets: | | | | |
| - at amortised cost | 1,321 | 1,315 | 4,153 | 975 |
| Rental income | - | - | 2,212 | 1,490 |
| Fair value (loss)/gain on: | | | | |
| - short-term investments | 1,055 | 2,266 | 164 | 1,103 |
| - other investments | (111,941) | 13,275 | (111,941) | 13,275 |
| Sundries | 19 | 418 | 14 | 5 |
| | (109,546) | 17,274 | (105,398) | 16,848 |

Fair value losses arose from investments in quoted shares recognised at fair value through profit or loss in their market prices during the financial year.

## 38. STAFF COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Salaries and other benefits | 64,479 | 59,245 | 10,012 | 13,149 |
| Defined contribution plan | 7,689 | 6,932 | 1,193 | 1,479 |
| ESOS expense | 401 | 5,257 | 153 | 2,041 |
| | 72,569 | 71,434 | 11,358 | 16,669 |

## 39. FINANCE COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Interest expense on financial liabilities at amortised cost | 2,948 | 2,439 | 824 | 21 |
| Interest expense on lease liabilities (Note 29) | 251 | 28 | 240 | 9 |
| Interest expense on intercompany | - | - | 2,508 | - |
| | 3,199 | 2,467 | 3,572 | 30 |

## 40. (LOSS)/PROFIT BEFORE TAXATION

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| (Loss)/Profit before taxation is arrived at after charging/(crediting):- | | | | |
| Auditors' remuneration: | | | | |
| - Auditor of the Company | | | | |
| (i) Statutory | 430 | 272 | 66 | 62 |
| (ii) Non-statutory | - | 60 | - | 60 |
| - Other auditors | - | 27 | - | - |
| Directors' remuneration (Note 46) | 8,237 | 9,512 | 3,990 | 5,125 |
| Amount owing by subsidiaries: | | | | |
| - Allowance for impairment loss (Note 18) | - | - | 1,482 | 2,909 |
| - Written back (Note 18) | - | - | (320) | - |
| - Written off | - | - | 18 | 160 |
| Amortisation of development expenditure (Note 11) | 3,637 | 275 | - | - |
| Depreciation of right-of-use assets (Note 6) | 2,027 | 994 | 1,510 | 735 |
| Fair value loss/(gain) on: | | | | |
| - short-term investments | (1,055) | (2,266) | (164) | (1,103) |
| - other investments (Note 9) | 111,941 | (13,275) | 111,941 | (13,275) |
| Goodwill (Note 10): | | | | |
| - Allowance for impairment loss | - | 2,693 | - | - |
| Inventories: | | | | |
| - Allowance for impairment loss (Note 14) | 8,363 | 106 | - | - |
| - Written back (Note 14) | (22) | (4) | - | - |
| - Written off | - | 156 | - | - |
| Investment in an associate written off (Note 8) | - | 1,500 | - | - |
| Loss on foreign exchange: | | | | |
| - Realised | 1,494 | 254 | 3 | 2 |
| - Unrealised | 1,183 | 883 | - | - |
| (Gain)/Loss on disposal of a subsidiary (Note 44) | (590) | - | 645 | 201 |
| Staff costs (Note 38) | 72,569 | 71,434 | 11,358 | 16,669 |

## 40. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| (Loss)/Profit before taxation is arrived at after charging/(crediting) (Cont'd):- | | | | |
| Property, plant and equipment: | | | | |
| - Depreciation (Note 5) | 12,675 | 13,986 | 757 | 944 |
| - Gain on disposal | - | (30) | - | (30) |
| Trade receivables (Note 16): | | | | |
| - Allowance for impairment loss | 126 | - | - | - |
| - Written back | (519) | (406) | - | - |
| Other receivables | | | | |
| - Written off | 428 | - | 428 | - |
| Loan receivables (Note 15): | | | | |
| - Allowance for impairment loss | 56,244 | - | - | - |
| Other investments (Note 9): | | | | |
| - Allowance for impairment loss | 1,000 | - | - | - |
| Lease expenses: | | | | |
| - Short-term leases | 965 | 647 | 736 | 311 |
| - Low-value assets | 125 | 101 | 24 | 25 |

## 41. INCOME TAX EXPENSE

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Income tax expense: | | | | |
| - for the financial year | 31,086 | 37,772 | 300 | 281 |
| - (over)/underprovision in the previous financial years | (326) | (235) | 4 | (64) |
| | 30,760 | 37,537 | 304 | 217 |
| Deferred tax liabilities (Note 12): | | | | |
| - for the financial year | (2,837) | (1,476) | - | - |
| - underprovision in the previous financial years | 880 | 38 | - | - |
| | (1,957) | (1,438) | - | - |
| | 28,803 | 36,099 | 304 | 217 |

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

A reconciliation of the income tax expense applicable to the results of the Group and of the Company at the statutory tax rate to the income tax expense at the effective tax rate of the Group and of the Company is as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | **2026 RM'000** | **2025 RM'000** | **2026 RM'000** | **2025 RM'000** |
| (Loss)/Profit before taxation | (56,914) | 151,775 | (41,815) | 60,379 |
| Tax at the statutory tax rate of 24% (2025: 24%) | (13,659) | 36,426 | (10,036) | 14,491 |
| Tax effects of:- | | | | |
| Non-deductible expenses | 29,904 | 4,556 | 29,126 | 2,714 |
| Non-taxable income | (1,341) | (3,960) | (18,857) | (16,798) |
| Effect of reinvestment allowance | - | (72) | - | - |
| Deferred tax asset not recognised during the financial year | 13,651 | 525 | 67 | - |
| Utilisation of deferred tax assets previously not recognised | (444) | (1,368) | - | (126) |
| Effects of different tax rates of subsidiaries | 138 | 189 | - | - |
| (Over)/underprovision in the previous financial years: | | | | |
| - current taxation | (326) | (235) | 4 | (64) |
| - deferred taxation | 880 | 38 | - | - |
| Income tax expense for the financial year | 28,803 | 36,099 | 304 | 217 |

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2025 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

## 42. (LOSS)/EARNINGS PER SHARE

| | Group | |
|---|---|---|
| | **2026** | **2025** |
| (Loss)/Profit attributable to owners of the Company (RM'000) | (84,238) | 115,549 |
| | **'000** | **'000** |
| Weighted average number of ordinary shares in issue (Basic) | 3,590,268 | 2,786,212 |
| Effect of dilution of warrants | 815,055 | 1,391,077 |
| Weighted average number of ordinary shares in issue (Diluted) | 4,405,323 | 4,177,289 |
| Basic (loss)/earnings per share (sen) | (2.35) | 4.15 |
| Diluted (loss)/earnings per share (sen) | (1.91) | 2.77 |

The potential conversion of ESOS is anti-dilutive as their exercise prices are higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of ESOS has been ignored in the calculation of dilutive earnings per share.

## 43. ACQUISITIONS OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

43.1 On 6 March 2025, the Company acquired 51% equity interests in MyNasional eKYC Holdings Sdn. Bhd. (formerly known as Innov8tif Holdings Sdn Bhd). The acquisition of this subsidiary is to enable the Group to acquire the readily available digital ID assurance and digital onboarding businesses of the subsidiary to complement and enhance the Group's existing business as an ICT solutions provider.

