MLABS SYSTEMS BERHAD

TRANSFORMATION IN MOTION

ANNUAL REPORT 2025

ABOUT US

Mlabs Systems Berhad (“**Mlabs**”) is a leading IT solutions provider, dedicated to delivering advanced technology that empowers businesses. Founded from a software development project at Universiti Sains Malaysia in 1992, Mlabs has grown into a multi-subsidiary company with a diverse portfolio in industries such as ICT, financial services, trading and others.

Mlabs aims to connect and empower stakeholders by driving innovation and digital transformation across sectors. We are committed to fostering growth, enhancing efficiency, and creating value through cutting-edge solutions for a brighter future.

MISSION
STATEMENT

We strive to:
- Always listen and understand your challenges and needs
- Recommend the best-fit solution to you that **JUST WORKS**
- Give you competitive advantage in your line of business
- Be with you in your journey towards sustained excellence

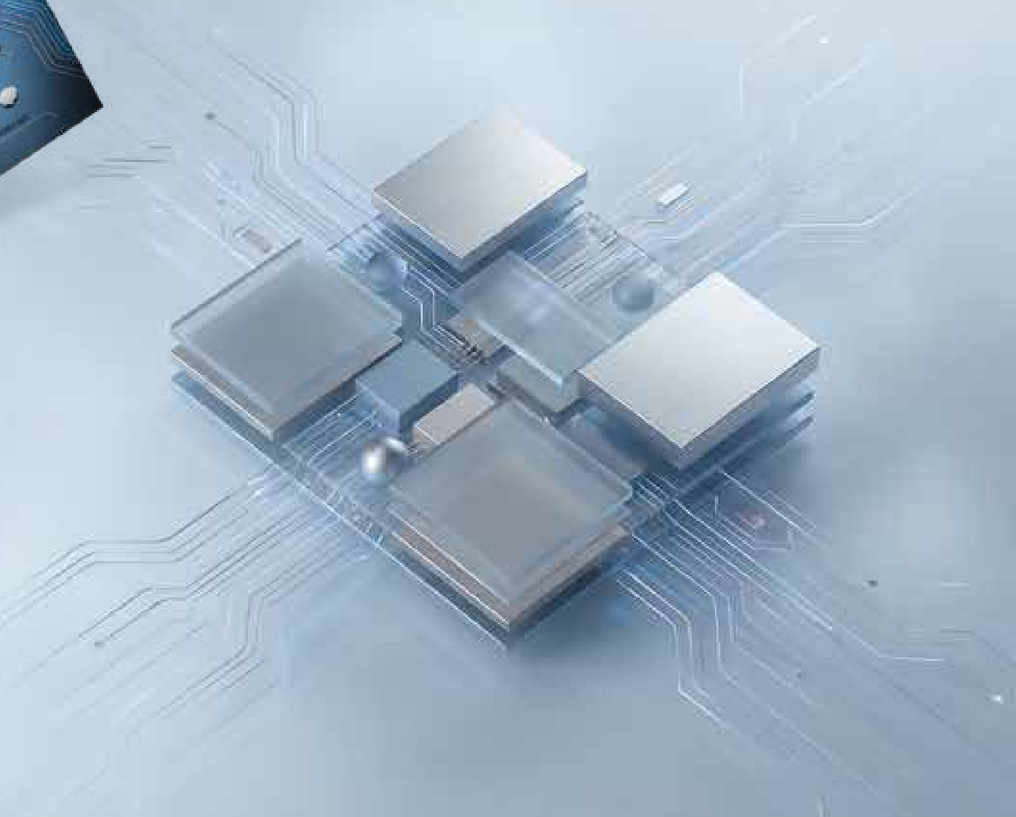
VISION
STATEMENT

Your Choice of Solution Partner, Always!

COVER RATIONALE

The AI core represents intelligence at the centre of transformation, while interconnected circuitry symbolises continuous progress and execution.

The structured composition reflects stability, control and the Company’s ongoing transformation in motion.



MLABS SYSTEMS BERHAD

Company Registration No. 200401014724 (653227-V)

INSIDE THIS
REPORT

Access the full version of this report, or view a summary of our FYE 2025 performance at

www.mlabs.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

GENERAL TAN SRI DATO' SRI HJ. SULEIMAN BIN MAHMUD RMAF (RTD)
Non-Independent Non-Executive Director/ Chairman

TAN SIK EEK
Executive Director

MEJAR DATO' ISMAIL BIN AHMAD (R)
Non-Independent Non-Executive Director

ONG TEE KEIN
Non-Independent Non-Executive Director

PROFESSOR EMERITUS DR. SURESWARAN RAMADASS
Independent Non-Executive Director

CHUAH HOON HONG
Independent Non-Executive Director

KARINA BINTI IDRIS AHMAD SHAH
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chuah Hoon Hong *(Chairman)*