43.2 On 9 June 2025, NexG Asset Sdn. Bhd. acquired 100% equity interests in MMR Capital Sdn Bhd. The acquisition of this subsidiary is to enable the Group to acquire a company engaged in business licensed money lending activities, financial consultancy services and financial leasing activities.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Property, plant and equipment (Note 5) | - | 209 | - | - |
| Rights-of-use assets (Note 6) | - | 2,005 | - | - |
| Development expenditure (Note 11) | - | 47,345 | - | - |
| Trade receivables, other receivables, deposits and prepayments | - | 5,964 | - | - |
| Deferred tax assets (Note 12) | - | 483 | - | - |
| Deposits with licensed banks | - | 540 | - | - |
| Cash and bank balances | 1 | 6,469 | - | - |
| Trade payables, other payables and accruals | - | (6,395) | - | - |
| Deferred tax liabilities (Note 12) | - | (11,363) | - | - |
| Lease liabilities (Note 29) | - | (2,093) | - | - |
| Provision for taxation | - | (80) | - | - |
| Fair value of net identifiable assets acquired | 1 | 43,084 | - | - |
| Less: Non-controlling interests, measured at the proportionate share of the fair value of the net identifiable assets | - | (21,111) | - | - |
| Add: Goodwill on acquisition (Note 10) | 189 | 17,550 | - | - |
| Total purchase consideration, to be settled by cash | 190 | 39,523 | - | 37,250 |
| Less: Fair value of the balance consideration | - | (2,273) | - | - |
| | 190 | 37,250 | - | 37,250 |

## 43. ACQUISITIONS OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONT'D)

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| Total purchase consideration, to be settled by cash | 190 | 37,250 | - | 37,250 |
| Less: Cash and bank balances from the acquisition of subsidiaries | (1) | (6,469) | - | - |
| Net cash outflow from the acquisition of subsidiaries | 189 | 30,781 | - | 37,250 |

(a) The goodwill is attributable mainly to the control premium paid. In addition, the purchase consideration also included benefits derived from the expected revenue growth of the subsidiary, its future market development as well as a customer list. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not deductible for tax purpose.

(b) In the previous financial year, the subsidiary has contributed revenue of approximately RM1,476,000 and profit after taxation of approximately RM97,000 to the Group since the date of acquisition.

If the acquisition was effective at the beginning of the previous financial year, the Group's revenue and profit after taxation for the current financial year would have been approximately RM387,387,000 and RM116,533,000 respectively.

## 44. DISPOSAL OF A SUBSIDIARY

On 6 February 2026, the Company disposed of its entire equity interests in PTDTI for RM130,000 in cash.

The financial effects of the disposal at the date of disposal are summarised below:-

| | Group 2026 RM'000 | Company 2026 RM'000 |
|---|---|---|
| Investment in a subsidiary | - | 775 |
| Property, plant and equipment (Note 5) | 299 | - |
| Inventories | 278 | - |
| Trade receivables, other receivables, deposits and prepayments | 5,336 | - |
| Allowance for impairment loss on trade receivables (Note 16) | (5,223) | - |
| Amount owing by a subsidiary | - | 5,510 |
| Allowance for impairment loss on amount owing by subsidiaries (Note 18) | - | (5,510) |
| Cash and bank balances | 59 | - |
| Other payables and accruals | (163) | - |
| Carrying amount of net asset disposed of | 586 | 775 |
| Foreign exchange translation reserve | (1,046) | - |
| Gain/(Loss) on disposal of a subsidiary (Note 40) | 590 | (645) |
| Consideration received, satisfied in cash | 130 | 130 |
| Less: Cash and bank balances of a subsidiary disposed of | (59) | - |
| Net cash inflow from the disposal of a subsidiary | 71 | 130 |

During the year, the Company has disposed its 51% equity interest in MyNasional EKYC Holdings Sdn. Bhd. (formerly known as Innov8tif Holdings Sdn. Bhd.) to its wholly owned subsidiary, MyNasional Holdings Sdn. Bhd. for total consideration of RM40,000,000.00. The disposal within the Group has no impact on the consolidated financial statements. There were no disposals of subsidiaries in the previous financial year.

## 45. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Property, plant and equipment** | | | | |
| Cost of property, plant and equipment purchased (Note 5) | 14,375 | 5,111 | 535 | 350 |
| Less: Acquired through hire purchase arrangements | (150) | - | - | - |
| | 14,225 | 5,111 | 535 | 350 |
| **Right-of-use assets** | | | | |
| Cost of right-of-use assets acquired (Note 6) | 6,942 | 60 | 6,689 | - |
| Less: Addition of new lease liabilities | (6,942) | (60) | (6,689) | - |
| | - | - | - | - |

## 45. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

| Group | Term Loans RM'000 | Term Financing RM'000 | Lease Liabilities RM'000 | Trade Financing RM'000 | Hire Purchase RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|
| **2026** | | | | | | |
| At 1 April 2025 | 13,614 | - | 2,261 | 35,975 | 454 | 52,304 |
| Changes in Financing Cash Flows | | | | | | |
| Proceeds from drawdown | - | - | - | 83,514 | - | 83,514 |
| Net repayment of borrowing principal | (3,093) | - | (1,277) | (100,827) | (157) | (105,354) |
| | (3,093) | - | (1,277) | (17,313) | (157) | (21,840) |
| Other Changes | | | | | | |
| Acquisition of: | | | | | | |
| - new lease | - | - | 6,942 | - | - | 6,942 |
| - new motor vehicle | - | - | - | - | 150 | 150 |
| | - | - | 6,942 | - | 150 | 7,092 |
| At 31 March 2026 | 10,521 | - | 7,926 | 18,662 | 447 | 37,556 |
| **2025** | | | | | | |
| At 1 April 2024 | 17,694 | 496 | 863 | 40,196 | 571 | 59,820 |
| Changes in Financing Cash Flows | | | | | | |
| Proceeds from drawdown | - | - | - | 73,509 | - | 73,509 |
| Net repayment of borrowing principal | (4,080) | (496) | (755) | (77,730) | (117) | (83,178) |
| | (4,080) | (496) | (755) | (4,221) | (117) | (9,669) |
| Other Changes | | | | | | |
| Acquisition of: | | | | | | |
| - new lease | - | - | 60 | - | - | 60 |
| - a new subsidiary | - | - | 2,093 | - | - | 2,093 |
| | - | - | 2,153 | - | - | 2,153 |
| At 31 March 2025 | 13,614 | - | 2,261 | 35,975 | 454 | 52,304 |

## 45. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

| Company | Term Financing RM'000 | Lease Liabilities RM'000 | Hire Purchase RM'000 | Total RM'000 |
|---|---|---|---|---|
| **2026** | | | | |
| At 1 April 2025 | - | - | 454 | 454 |
| Changes in Financing Cash Flows | | | | |
| Net repayment of borrowing principal | - | (838) | (121) | (959) |
| Other changes | | | | |
| Acquisition of: | | | | |
| - new lease | - | 6,689 | - | 6,689 |
| At 31 March 2026 | - | 5,851 | 333 | 6,184 |
| **2025** | | | | |
| At 1 April 2024 | 496 | 551 | 571 | 1,618 |
| Changes in Financing Cash Flows | | | | |
| Net repayment of borrowing principal | (496) | (551) | (117) | (1,164) |
| At 31 March 2025 | - | - | 454 | 454 |

(c) The total cash outflows for leases as a lessee are as follows:-

| | Group 2026 RM'000 | Group 2025 RM'000 | Company 2026 RM'000 | Company 2025 RM'000 |
|---|---|---|---|---|
| Interest paid on lease liabilities | 251 | 28 | 240 | 9 |
| Payment of lease liabilities | 1,277 | 755 | 838 | 551 |
| Payment of short-term leases | 965 | 650 | 736 | 311 |
| Payment of low-value assets | 125 | 101 | 24 | 25 |
| | 2,618 | 1,534 | 1,838 | 896 |

## 46. DIRECTORS' REMUNERATION

The directors' remuneration during the financial year are as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM'000 | 2025 RM'000 | 2026 RM'000 | 2025 RM'000 |
| **Directors of the Company** | | | | |
| Executive: | | | | |
| - salaries and bonus | 3,308 | 3,565 | 3,308 | 3,330 |
| - defined contribution benefits | 305 | 456 | 305 | 447 |
| - ESOS expense | 38 | 814 | 38 | 814 |
| | 3,651 | 4,835 | 3,651 | 4,591 |
| Non-executive: | | | | |
| - fees | 318 | 466 | 318 | 459 |
| - allowances | 21 | 75 | 21 | 75 |
| | 339 | 541 | 339 | 534 |
| | 3,990 | 5,376 | 3,990 | 5,125 |
| **Directors of the Subsidiaries** | | | | |
| Executive: | | | | |
| - salaries and bonus | 4,002 | 2,750 | - | - |
| - defined contribution benefits | 181 | 196 | - | - |
| - ESOS expense | 64 | 1,088 | - | - |
| | 4,247 | 4,034 | - | - |
| Non-executive: | | | | |
| - fees | - | 102 | - | - |
| | 4,247 | 4,136 | - | - |
| | 8,237 | 9,512 | 3,990 | 5,125 |

## 46. DIRECTORS' REMUNERATION (CONT'D)

| | Group | | Company | |
|---|---|---|---|---|
| | **2026 RM'000** | **2025 RM'000** | **2026 RM'000** | **2025 RM'000** |
| Analysis excluding benefits-in-kind:- | | | | |
| Total executive directors' salaries and bonus | 7,898 | 8,869 | 3,651 | 4,591 |
| Total non-executive directors: | | | | |
| - fees | 318 | 568 | 318 | 459 |
| - allowances | 21 | 75 | 21 | 75 |
| | 339 | 643 | 339 | 534 |
| Total directors' remuneration excluding benefits-in-kind | 8,237 | 9,512 | 3,990 | 5,125 |

## 47. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future outflow of economic benefits will be required or the amount is not capable of being reliably measured:-

| | Group | | Company | |
|---|---|---|---|---|
| | **2026 RM'000** | **2025 RM'000** | **2026 RM'000** | **2025 RM'000** |
| Performance guarantees extended to customers | 38,341 | 17,738 | - | - |

## 48. RELATED PARTY DISCLOSURES

### (a) Subsidiaries

The subsidiaries are as disclosed in Note 7 to the financial statements.

### (b) Significant Related Party Transactions and Balances

The transactions of the Company with its related parties are as follows:-

| | Company | |
|---|---|---|
| | **2026** | **2025** |
| | **RM'000** | **RM'000** |
| **Subsidiaries** | | |
| Management service fee | 20,400 | 26,796 |
| Consultancy fee | 532 | 855 |
| Dividend income | 74,708 | 55,000 |
| Equipment transferred from | 3 | 6 |
| Equipment transferred to | 18 | 11 |
| Rental income | 2,212 | 1,490 |

Other than dividend income, related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated. The amounts owing by/(to) subsidiaries are disclosed in Note 18 to the financial statements.

### (c) Key Management Personnel Compensation

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company. The details of the directors' remuneration are disclosed in Note 46 to the financial statements.

The key management personnel compensation during the financial year are as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| Short-term benefits | 10,100 | 9,509 | 5,917 | 6,210 |
| ESOS expense | 143 | 2,355 | 79 | 1,267 |
| Total key management personnel compensation | 10,243 | 11,864 | 5,996 | 7,477 |

## 49. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the chief operating decision makers in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on the products and services provided.

The Group is organised into three main reportable segments as follows:-

- Customised smart card solutions ("CSCS") - provision of large scale customised software and hardware systems for secure ID, credential management, total smart card solutions and ICT project management.
- Manufacturing ("MA") - manufacturing of cards and booklets.
- Investment holding ("IH") - investment holding and provision of management services to the group of companies.

(a) The chief operating decision makers assess the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than the tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than the borrowings and the tax-related liabilities.

Transactions between reportable segments are carried out on agreed terms and such inter-segment transactions are eliminated on consolidation.

## 49. OPERATING SEGMENTS (CONT'D)

**BUSINESS SEGMENTS**

| | CSCS RM'000 | MA RM'000 | IH RM'000 | Group RM'000 |
|---|---|---|---|---|
| **2026** | | | | |
| **Revenue** | | | | |
| External revenue | 288,324 | 59,838 | - | 348,162 |
| Inter-segment revenue | 3,369 | 7,963 | 95,108 | 106,440 |
| | 291,693 | 67,801 | 95,108 | 454,602 |
| Consolidation adjustments | | | | (106,440) |
| Consolidated revenue | | | | 348,162 |
| Represented by:- | | | | |
| Revenue recognised at a point of time | | | | |
| - Sale of goods and software solutions | 253,478 | 67,801 | - | 321,279 |
| - Management service fee | - | - | 20,400 | 20,400 |
| - Dividend income | - | - | 74,708 | 74,708 |
| Revenue recognised over time | | | | |
| - Sale of services | 38,215 | - | - | 38,215 |
| | 291,693 | 67,801 | 95,108 | 454,602 |
| Consolidation adjustments | | | | (106,440) |
| Consolidated revenue | | | | 348,162 |
| **Results** | | | | |
| Segment profit before interest expense and taxation | 34,218 | 32,359 | (38,243) | 28,334 |
| Finance costs | (4,805) | (539) | (3,572) | (8,916) |
| Share of results from an associate | (1,037) | - | - | (1,037) |
| Consolidation adjustments | 17,421 | 954 | (93,670) | (75,295) |
| Consolidated profit before taxation | | | | (56,914) |
| Segment profit before interest expense and taxation includes the following:- | | | | |
| Interest income | 547 | 4 | 770 | 1,321 |
| Gain on disposal of a subsidiary | - | - | 590 | 590 |

## 49. OPERATING SEGMENTS (CONT'D)

### BUSINESS SEGMENTS (CONT'D)

| 2026 | CSCS RM'000 | MA RM'000 | IH RM'000 | Group RM'000 |
|---|---|---|---|---|
| **Results (Cont'd)** | | | | |
| Segment profit before interest expense and taxation includes the following (Cont'd):- | | | | |
| Write back of impairment losses on: | | | | |
| - trade receivables | 519 | - | - | 519 |
| - inventories | 22 | - | - | 22 |
| Allowance for impairment losses on: | | | | |
| - inventories | (8,363) | - | - | (8,363) |
| - other investments | (1,000) | - | - | (1,000) |
| - loan receivables | (56,244) | - | - | (56,244) |
| - trade receivables | (126) | - | - | (126) |
| Fair value gain/(loss) on: | | | | |
| - short term investments | 891 | - | 164 | 1,055 |
| - other investments | - | - | (111,941) | (111,941) |
| Amortisation of development expenditure | (3,637) | - | - | (3,637) |
| Depreciation of property, plant and equipment | (5,505) | (6,413) | (757) | (12,675) |
| Depreciation of right-of-use assets | (517) | - | (1,510) | (2,027) |
| Unrealised foreign exchange loss | 1,153 | 30 | - | 1,183 |

| 2026 | CSCS RM'000 | MA RM'000 | IH RM'000 | Group RM'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| Segment assets | 443,723 | 106,375 | 409,964 | 960,062 |
| Unallocated assets: | | | | |
| - deposits with licensed banks | | | | 21,698 |
| - cash and bank balances | | | | 28,798 |
| Consolidation adjustments | | | | (372,142) |
| Consolidated total assets | | | | 638,416 |
| Addition to non-current assets other than financial instruments is:- | | | | |
| Property, plant and equipment | 13,840 | - | 535 | 14,375 |
| Right-of-use assets | - | 253 | 6,689 | 6,942 |