Mejar Dato' Ismail bin Ahmad (R)
Professor Emeritus Dr. Sureswaran Ramadass

NOMINATING COMMITTEE

Professor Emeritus Dr. Sureswaran Ramadass *(Chairman)*

Mejar Dato' Ismail bin Ahmad (R)
Chuah Hoon Hong

REMUNERATION COMMITTEE

Professor Emeritus Dr. Sureswaran Ramadass *(Chairman)*

Mejar Dato' Ismail bin Ahmad (R)
Chuah Hoon Hong

OPTION COMMITTEE

Ong Tee Kein *(Chairman)*

Tan Sik Eek
Chuah Hoon Hong

SECRETARIES

Chong Voon Wah
(SSM PC No. 202008001343)
(MAICSA 7055003)

Thai Kian Yau
(SSM PC No. 202008001515)
(MIA 36921)

REGISTERED OFFICE

22-09, Menara 1MK,
No. 1, Jalan Kiara, Mont Kiara,
50480 Kuala Lumpur

Tel : 03-2856 7333
Email : vw.chong@silverocean.com.my

REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

Tel : 03-2783 9299
Fax : 03-2783 9222
Email : enquiry@vistra.com

AUDITORS

Nexia SSY PLT
[201906000679 (LLP0019490-LCA) & (AF 002009)]

UOA Business Park
Tower 3, 5th Floor, K03-05-08,
1 Jalan Pengaturcara U1/51A,
Section U1, 40150 Shah Alam,
Selangor Darul Ehsan

Tel : 03-5039 1811
Fax : 03-5039 1822

INTERNAL AUDITORS

IA Prov Sdn. Bhd.
[202101010802] (141101-A)

RM SS48, SQ2-23-01,
Sunway Corporate Tower 2,
Jalan Lagoon Selatan,
47500 Subang Jaya,
Selangor Darul Ehsan

PRINCIPAL PLACE OF BUSINESS

Lot 4.1, 4th Floor, Menara Lien Hoe,
No. 8, Persiaran Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya,
Selangor Darul Ehsan

Tel : 03-7887 2896
Email : enquiry@mlabs.com
Website : www.mlabs.com

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd
RHB Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

ACE Market
Bursa Malaysia Securities Berhad

STOCK NAME : **MLAB**
STOCK CODE : **0085**

CORPORATE STRUCTURE

MLABS SYSTEMS BERHAD

Company Registration No. 200401014724 (653227-V)

BUSINESS UNITS	OWNERSHIP	COUNTRY
PACIFICA DIRECT SDN BHD	100%	
CHAMPAGNE CARBON SDN BHD	100%	
CARBON INTERNATIONAL SDN BHD	100%	
MLABS PROPERTIES SDN BHD	100%	
MACADEMI SDN BHD	100%	
MFINITY TECHNOLOGIES SDN BHD	100%	
— INSHUB SDN BHD	100%	
MLABS CAPITAL SDN BHD	100%	
— IKHLAS AL DAIN SDN BHD	100%	
— MLABS CAPITAL LIMITED	100%	
CHAMPAGNE CARBON ASIA LIMITED	100%	
— CHAMPAGNE CARBON TAIWAN LIMITED	100%	
LINKODES INTERNATIONAL LIMITED	62%	
SWAPP ASIA SDN BHD	100%	

PROFILE OF THE BOARD OF DIRECTORS

GENERAL TAN SRI DATO' SRI HJ. SULEIMAN BIN MAHMUD RMAF (RTD)

Non-Independent Non-Executive Director/Chairman

Date of Appointment
14 October 2009

Board Meeting
Attended 4/6 for FPE 2025

Male AGE 78 Malaysia

Qualification

He holds the following qualifications:

(a) Graduate of Royal New Zealand Air Force and Staff College
(b) Post graduate Diploma in Business Administration
(c) Master Degree in Operational Research and Systems Analysis from University of Aston in Birmingham, United Kingdom

Working Experience

General Tan Sri Dato' Sri Hj. Suleiman was appointed to the Board on 14 October 2009 as an Independent Non-Executive Director/Chairman of the Company. On 19 October 2022, he was redesignated as Non-Independent Non-Executive Director/Chairman of the Company. He joined the Federation Military College in January 1965 and was commissioned into the Royal Malaysian Air Force on 5 August 1965. He did his basic flying training at the RMAF Flying Training School in Alor Setar, graduating in August 1966. He then went on to fly the Alouette III helicopters and in 1967, qualified as a helicopter instructor after completing an instructor's course in the United Kingdom.

General Tan Sri Dato' Sri Hj. Suleiman has vast experience as a pilot having flown helicopters, fixed-wing transport and fighter aircraft. He had served as a Squadron Commander of the Sikorsky S-61 Helicopter Squadron and the Dart Herald Transport Squadron. He also flew the C-130H Hercules, the Aermacchi MB-339, the F-5E and the CN-235-220.