## 49. OPERATING SEGMENTS (CONT'D)

### BUSINESS SEGMENTS (CONT'D)

| 2026 | CSCS RM'000 | MA RM'000 | IH RM'000 | Group RM'000 |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Segment liabilities | 167,768 | 103,131 | 50,277 | 321,176 |
| Unallocated liabilities: | | | | |
| - deferred tax liabilities | | | | 12,378 |
| - hire purchase payables | | | | 447 |
| - lease liabilities | | | | 8,631 |
| - provision for taxation | | | | - |
| Consolidation adjustments | | | | (243,993) |
| Consolidated total liabilities | | | | 98,639 |

| 2025 | CSCS RM'000 | MA RM'000 | IH RM'000 | Group RM'000 |
|---|---|---|---|---|
| **Revenue** | | | | |
| External revenue | 294,309 | 79,145 | - | 373,454 |
| Inter-segment revenue | 3,646 | 19,530 | 81,796 | 104,972 |
| | 297,955 | 98,675 | 81,796 | 478,426 |
| Consolidation adjustments | | | | (104,972) |
| Consolidated revenue | | | | 373,454 |
| Represented by:- | | | | |
| Revenue recognised at a point of time | | | | |
| - Sale of goods and software solutions | 272,584 | 98,675 | - | 371,259 |
| - Management service fee | - | - | 26,796 | 26,796 |
| - Dividend income | - | - | 55,000 | 55,000 |
| Revenue recognised over time | | | | |
| - Sale of services | 25,371 | - | - | 25,371 |
| | 297,955 | 98,675 | 81,796 | 478,426 |
| Consolidation adjustments | | | | (104,972) |
| Consolidated revenue | | | | 373,454 |

## 49. OPERATING SEGMENTS (CONT'D)

### BUSINESS SEGMENTS (CONT'D)

| | CSCS RM'000 | MA RM'000 | IH RM'000 | Group RM'000 |
|---|---|---|---|---|
| **2025** | | | | |
| **Results** | | | | |
| Segment profit before interest expense and taxation | 103,751 | 45,469 | 60,408 | 209,628 |
| Finance costs | (1,665) | (772) | (30) | (2,467) |
| Consolidation adjustments | 23,385 | 2,649 | (81,420) | (55,386) |
| Consolidated profit before taxation | | | | 151,775 |
| Segment profit before interest expense and taxation includes the following:- | | | | |
| Gain on disposal of property, plant and equipment | - | - | 30 | 30 |
| Interest income | 340 | - | 975 | 1,315 |
| Write back of impairment losses on: | | | | |
| - trade receivables | 406 | - | - | 406 |
| - inventories | 4 | - | - | 4 |
| Allowance for impairment losses on: | | | | |
| - goodwill | - | - | (2,693) | (2,693) |
| - inventories | (106) | - | - | (106) |
| Fair value gain on: | | | | |
| - short term investments | 1,163 | - | 1,103 | 2,266 |
| - other investments | - | - | 13,275 | 13,275 |
| Inventories written off | (156) | - | - | (156) |
| Amortisation of development expenditure | (275) | - | - | (275) |
| Depreciation of property, plant and equipment | (6,450) | (6,592) | (944) | (13,986) |
| Depreciation of right-of-use assets | (259) | - | (735) | (994) |
| Unrealised foreign exchange loss | (862) | (21) | - | (883) |

## 49. OPERATING SEGMENTS (CONT'D)

### BUSINESS SEGMENTS (CONT'D)

| 2025 | CSCS RM'000 | MA RM'000 | IH RM'000 | Group RM'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| Segment assets | 421,560 | 103,105 | 246,995 | 771,660 |
| Unallocated assets: | | | | |
| - deposits with licensed banks | | | | 11,609 |
| - cash and bank balances | | | | 61,598 |
| Consolidation adjustments | | | | (289,777) |
| Consolidated total assets | | | | 555,090 |
| Addition to non-current assets other than financial instruments is:- | | | | |
| Property, plant and equipment | 4,336 | 425 | 350 | 5,111 |
| Right-of-use assets | - | 60 | - | 60 |
| **Liabilities** | | | | |
| Segment liabilities | 37,708 | 162,280 | 54,430 | 254,418 |
| Unallocated liabilities: | | | | |
| - deferred tax liabilities | | | | 14,617 |
| - hire purchase payables | | | | 454 |
| - lease liabilities | | | | 2,261 |
| - provision for taxation | | | | 2,272 |
| Consolidation adjustments | | | | (166,291) |
| Consolidated total liabilities | | | | 107,731 |

## 49. OPERATING SEGMENTS (CONT'D)

### GEOGRAPHICAL INFORMATION

No information is presented on the basis of geographical segment as the Group operates primarily in Malaysia during the financial year.

### MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

| | Revenue | | Segment |
|---|---|---|---|
| | 2026<br>RM'000 | 2025<br>RM'000 | |
| Customer #1 | 169,883 | 247,748 | CSCS, MA |
| Customer #2 | 102,354 | 70,890 | CSCS |

## 50. CAPITAL COMMITMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026<br>RM'000 | 2025<br>RM'000 | 2026<br>RM'000 | 2025<br>RM'000 |
| Approved and contracted for: | | | | |
| Renovation | 7 | 16 | - | - |
| Acquisition of a building | 25,650 | - | - | - |
| Acquisition of machineries and equipment | 30,592 | 78 | - | - |
| Acquisition of motor vehicle | 634 | - | | |
| Acquisition of other investment | - | 45,000 | - | 45,000 |
| | 56,883 | 45,094 | - | 45,000 |

## 51. FOREIGN EXCHANGE RATES

The applicable closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the financial year were as follows:-

| | 2026 RM | 2025 RM |
|---|---|---|
| United States Dollar ("USD") | 4.04 | 4.43 |
| New Zealand Dollar ("NZD") | 2.31 | 2.53 |
| Euro ("EUR") | 4.64 | 4.78 |
| Singapore Dollar ("SGD") | 3.14 | 3.31 |
| Indonesian Rupiah 100 ("IDR") | 2.38 | 2.67 |
| Great Britain Pound ("GBP") | 5.35 | 5.74 |
| Philippine Peso ("PHP") | - | 0.08 |
| Japanese Yen ("YEN") | 0.03 | 0.03 |
| Swiss Franc ("CHF") | 5.06 | 5.02 |
| Renminbi ("RMB") | 0.59 | 0.61 |

## 52. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

**(a) Market Risk**

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar, Euro, Singapore Dollar and Swiss Franc. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

## 52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the financial year is summarised below:-

*Foreign Currency Exposure*

| Group | USD RM'000 | NZD RM'000 | EUR RM'000 | SGD RM'000 | IDR RM'000 | GBP RM'000 | YEN RM'000 | CHF RM'000 | RMB RM'000 | RM RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **2026** | | | | | | | | | | | |
| **Financial Assets** | | | | | | | | | | | |
| Other investments | - | - | - | - | - | - | - | - | - | 25,333 | 25,333 |
| Trade receivables [1] | 67 | - | - | 10 | - | - | - | - | - | 51,200 | 51,277 |
| Other receivables and deposits | 1 | 1 | - | 19 | - | - | - | - | - | 11,675 | 11,696 |
| Short-term investments | - | - | - | - | - | - | - | - | - | 104,346 | 104,346 |
| Deposits with licensed banks | - | - | - | - | - | - | - | - | - | 21,698 | 21,698 |
| Cash and bank balances | 862 | 178 | 11 | 755 | - | 1 | - | - | - | 26,991 | 28,798 |
| | 930 | 179 | 11 | 784 | - | 1 | - | - | - | 241,243 | 243,148 |