Throughout his career, General Tan Sri Dato' Sri Hj. Suleiman has been assigned to several staff and operational appointments, and of importance was his appointment as the Director of Armed Forces Development Plans in the Malaysia Armed Forces Headquarters. In 1989, he was appointed the Base Commander of RMAF Base, Butterworth, a Fighter Operational Air Base. Later, he was assigned as the Commander of the RMAF Air Training Command. He was then promoted to Brigadier General RMAF and took over command of the No. 1 Air Division, an Air Defence (and Fighter) Command. He later moved to the post of Brigadier General Staff (Operations) at the Air Force Headquarters in Kuala Lumpur. On his promotion to Major General RMAF in June 1994, he was appointed as the Chief of Staff Operations and later on, was assigned as the Chief of Staff Policy and Plans. In August 1996, he assumed the post of the Deputy Chief of Air Force, and was upgraded to the rank of Lieutenant General RMAF on the same post in June 2000.

General Tan Sri Dato' Sri Hj. Suleiman was promoted to the rank of General RMAF and assumed the appointment of the Chief of the Royal Malaysian Air Force on 11 June 2001. He retired on 4 June 2003 at the age of 56.

Other Information and Directorship of Public Companies

He does not hold any directorships in other public company. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past five years other than traffic offences, if any, and has no conflict of interest with Mlabs.

Details of Any Other Board Committees

Nil

Profile of the Board of Directors

TAN SIK EEK

Executive Director

Date of Appointment
6 April 2018

Board Meeting
Attended 6/6 for FPE 2025

Male AGE 49 Malaysia

Qualification

He holds the following qualifications:

(a) Degree in Economics and Political Science at the University of Sydney, Australia

Working Experience

He was appointed to the Board on 6 April 2018. He has more than two decades of experience, ranging from corporate finance advisory to private equity investments. He was previously a partner in a private equity firm focused on investing in companies seeking growth funding and pre-IPO capital. Prior to that, he was specialising in securing funding from a series of established North America global opportunity funds for companies listed on the regional capital markets.

Since 2013, he has been engaged as the Director of several public companies to provide management strategy, day-to- day operational oversight, fund raising and business development planning of the various companies.

Other Information and Directorship of Public Companies

He holds 35,000 units of shares in Mlabs. He is also a Director of Fintec Global Berhad, NetX Holdings Berhad, XOX Bhd and Symphony Life Berhad. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past five years other than traffic offences, if any, and has no conflict of interest with Mlabs.

Details of Any Other Board Committees

He is currently a member of the Option Committee.

MEJAR DATO' ISMAIL BIN AHMAD (R)

Non-Independent Non-Executive Director

Date of Appointment
14 October 2009

Board Meeting
Attended 6/6 for FPE 2025

Male AGE 76 Malaysia

Qualification

He holds the following qualifications:

(a) LLB Hons from University of Wolverhampton, United Kingdom
(b) Master of Laws from University of London
(c) Certificate in Legal Practice
(d) Master in Management for AIM
(e) Syariah Law and Practice Forum, IIU

Working Experience

Mejar Dato' Ismail bin Ahmad (R) was appointed to the Board on 14 October 2009 as Executive Director of the Company. On 31 December 2019, he was redesignated as Non-Independent Non-Executive Director of the Company. He served in the Malaysian Army for 17 years and attended courses both local and overseas, and held various appointments in service. In 1983, he joined Perwira Niaga Malaysia (Pernama), a wholly owned subsidiary of LTAT, a wholesale and international trading company. His last position in Pernama was Deputy General Manager before he left in 1999. He is now with Tegap Dinamik Sdn. Bhd. and several other companies, involved in projects, constructions and various infrastructures.

Other Information and Directorship of Public Companies

He is an Independent Non-Executive Director of Pasukhas Group Berhad. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past five years other than traffic offences, if any, and has no conflict of interest with Mlabs.

Details of Any Other Board Committees

He currently sits on the following Board Committees of the Company:

(a) Member of the Audit and Risk Management Committee;
(b) Member of the Nominating Committee; and
(c) Member of the Remuneration Committee.

Profile of the Board of Directors

ONG TEE KEIN

Non-Independent Non-Executive Director

Date of Appointment
13 January 2010

Board Meeting
Attended 6/6 for FPE 2025

Male AGE 68 Malaysia

Qualifications

He holds the following qualifications:

(a) Master of Business Administration from the University of Miami
(b) Member of the Malaysian Institute of Accountants (MIA)
(c) Associate of the Institute of Chartered Accountants in England & Wales (ICAEW)
(d) Fellow of the Chartered Institute of Management Accountants (CIMA)
(e) Associate of the Institute of Chartered Secretaries and Administrators (ICSA).

Working Experience

Mr. Ong Tee Kein was appointed to the Board on 13 January 2010 as an independent director and was re-designated as Executive Director on 15 April 2010 and re-designated as Non-Independent Non-Executive Director on 31 December 2019. He has several years of experience in accounting and corporate restructuring of companies.

Other Information and Directorship of Public Companies

He holds 41,805 units of shares in Mlabs. He is a Non-Independent Non-Executive Director in Sanichi Technology Berhad, an Independent Non-Executive Director in DGB Asia Berhad, Fintech Global Berhad and Metronic Global Berhad. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past five years other than traffic offences, if any, and has no conflict of interest with Mlabs.

Details of Any Other Board Committees

He is currently the Chairman of the Option Committee.

Profile of the Board of Directors

PROFESSOR EMERITUS DR. SURESWARAN RAMADASS

Independent Non-Executive Director

Date of Appointment
1 April 2005

Board Meeting
Attended 6/6 for FPE 2025

Male AGE 59 Malaysia

Qualification

He holds the following qualifications:

(a) Degree of Bachelor in Computer Engineering
(b) Masters in Electrical and Computer Engineering from the University of Miami, USA in 1990
(c) Doctorate from University Sains Malaysia
(d) Professor from University Sains Malaysia
(e) Emeritus Professor from the Malaysia University of Science and Technology

Recognitions / Awards

Some of his recognitions include being awarded:

The "Anugerah Tokoh Negara" (National Academic Leader) for Innovation and Commercialisation in 2008 by the Minister of Higher Education. This award is given in recognition of contributions to Innovation and commercialisation in the area of science and technology.

Emeritus Chair, IPv6 Forum Education Programme.

The Wireless World Research Forum Fellow in April 2010. This fellowship award was presented in recognition of his contribution in the area of Next Generation Networks and IPv6.

Malaysian Innovation Award by the Prime Minister in 2007 and again by the Minister of Science and Technology in 2009. These Awards were given in recognition of his contribution towards innovations in the areas of Multimedia Conferencing Systems and Real-time Advanced Security Monitoring.

Working Experience

Professor Emeritus Dr. Sureswaran Ramadass was appointed to the Board on 1 April 2005 as Non-Independent Non-Executive Director of the Company and redesignated as Independent Non-Executive Director of the Company on 30 August 2017.

He is currently a Professor Emeritus at the Malaysia University of Science and Technology. He is also the Chief Scientist at CrystalViewHD Sdn. Bhd. (formerly known as NLTVC Sdn. Bhd.). CrystalViewHD is a Next Generation Internet Communications research and development company. He is also currently the Chair of the APACv6 Council and the Chair of the IPv6 Forum Malaysia. He also recently appointed as a Subject Matter Expert in Cybersecurities and IPv6 under MCMC.

He started off his career in 1990 as a senior member of the technical staff of the research team of MODCOMP, Inc., a Florida based research company focused on the R&D of real-time systems. Customers he worked with include The National Aeronautics and Space Administration (NASA).

He left in 1991 and joined ICON Business System, Inc. (Florida) as a Senior Consultant. He was subsequently promoted to Vice President of Engineering and was responsible for overseeing the entire engineering and R&D divisions of ICON Business Systems, Inc. (Florida).

He joined University Sains Malaysia ("USM") in 1992 as a lecturer. He was the founding Director and Professor at the National Advanced IPv6 Centre, USM. During his tenure at USM, he has been a research partner/consultant to many companies in Malaysia, including Telekom Malaysia Berhad, NCR Corporation, IBM Inc., MIMOS Berhad, Cabletron Systems Sdn. Bhd., and Compquest Sdn. Bhd..

He also holds numerous positions in global organisations, including Chairman of the Steering Committee of the ITU-MUST IPv6 and IoT Centre of Expertise, A13 project, which is a research based project sponsored by the Japanese Government. He was also a nominated candidate for the position of Director of the Internet Corporation for Assigned Names and Numbers in 2000 (ICANN). He was also the Head of APAN (Pacific Advance Networks: www.apan.net) for Malaysia. He is one of the four (4) Steering Committee Members and the IPv6 Domain Head for MYREN (Malaysian Research and Education Network) and was the Chairman of the Asia Pacific IPv6 Task Force (APV6TF) and Emeritus Chair of IPv6 Forum Education Programme. He was the Chairman of the Steering Committee of the ITU MUST IPv6 and IoT Expertise Centre.

Over the years, he has published over 200 national and international level research papers, as well as written chapters and provided writing materials for a few books in the area of multimedia conferencing.

Other Information and Directorship of Public Companies

He directly holds 1,675 units of shares in Mlabs, and indirectly holds 191 units of shares in Mlabs. He does not hold any directorships in other public company. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past five years other than traffic offences, if any, and has no conflict of interest with Mlabs.