## 52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

| Group | USD RM'000 | NZD RM'000 | EUR RM'000 | SGD RM'000 | IDR RM'000 | GBP RM'000 | YEN RM'000 | CHF RM'000 | RMB RM'000 | RM RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **2026** | | | | | | | | | | | |
| **Financial Liabilities** | | | | | | | | | | | |
| Trade payables | 6,140 | - | 2,692 | 55 | - | 998 | - | 797 | - | 11,211 | 21,893 |
| Other payables and accruals [2] | 11 | 1 | - | 8 | - | - | - | - | - | 18,928 | 18,948 |
| Hire purchase payables | - | - | - | - | - | - | - | - | - | 447 | 447 |
| Trade financing | - | - | - | - | - | - | - | - | - | 18,662 | 18,662 |
| Term loans | - | - | - | - | - | - | - | - | - | 10,521 | 10,521 |
| | 6,151 | 1 | 2,692 | 63 | - | 998 | - | 797 | - | 59,769 | 70,471 |

## 52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

| Group | USD RM'000 | NZD RM'000 | EUR RM'000 | SGD RM'000 | IDR RM'000 | GBP RM'000 | YEN RM'000 | CHF RM'000 | RMB RM'000 | RM RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **2026** | | | | | | | | | | | |
| Net financial assets/(liabilities) | (5,221) | 178 | (2,681) | 721 | - | (997) | - | (797) | - | 181,474 | 172,677 |
| Less: Net financial (assets) denominated in the respective entities' functional currency | - | (178) | - | - | - | - | - | - | - | (181,474) | (181,652) |
| **Currency exposure** | (5,221) | - | (2,681) | 721 | - | (997) | - | (797) | - | - | (8,975) |

*Notes:-*
*(1) - The trade receivables exclude accrued income.*
*(2) - The other payables and accruals exclude deferred income, value-added tax payable and sales and service tax payable.*

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

| Group | USD RM'000 | NZD RM'000 | EUR RM'000 | SGD RM'000 | IDR RM'000 | GBP RM'000 | YEN RM'000 | CHF RM'000 | RMB RM'000 | RM RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **2025** | | | | | | | | | | | |
| <u>**Financial Assets**</u> | | | | | | | | | | | |
| Other investments | - | - | - | - | - | - | - | - | - | 32,625 | 32,625 |
| Trade receivables [1] | 777 | - | - | 406 | 149 | - | - | - | - | 145,380 | 146,712 |
| Other receivables and deposits | - | 1 | - | - | 55 | - | - | - | - | 2,339 | 2,395 |
| Short-term investments | - | - | - | - | - | - | - | - | - | 9,175 | 9,175 |
| Deposits with licensed banks | 4,565 | - | - | - | - | - | - | - | - | 7,044 | 11,609 |
| Cash and bank balances | 2,812 | 48 | 11 | 1,971 | 97 | 1 | - | - | - | 56,658 | 61,598 |
| | 8,154 | 49 | 11 | 2,377 | 301 | 1 | - | - | - | 253,221 | 264,114 |

## 52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

| Group | USD RM'000 | NZD RM'000 | EUR RM'000 | SGD RM'000 | IDR RM'000 | GBP RM'000 | YEN RM'000 | CHF RM'000 | RMB RM'000 | RM RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **2025** | | | | | | | | | | | |
| **Financial Liabilities** | | | | | | | | | | | |
| Trade payables | 5,603 | - | 1,788 | - | - | 31 | 9 | 359 | 24 | 3,018 | 10,832 |
| Other payables and accruals (2) | 211 | - | - | 8 | 52 | - | - | - | - | 17,935 | 18,206 |
| Hire purchase payables | - | - | - | - | - | - | - | - | - | 454 | 454 |
| Trade financing | - | - | - | - | - | - | - | - | - | 35,975 | 35,975 |
| Term loans | - | - | - | - | - | - | - | - | - | 13,614 | 13,614 |
| | 5,814 | - | 1,788 | 8 | 52 | 31 | 9 | 359 | 24 | 70,996 | 79,081 |

## 52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

| Group | USD RM'000 | NZD RM'000 | EUR RM'000 | SGD RM'000 | IDR RM'000 | GBP RM'000 | YEN RM'000 | CHF RM'000 | RMB RM'000 | RM RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **2025** | | | | | | | | | | | |
| Net financial assets/(liabilities) | 2,340 | 49 | (1,777) | 2,369 | 249 | (30) | (9) | (359) | (24) | 182,225 | 185,033 |
| Less: Net financial (assets) denominated in the respective entities' functional currency | - | (49) | - | - | (249) | - | - | - | - | (182,225) | (182,523) |
| **Currency exposure** | 2,340 | - | (1,777) | 2,369 | - | (30) | (9) | (359) | (24) | - | 2,510 |

*Notes:-*
*[1] - The trade receivables exclude accrued income.*
*[2] - The other payables and accruals exclude deferred income, value-added tax payable and sales and service tax payable.*

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Company's exposure to foreign currency risk is limited as foreign currency balances at the end of the reporting period are not significant.

*Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the financial year, with all other variables held constant:-

| | Group | |
|---|---|---|
| | **2026 RM'000** | **2025 RM'000** |
| **Effects on Profit After Taxation** | | |
| USD/RM: | | |
| - strengthened by 5% | (198) | 89 |
| - weakened by 5% | 198 | (89) |
| EUR/RM: | | |
| - strengthened by 5% | (102) | (68) |
| - weakened by 5% | 102 | 68 |
| SGD/RM: | | |
| - strengthened by 5% | 27 | 90 |
| - weakened by 5% | (27) | (90) |
| GBP/RM: | | |
| - strengthened by 5% | (38) | (1) |
| - weakened by 5% | 38 | 1 |
| YEN/RM: | | |
| - strengthened by 5% | - | (#) |
| - weakened by 5% | - | # |
| CHF/RM: | | |
| - strengthened by 5% | (30) | (14) |
| - weakened by 5% | 30 | 14 |
| RMB/RM: | | |
| - strengthened by 5% | - | (1) |
| - weakened by 5% | - | 1 |

*Note:-*
*# - Amount less than RM1,000.*

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio of fixed and floating rate borrowings.

The Group's fixed rate deposits and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the financial year is disclosed in Notes 27, 28 and 33 to the financial statements.

*Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the financial year, with all other variables held constant:-

| | Group | | Company | |
|---|---|---|---|---|
| | **2026 RM'000** | **2025 RM'000** | **2026 RM'000** | **2025 RM'000** |
| **Effects on Profit After Taxation** | | | | |
| Increase of 100 bp | (222) | (377) | - | - |
| Decrease of 100 bp | 222 | 377 | - | - |

(iii) Equity Price Risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by two (2) customers (2025 - two (2) customers) which constituted approximately 78% (2025 - 93%) of its trade receivables (excluding accrued income) at the end of the financial year.