Details of Any Other Board Committees

He currently sits on the following Board Committees of the Company:

(a) Chairman of the Nominating Committee;
(b) Chairman of the Remuneration Committee; and
(c) Member of the Audit and Risk Management Committee

Profile of the Board of Directors

CHUAH HOON HONG

Independent Non-Executive Director

Date of Appointment
26 February 2020

Board Meeting
Attended 6/6 for FPE 2025

Male AGE 39 Malaysia

Qualification

He holds the following qualifications:

(a) Degree of Bachelor of Science with First Class Honours in Applied Accounting, Oxford Brookes University
(b) ACCA (Association of Chartered Certified Accountants)
(c) MIA (Malaysian Institute of Accountants)

Working Experience

Mr. Chuah Hoon Hong was appointed as the Independent Non-Executive Director of the Company on 26 February 2020.

With over 18 years of extensive and diverse experience in financial advisory and consultancy, Mr. Chuah brings a wealth of expertise to his role. Currently serving as a Director of CNP Group and Silver Ocean Consulting Group, he specialises in pre- and post-IPO exercises & compliance and mergers & acquisitions for both local and international financial markets.

He embarked on his professional journey in the audit firm in Kuala Lumpur, Malaysia. In addition to handling audit assignments, he actively participated in providing advisory and consultancy services, including IPO exercises, financial due diligence, and forensic accounting. Following this, Mr. Chuah joined a Singapore-based consulting firm that focused on fundraising, mergers & acquisitions, and restructuring initiatives for public-listed and private companies in Singapore, the People's Republic of China and Malaysia.

Other Information and Directorship of Public Companies

He is an Independent Non-Executive Director for Vsolar Group Berhad, Sinaran Advance Group Berhad and XOX Bhd. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past five years other than traffic offences, if any, and has no conflict of interest with Mlabs.

Details of Any Other Board Committees

He currently sits on the following Board Committees of the Company:

(a) Chairman of the Audit and Risk Management Committee;
(b) Member of the Nominating Committee;
(c) Member of the Remuneration Committee; and
(d) Member of the Option Committee.

Profile of the Board of Directors

KARINA BINTI IDRIS AHMAD SHAH

Independent Non-Executive Director

Date of Appointment
1 June 2023

Board Meeting
Attended 6/6 for FPE 2025

Female AGE 56 Malaysia

Qualification

She holds the following qualifications:

(a) Bachelor of Laws (LLB Hons) from the National University of Malaysia (UKM)

Working Experience

Ms. Karina binti Idris Ahmad Shah was appointed as the Independent Non-Executive Director of the Company on 1 June 2023. She has over 20 years of extensive in-house experience as a legal consultant in a wide variety of disciplines, namely telecommunication, construction, fast moving consumer goods (FMCG) and the oil and gas industry.

She started her career in the Attorney Generals Chamber as Federal Counsel in 1994. Her role was managing procurement contracts for the Army, Navy and Air Force. She moved to private practice in 1996 with the firm Abu Talib Shahrom & Zahari as an Advocate & Solicitor. She was then seconded to PLUS Bhd to manage the legal department and was involved in various corporate exercises. In 2000, she moved to Johor Bahru and joined the Kuok Group of Companies. In 2007, she was hired to set up the legal unit for Iskandar Regional Development Authority (IRDA), a statutory body to develop Iskandar Malaysia in Johor.

In 2011, she took on a legal role in Doha, Qatar, for a Malaysian construction firm, WCT Berhad, that was involved in the construction of the Ministry of Interior.

Upon her return from the Middle East, she joined Zico Insource as a Legal Consultant. She has been assigned to various organisations that include Time dot com, Heng Yuan Refining Co. (fka Shell Refining Co.), Dutch Lady Milk Industries Bhd, Genting Bhd, Bumi Armada, Maxis Bhd and Axiata Enterprise Sdn. Bhd..

Other Information and Directorship of Public Companies

She is an Independent Non-Executive Director of XOX Bhd and Pantech Global Berhad. She does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past five years other than traffic offences, if any, and has no conflict of interest with Mlabs.

Details of Any Other Board Committees

She is currently the Chairperson of the Environmental, Social, Governance Committee.

PROFILE OF KEY SENIOR MANAGEMENT

TAN SIK EEK

Executive Director

Male AGE 49 Malaysia

His profile is listed in the Director's Profile on page 5.

MR. HUI KIAT BIN

Chief Executive Officer

Male AGE 52 Malaysia

Mr. Hui Kiat Bin holds a Law Degree from the University of Wales College of Cardiff (UWCC).

He was appointed as the Chief Executive Officer ("CEO") of Mlabs Systems Berhad on 1 October 2021, bringing over 25 years of experience in the IT industry, having previously worked at IBM, Microsoft, Dell, and NTT (Dimension Data).

Additionally, he has over 25 years of senior management experience with P&L responsibilities, gained from both multinational corporations and entrepreneurial ventures.

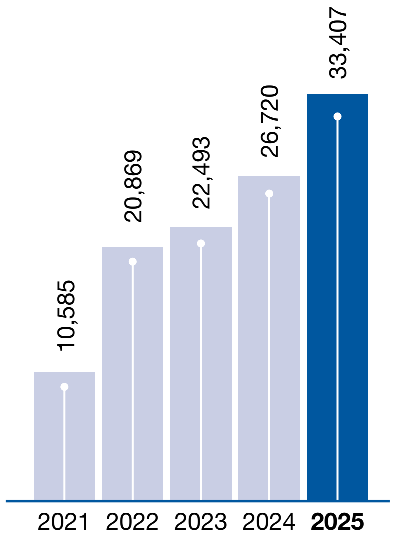
He is currently responsible for unifying the efforts of diverse subsidiaries, guiding them towards a common vision while allowing each to leverage its unique strengths, ultimately driving the Company's success in a highly competitive and evolving market.

None of the above Key Senior Management holds any directorship in other public companies. They do not have any family relationships with any Director or major shareholder of the Company and have not been convicted of any offences within the past five years other than traffic offences, if any, and have no conflict of interest with Mlabs.

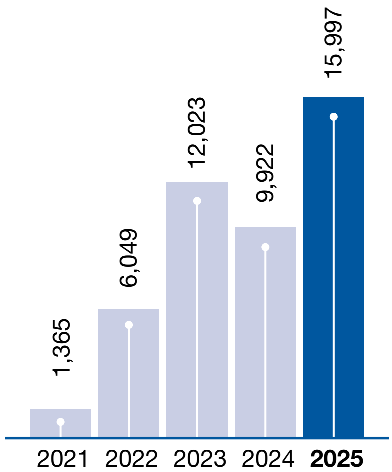
5-YEAR FINANCIAL HIGHLIGHTS

2021-2025

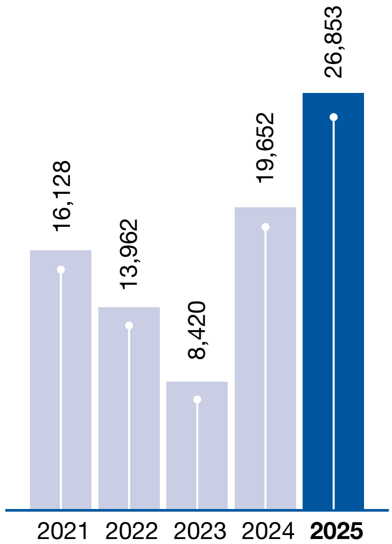
Figures below are quoted in (RM'000)	2021 Restated	2022 Restated	2023 Restated	2024 Restated	**2025 (15-months)**
Revenue	10,585	20,869	22,493	26,720	**33,407**
Gross Profit	1,365	6,049	12,023	9,922	**15,997**
Operating Loss before Tax	16,128	13,962	8,420	19,652	**26,853**
Loss Before Interest, Taxes, Depreciation and Amortisation ("LBITDA")	12,654	10,784	1,517	11,604	**21,095**
Net Loss after Tax	15,268	13,268	7,548	19,778	**27,218**
Total Assets	148,348	143,338	134,620	129,813	**123,147**
Total Equity	135,862	131,656	127,236	107,964	**110,770**
Total Liabilities	12,486	11,682	7,384	21,849	**12,377**



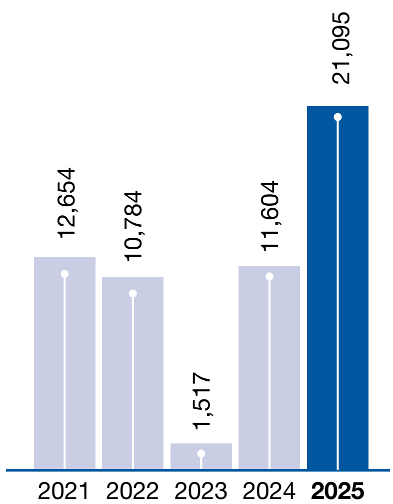
Revenue (RM'000)



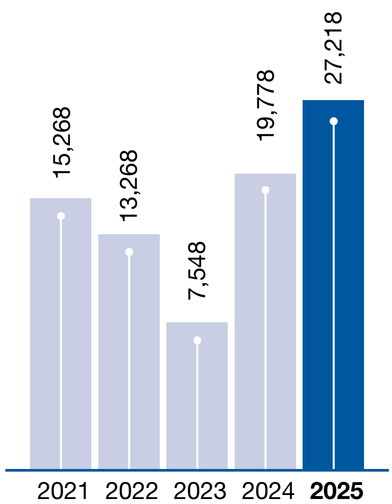
Gross Profit (RM'000)



Operating Loss before Tax (RM'000)



LBITDA (RM'000)