(ii) Maximum Exposure to Credit Risk

At the end of the financial year, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of approximately RM29,181,000 (2025: RM49,587,000), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

*Trade Receivables*

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulty or with significant balances outstanding past due and more than 365 days are deemed credit impaired.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

## 52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

*Trade Receivables (Cont'd)*

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables (excluding accrued income) is summarised below:-

| Group | Gross Amount RM'000 | Lifetime Loss Allowance RM'000 | Collective Impairment RM'000 | Carrying Value RM'000 |
|---|---|---|---|---|
| **2026** | | | | |
| Current (not past due) | 27,449 | - | - | 27,449 |
| Past due: | | | | |
| - 31 to 60 days | 6,741 | - | - | 6,741 |
| - 61 to 90 days | 12,213 | - | - | 12,213 |
| - over 90 days | 5,215 | - | (341) | 4,874 |
| | 24,169 | - | (341) | 23,828 |
| | 51,618 | - | (341) | 51,277 |
| Credit impaired: | | | | |
| - individually impaired | 3,725 | (3,725) | - | - |
| | 55,343 | (3,725) | (341) | 51,277 |

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables (excluding accrued income) is summarised below (Cont'd):-

*Trade Receivables (Cont'd)*

| Group | Gross Amount RM'000 | Lifetime Loss Allowance RM'000 | Collective Impairment RM'000 | Carrying Value RM'000 |
|---|---|---|---|---|
| **2025** | | | | |
| Current (not past due) | 46,996 | - | - | 46,996 |
| Past due: | | | | |
| - 31 to 60 days | 11,919 | - | - | 11,919 |
| - 61 to 90 days | 23,879 | - | - | 23,879 |
| - over 90 days | 64,131 | - | (213) | 63,918 |
| | 99,929 | - | (213) | 99,716 |
| | 146,925 | - | (213) | 146,712 |
| Credit impaired: | | | | |
| - individually impaired | 10,002 | (10,002) | - | - |
| | 156,927 | (10,002) | (213) | 146,712 |

The movements in the loss allowances in respect of trade receivables are disclosed in Note 16 to the financial statements.

*Loan receivables*

Loan receivables, which comprise the principal and interest components, are secured against properties and quoted shares on Bursa Malaysia Securities Berhad on the borrowers.

## 52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

*Loan receivables (cont'd)*

Expected credit loss is measured by the Group as the difference between the carrying amount and the fair value of the properties and quoted shares secured against, which represents expected recoverable amount at the reporting date. The fair value is derived as follows:

(a) Fair value of properties is provided by the borrower from an approved independent qualified valuer prior to the approval of the loan; and

(b) Fair value of quoted shares are derived from the market price at the reporting date.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for loan receivables is summarised below:-

| Group | Gross Amount RM'000 | Individually Impaired RM'000 | Carrying Value RM'000 |
|---|---|---|---|
| **2026** | | | |
| Current (not past due) | 99,668 | (52,939) | 46,729 |
| Past due: | | | |
| - 31 to 60 days | 608 | (608) | - |
| - 61 to 90 days | 673 | (673) | - |
| - over 90 days | 2,024 | (2,024) | - |
| | 3,305 | (3,305) | - |
| | 102,973 | (56,244) | 46,729 |

*Other Receivables*

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

## 52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

*Deposits with Licensed Banks, Cash and Bank Balances*

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

*Amount Owing By Subsidiaries*

The Company applies the general approach to measuring expected credit losses for all intercompany balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The exposure to credit risk and the loss allowances calculated under MFRS 9 for amount owing by subsidiaries is immaterial and hence, it is not provided for.

**(c) Liquidity Risk**

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the financial year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the financial year):-

| Group | Contractual Interest Rates % | Carrying Amount RM'000 | Contractual Undiscounted Cash Flows RM'000 | Within 1 Year RM'000 | 1 - 5 Years RM'000 | Over 5 Years RM'000 |
|---|---|---|---|---|---|---|
| **2026** | | | | | | |
| Non-derivative Financial Liabilities | | | | | | |
| Trade payables | - | 21,893 | 21,893 | 21,893 | - | - |
| Other payables and accruals [1] | - | 18,948 | 18,948 | 18,948 | - | - |
| Short-term financing | 4.64 to 5.36 | 18,662 | 19,104 | 19,104 | - | - |
| Term loans | 4.05 to 4.20 | 10,521 | 11,243 | 3,357 | 7,886 | - |
| Lease liabilities | 3.51 to 4.45 | 7,926 | 8,619 | 2,334 | 5,856 | 429 |
| Hire purchase payables | 3.39 to 4.22 | 447 | 478 | 154 | 293 | 31 |
| | | 78,397 | 80,285 | 65,790 | 14,035 | 460 |

*Note:-*
*[1] - The other payables and accruals exclude deferred income, value-added tax payable and sales and service tax payable.*

## 52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the financial year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the financial year) (Cont'd):-

| Group | Contractual Interest Rates % | Carrying Amount RM'000 | Contractual Undiscounted Cash Flows RM'000 | Within 1 Year RM'000 | 1 - 5 Years RM'000 | Over 5 Years RM'000 |
|---|---|---|---|---|---|---|
| **2025** | | | | | | |
| Non-derivative Financial Liabilities | | | | | | |
| Trade payables | - | 10,832 | 10,832 | 10,832 | - | - |
| Other payables and accruals [1] | - | 18,206 | 18,206 | 18,206 | - | - |
| Trade financing | 4.91 to 5.85 | 35,975 | 36,730 | 36,730 | - | - |
| Term loans | 4.30 to 4.45 | 13,614 | 14,872 | 3,601 | 11,271 | - |
| Lease liabilities | 3.51 to 4.45 | 2,261 | 2,552 | 449 | 1,674 | 429 |
| Hire purchase payables | 3.39 | 454 | 482 | 135 | 347 | - |
| | | 81,342 | 83,674 | 69,953 | 13,292 | 429 |

*Note:-*
[1] *- The other payables and accruals exclude deferred income, value-added tax payable and sales and service tax payable.*

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the financial year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the financial year) (Cont'd):-

| Company | Contractual Interest Rates % | Carrying Amount RM'000 | Contractual Undiscounted Cash Flows RM'000 | Within 1 Year RM'000 | 1 - 5 Years RM'000 | Over 5 Years RM'000 |
|---|---|---|---|---|---|---|
| **2026** | | | | | | |
| Non-derivative Financial Liabilities | | | | | | |
| Other payables and accruals [1] | - | 4,830 | 4,830 | 4,830 | - | - |
| Amounts owing to subsidiaries | - | 39,575 | 39,575 | 39,575 | - | - |
| Hire purchase payables | 3.39 | 333 | 348 | 135 | 213 | - |
| Lease liabilities | 4.45 | 5,851 | 6,317 | 1,849 | 4,468 | - |
| Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries | - | - | 29,181 | 29,181 | - | - |
| | | 50,589 | 80,251 | 75,570 | 4,681 | - |

*Note:-*
*[1] - The other payables and accruals exclude deferred income, value-added tax payable and sales and service tax payable.*

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the financial year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the financial year) (Cont'd):-

| Company | Contractual Interest Rates % | Carrying Amount RM'000 | Contractual Undiscounted Cash Flows RM'000 | Within 1 Year RM'000 | 1 - 5 Years RM'000 | Over 5 Years RM'000 |
|---|---|---|---|---|---|---|
| **2025** | | | | | | |
| Non-derivative Financial Liabilities | | | | | | |
| Other payables and accruals [1] | - | 5,316 | 5,316 | 5,316 | - | - |
| Amounts owing to subsidiaries | - | 49,113 | 49,113 | 49,113 | - | - |
| Hire purchase payables | 3.39 | 454 | 482 | 135 | 347 | - |
| Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries | - | - | 49,587 | 49,587 | - | - |
| | | 54,883 | 104,498 | 104,151 | 347 | - |

*Note:-*
[1] *- The other payables and accruals exclude deferred income, value-added tax payable and sales and service tax payable.*

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory requirements, if any. The debt-to-equity ratio is calculated as total borrowings divided by total equity. The Group includes within total borrowings, loans and borrowings from financial institutions. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the financial year is as follows:-

| | Group | |
|---|---|---|
| | **2026** | **2025** |
| | **RM'000** | **RM'000** |
| Trade financing (Note 33) | 18,662 | 35,975 |
| Term loans (Note 28) | 10,521 | 13,614 |
| Lease liabilities (Note 29) | 7,926 | 2,261 |
| Hire purchase payables (Note 30) | 447 | 454 |
| Total borrowings | 37,556 | 52,304 |
| Total equity | 539,777 | 447,359 |
| Debt-to-equity ratio | 0.07 | 0.12 |

There was no change in the Group's approach to capital management during the financial year.