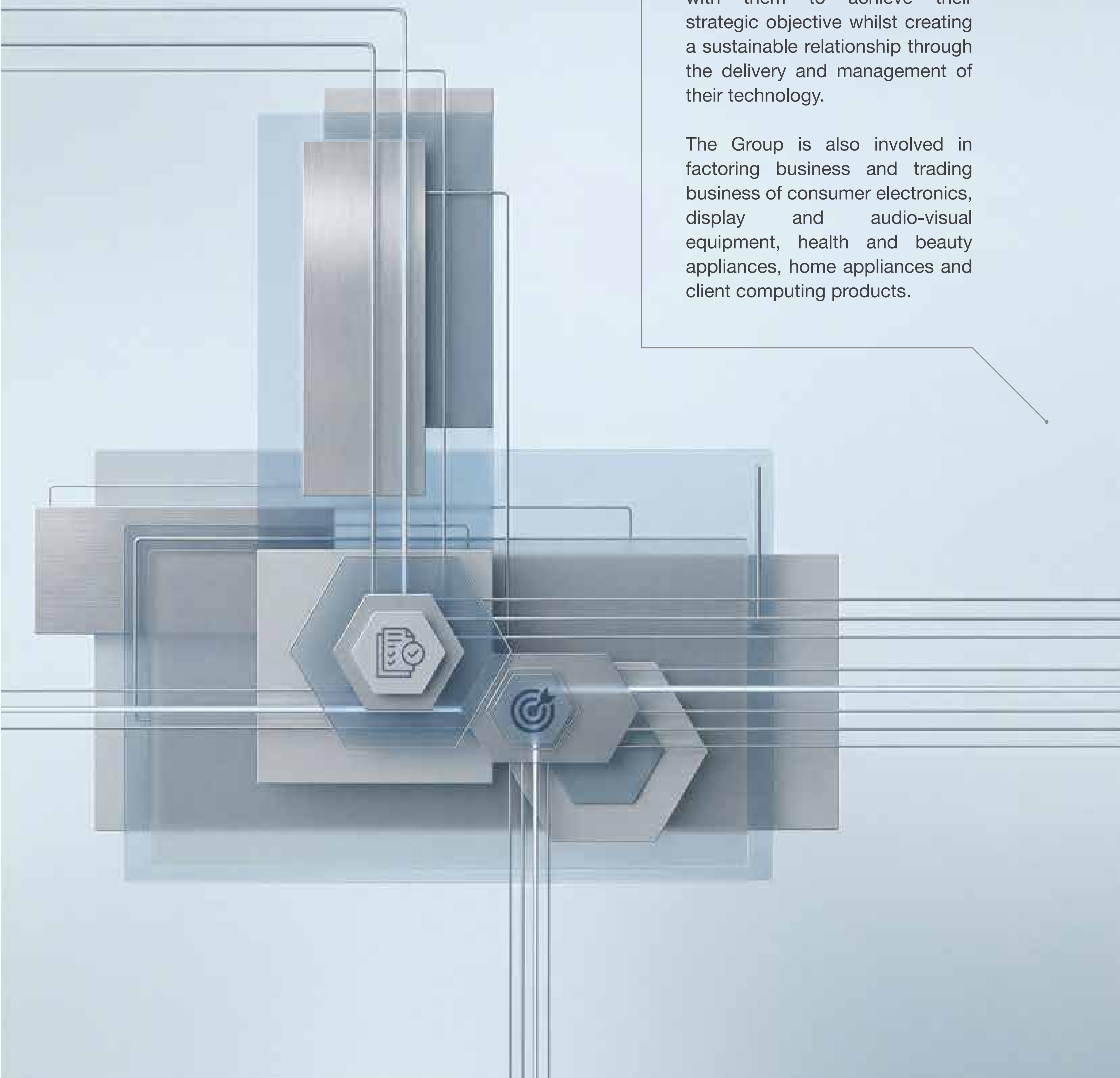


Net Loss after Tax (RM'000)

MANAGEMENT DISCUSSION AND ANALYSIS

The Group aspires to be a leading system integrator in enterprise digitalisation solutions complemented by a range of ICT hardware, software, peripherals related products and services. We aim to become an integral part of our clients' success, collaborating with them to achieve their strategic objective whilst creating a sustainable relationship through the delivery and management of their technology.

The Group is also involved in factoring business and trading business of consumer electronics, display and audio-visual equipment, health and beauty appliances, home appliances and client computing products.