The Company manage its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Company at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

| | 2026 | |
|---|---|---|
| | **Group RM'000** | **Company RM'000** |
| **Financial Assets** | | |
| Fair Value Through Profit or Loss | | |
| Other investments (Note 9) | 24,983 | 24,983 |
| Short-term investments (Note 19) | 104,346 | 25,678 |
| | 129,329 | 50,661 |
| Fair Value Through Other Comprehensive Income | | |
| Other investments (Note 9) | 350 | - |
| Amortised Cost | | |
| Trade receivables [1] (Note 16) | 51,277 | - |
| Loan receivables (Note 15) | 46,729 | - |
| Other receivables and deposits (Note 17) | 11,696 | 1,003 |
| Amounts owing by subsidiaries (Note 18) | - | 148,666 |
| Deposits with licensed banks (Note 20) | 21,698 | - |
| Cash and bank balances (Note 20) | 28,798 | 464 |
| | 160,198 | 150,133 |
| **Financial Liabilities** | | |
| Amortised Cost | | |
| Trade payables (Note 31) | 21,893 | - |
| Other payables and accruals [2] (Note 32) | 18,948 | 4,830 |
| Amounts owing to subsidiaries (Note 18) | - | 39,575 |
| Trade financing (Note 33) | 18,662 | - |
| Term loans (Note 28) | 10,521 | - |
| Hire purchase payables (Note 30) | 447 | 333 |
| | 70,471 | 44,738 |

*Notes:-*
[1] - *The trade receivables exclude accrued income.*
[2] - *The other payables and accruals exclude deferred income, value-added tax payable and sales and service tax payable.*

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

| | 2025 | |
|---|---|---|
| | **Group RM'000** | **Company RM'000** |
| **Financial Assets** | | |
| Fair Value Through Profit or Loss | | |
| Other investments (Note 9) | 32,275 | 31,275 |
| Short-term investments (Note 19) | 9,175 | 2,534 |
| | 41,450 | 33,809 |
| Fair Value Through Other Comprehensive Income | | |
| Other investments (Note 9) | 350 | - |
| Amortised Cost | | |
| Trade receivables [1] (Note 16) | 146,712 | - |
| Other receivables and deposits (Note 17) | 2,395 | 719 |
| Amounts owing by subsidiaries (Note 18) | - | 5,538 |
| Deposits with licensed banks (Note 20) | 11,609 | - |
| Cash and bank balances (Note 20) | 61,598 | 31,115 |
| | 222,314 | 37,372 |
| **Financial Liabilities** | | |
| Amortised Cost | | |
| Trade payables (Note 31) | 10,832 | - |
| Other payables and accruals [2] (Note 32) | 18,206 | 5,316 |
| Amounts owing to subsidiaries (Note 18) | - | 49,113 |
| Trade financing (Note 33) | 35,975 | - |
| Term loans (Note 28) | 13,614 | - |
| Hire purchase payables (Note 30) | 454 | 454 |
| | 79,081 | 54,883 |

*Notes:-*

[1] - *The trade receivables exclude accrued income.*

[2] - *The other payables and accruals exclude deferred income, value-added tax payable and sales and service tax payable.*

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms. The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the financial year:-

| | Fair Value of Financial Instruments Carried at Fair Value | | | Fair Value of Financial Instruments not Carried at Fair Value | | | Total Fair Value | Carrying Amount |
|---|---|---|---|---|---|---|---|---|
| **Group** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** | **RM'000** | **RM'000** |
| **2026** | | | | | | | | |
| Financial Assets | | | | | | | | |
| Other investments: | | | | | | | | |
| - club membership | - | 350 | - | - | - | - | 350 | 350 |
| - quoted ordinary shares | 24,983 | - | - | - | - | - | 24,983 | 24,983 |
| Short-term investments | - | 104,346 | - | - | - | - | 104,346 | 104,346 |
| Financial Liabilities | | | | | | | | |
| Trade financing | - | - | - | - | 18,662 | - | 18,662 | 18,662 |
| Term loans | - | - | - | - | 10,521 | - | 10,521 | 10,521 |
| Hire purchase payables | - | - | - | - | 447 | - | 447 | 447 |

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.4 FAIR VALUE INFORMATION (CONT'D)

| | Fair Value of Financial Instruments Carried at Fair Value | | | Fair Value of Financial Instruments not Carried at Fair Value | | | Total Fair Value | Carrying Amount |
|---|---|---|---|---|---|---|---|---|
| **Group** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** | **RM'000** | **RM'000** |
| **2025** | | | | | | | | |
| Financial Assets | | | | | | | | |
| Other investments: | | | | | | | | |
| - club membership | - | 350 | - | - | - | - | 350 | 350 |
| - unquoted ordinary shares | - | - | 1,000 | - | - | - | 1,000 | 1,000 |
| - quoted ordinary shares | 31,275 | - | - | - | - | - | 31,275 | 31,275 |
| Short-term investments | - | 9,175 | - | - | - | - | 9,175 | 9,175 |
| Financial Liabilities | | | | | | | | |
| Trade financing | - | - | - | - | 35,975 | - | 35,975 | 35,975 |
| Term loans | - | - | - | - | 13,614 | - | 13,614 | 13,614 |
| Hire purchase payables | - | - | - | - | 454 | - | 454 | 454 |

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.4 FAIR VALUE INFORMATION (CONT'D)

| Company | Fair Value of Financial Instruments Carried at Fair Value | | | Fair Value of Financial Instruments not Carried at Fair Value | | | Total Fair Value | Carrying Amount |
|---|---|---|---|---|---|---|---|---|
| | Level 1<br>RM'000 | Level 2<br>RM'000 | Level 3<br>RM'000 | Level 1<br>RM'000 | Level 2<br>RM'000 | Level 3<br>RM'000 | RM'000 | RM'000 |
| **2026** | | | | | | | | |
| Financial Asset | | | | | | | | |
| Short-term investments | - | 25,678 | - | - | - | - | 25,678 | 25,678 |
| Other investment: | | | | | | | | |
| - quoted ordinary shares | 24,983 | - | - | - | - | - | 24,983 | 24,983 |
| Financial Liabilities | | | | | | | | |
| Hire purchase payables | - | - | - | - | 333 | - | 333 | 333 |
| **2025** | | | | | | | | |
| Financial Asset | | | | | | | | |
| Short-term investments | - | 2,534 | - | - | - | - | 2,534 | 2,534 |
| Other investment: | | | | | | | | |
| - quoted ordinary shares | 31,275 | - | - | - | - | - | 31,275 | 31,275 |
| Financial Liabilities | | | | | | | | |
| Hire purchase payables | - | - | - | - | 454 | - | 454 | 454 |

## 52. FINANCIAL INSTRUMENTS (CONT'D)

### 52.4 FAIR VALUE INFORMATION (CONT'D)

**(a) Fair Value of Financial Instruments Carried at Fair Value**

(i) The fair values above have been determined using the following basis:-

(aa) The fair value of the club membership is estimated based on its market price.

(bb) The fair value of the unquoted ordinary shares is determined to approximate its initial cost of investment incurred as the investee has just commenced business operations during the financial year.

(cc) The fair values of short-term investments are determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

(ii) There were no transfers between level 1 and level 2 during the financial year.

**(b) Fair Value of Financial Instruments not Carried at Fair Value**

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of term loans, term financing and trade financing that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(ii) The fair values of hire purchase payables are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the financial year. The interest rates used to discount the estimated cash flows are as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | % | % | % | % |
| Hire purchase payables | 3.39 to 4.22 | 3.39 | 3.39 | 3.39 |

## 53. SIGNIFICANT EVENTS DURING/AFTER THE FINANCIAL YEAR

### (a) Acquisition of 100% equity interest in MMR Capital Sdn. Bhd.

On 21 April 2025, a wholly owned subsidiary of the Company, NASB has entered into a conditional share sale agreement ("SSA") with various individual shareholders of MMR Capital Sdn Bhd ("MMR") for the proposed acquisition by the Company of 100% equity interest in MMR, comprising 2,000,000 ordinary shares in MMR, for a total cash consideration of RM190,000, subject to the terms as set out in the SSA. On 9 June 2025, the SSA has become unconditional and the Proposed Acquisition is deemed completed.

### (b) Incorporation of new subsidiary, Datasonic Global Technologies Sdn. Bhd.

On 26 May 2025, Datasonic Global Technologies Sdn. Bhd. was incorporated under the Companies Act 2016 with 1,000,000 ordinary shares.

### (c) Acquisition of 70% equity interest in MyNasional Sdn. Bhd.

On 16 June 2025, the Company has acquired 70% equity interest comprising 70,000 ordinary shares of MyNasional Sdn. Bhd. ("MNSB") for a total cash consideration of RM70,000. Subsequently, on 18 September 2025, the Company has disposed the 70% equity interest of MNSB to MyNasional Holdings Sdn. Bhd. for total cash consideration of RM70,000.

### (d) Acquisition of other investments in Velocity Capital Partner Berhad

On 18 June 2025, the Company has acquired 69,000,000 ordinary shares in Velocity Capital Partner Berhad ("Velocity"), representing 4.99% equity interest in Velocity for a total consideration of RM4,830,000.

### (e) Acquisition of other investments in Harvest Miracle Capital Berhad

On 18 June 2025, the Company has acquired 82,000,000 ordinary shares in Harvest Miracle Capital Berhad ("HM"), representing 4.98% equity interest in HM for a total consideration of RM14,350,000.

### (f) Incorporation of new subsidiary, MyNasional Holdings Sdn. Bhd.

On 18 July 2025, MyNasional Holdings Sdn. Bhd. was incorporated under the Companies Act 2016 with 1,000,000 ordinary shares.

### (g) Incorporation of new subsidiary, MyNasional Bizfile Sdn. Bhd.

On 25 July 2025, MyNasional Bizfile Sdn. Bhd. was incorporated under the Companies Act 2016 with 1,000 ordinary shares.

## 53. SIGNIFICANT EVENTS DURING/AFTER THE FINANCIAL YEAR (CONT'D)

### (h) Acquisition of an associate, NexG Bina Berhad (formerly known as Classita Holdings Berhad)

On 8 August 2025, the Company:

- Acquired 402,057,900 ordinary shares in NexG Bina Berhad (formerly known as Classita Holdings Berhad) ("NexG Bina"), representing 32.61% equity interest in NexG Bina for a total cash purchase consideration of RM60,308,685.00 from Hong Seng Consolidated Berhad ("Hong Seng"), via direct business transaction; and

- Acquired a total of 414,312,800 warrants in NexG Bina from various non related parties for a total cash purchase consideration of RM16,469,529.00, comprising 393,716,200 warrants acquired via direct business transactions for RM15,748,648.00 and 20,596,600 warrants acquired via open market transactions for RM720,881.00.

Following the acquisition, the Company has become the major shareholder of NexG Bina. Accordingly, NexG Bina has also become an associate company of the Company.

### (i) Incorporation of new subsidiary, MyNasional Digital Sdn. Bhd.

On 4 September 2025, MyNasional Digital Sdn. Bhd. was incorporated under the Companies Act 2016 with 1,000 ordinary shares.

### (j) Incorporation of new subsidiary, MyNasional AI Sdn. Bhd.

On 8 September 2025, MyNasional AI Sdn. Bhd. was incorporated under the Companies Act 2016 with 1,000 ordinary shares.

### (k) Disposal of MyNasional EKYC Holdings Sdn. Bhd. (formerly known as Innov8tif Holdings Sdn. Bhd.) to a wholly owned subsidiary, MyNasional Holdings Sdn. Bhd.

On 18 September 2025, the Company has disposed its 51% equity interest in MyNasional EKYC Holdings Sdn. Bhd. (formerly known as Innov8tif Holdings Sdn. Bhd.) to a wholly owned subsidiary, MyNasional Holdings Sdn. Bhd. for total consideration of RM40,000,000.00.

### (l) Acquisition of other investments in MMAG Holdings Berhad

On 5 March 2025, the Company has acquired 45,000,000 ordinary shares in MMAG Holdings Berhad ("MMAG"), representing 1.95% equity interest in MMAG for a total consideration of RM18,000,000.00.

On 27 March 2025, the Company has entered into a Sale and Purchase Agreement ("SPA") with Chan Swee Ying, the Vendor for the acquisition of 175,000,000 ordinary shares in MMAG representing 7.58% equity interest in MMAG, for a total cash consideration of RM70,000,000.00 via direct business transaction.

On 2 April 2025, following the fulfilment of the terms as stipulated in the SPA, the investment in MMAG is deemed completed.

## 53. SIGNIFICANT EVENTS DURING/AFTER THE FINANCIAL YEAR (CONT'D)

### (m) Proposed Private Placement

On 25 February 2025, the Company proposes to undertake a private placement of up to 10% of the total number of issued shares of the Company (excluding treasury shares), at an issue price to be determined later.

On 26 February 2025, the Company has submitted the additional listing application for the Proposed Private Placement to Bursa Securities.

On 11 March 2025, Bursa Securities had, vide its letter dated 11 March 2025, resolved to approve the listing and quotation of up to 448,791,858 new ordinary shares in the Company ("Placement Shares") to be issued pursuant to the Proposed Private Placement.

On 22 July 2025, the Board had resolved to fix the issue price for the Private Placement at RM0.440 per Placement Share.

On 31 July 2025, the listing and quotation of 150,000,000 Placement Shares on the Main Market of Bursa Securities has been completed on 31 July 2025.

On 26 August 2025, an application has been submitted to Bursa Securities to seek approval for an extension of time for the Company to implement and complete the Private Placement.

On 24 September 2025, Bursa Securities had vide its letter dated 24 September 2025, resolved to grant the Company an extension of time until 10 March 2026 for the Company to complete the implementation of the Private Placement.

On 10 March 2026, a total 150,000,000 Placement Shares have been placed out pursuant to the Private Placement, with the Placement Shares being listed and quoted on the Main Market of Bursa Securities on 31 July 2025.

Notwithstanding the above, The Board has resolved not to further place out any Placement Shares pursuant to the Private Placement and this marks the completion of the Private Placement.

### (n) Appointment of new external auditor

On 13 February 2026, the Company has received Messrs. PKF PLT's consent to act as auditors of the Company pursuant to Section 264(5) of the Companies Act, 2016 via Messrs. PKF PLT's letter dated 13 February 2026.