Management Discussion and Analysis

Group Financial Performance

Figures are quoted in RM'000	FYE2024 Restated	FPE2025 (15-months)	Variance (in %)
Revenue	26,720	33,407	25.0%
Gross Profit	9,922	15,997	61.2%
Operating Loss before Tax	19,652	26,853	-36.6%
LBITDA	11,604	21,095	-81.8%
Net Loss after Tax	19,778	27,218	-37.6%

For the 15-month financial period ended 30 September 2025 ("FPE2025"), the Group recorded higher revenue of RM33.41 million, representing a 25.0% increase from the restated RM26.72 million recorded for the 12-months period ended 30 June 2024 ("FYE2024") resulted from a longer reporting period. The Group also recorded a higher gross profit of RM15.99 million, an improvement of 61.2% as compared to FYE2024. On comparable basis, the Group's revenue remains similar to the preceding financial year while the gross profit increased by 29.0% which was largely contributed from our Factoring Services.

The Group recorded a higher operating loss before tax of RM26.85 million in FPE2025 compared with RM19.65 million in FYE2024, while net loss after tax widened to RM27.22 million from RM19.78 million, mainly due to one-off impairment losses on trade and other receivables. Loss Before Interest, Taxes, Depreciation and Amortisation ("LBITDA") increased by 81.8% to RM21.10 million in FPE2025 as compared to RM11.60 million attributed to impairment loss on trade receivables and other receivables which mitigated by the one-off gain on disposal of subsidiaries.

Group Financial Position

Figures are quoted in RM'000	FYE2024 Restated	FPE2025 (15-months)	Variance (in %)
Total Assets	129,813	123,147	-5.1%
Total Equity	107,964	110,770	2.6%
Total Liabilities	21,849	12,377	-43.4%

Despite a slight reduction in total assets, the Group maintained a stable financial position supported by a sound equity base. Total assets declined by 5.1% to RM123.15 million in FPE2025, compared with RM129.81 million in FYE2024, mainly due to impairment losses on other receivables, which were partially offset by higher trade receivables arising from the expansion of the factoring business.

Whereas the Group's total equity increased by 2.6%, rising to RM110.77 million as compared to RM107.96 million in FYE2024. This was contributed by right issues exercise.

As at FPE2025, the Group's total liabilities declined significantly by 43.4% to RM12.38 million, marking a substantial reduction in the Group's financial obligations. The reduction was attributed to reduced of trade and other payables.

BUSINESS AND OPERATIONS OVERVIEW

Operations Overview

Information & Communications Technology ("ICT")

Malaysia's ICT sector is poised to become a core pillar of the national economy contributed by the MyDIGITAL initiative, which aims to position Malaysia as a regional leader in the digital economy by 2030. A key enabler of this transformation is the Cloud First Strategy, which accelerates cloud adoption to help businesses optimise operations, leverage real-time data, and innovate. Technologies such as AI, cybersecurity and enterprise cloud solutions are increasingly essential for organisations seeking to remain competitive across industries.

While demand for scalable, secure and automated ICT solutions continues to rise, it is undermined by the on-going global US tariffs which resulted pricing uncertainty for ICT products and hardware-based solutions. Other issues holding back Malaysian organisations in their digital transformation include the lack of capability to harness their data, which is linked to having a shortage of skills. These organisations are also sometimes stuck with legacy technology systems, which become a challenge for any kind of innovation to take place.

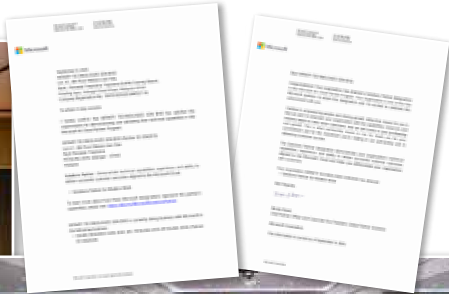
Management Discussion and Analysis

BUSINESS AND OPERATIONS OVERVIEW (CONTINUED)

Operations Overview (Continued)

Information & Communications Technology ("ICT") (Continued)

Our ICT segment has sustained steady growth throughout this financial year, supported by steady demand for digital solutions and managed services. Early quarters focused on restructuring our internal operations and expanding our capabilities in cybersecurity and enterprise related solutions. With our recent Microsoft™ accreditation, we have continued to upskill our team with capabilities to deliver advanced cloud and software-driven solutions. This strategic shift reduces our exposure to hardware-related margin pressures and strengthens our long-term value proposition through AI- and software-centric offerings.



In the near term, we anticipate ongoing pricing pressure and margin compression remains due to global tariffs affecting semiconductor and ICT hardware supply chains. Nevertheless, ICT and AI are no longer optional—they are strategic imperatives for businesses' ability to compete in the digital economy hinges on proactive investment, governance, and talent development. While external economic challenges remain, this segment strive to sustain momentum through these demands for AI-driven solutions, cloud migration services, and cybersecurity solutions to capture opportunities in digital transformation across key industries. We shall continue to engage clients through outreach initiatives to help them adapt to the evolving ICT landscape.

FACTORING

Overall, the factoring industry in Malaysia is a growing component of the alternative finance landscape, primarily serving Small and Medium Enterprises (SMEs) that face challenges securing traditional bank loans. These SMEs primarily using factoring to manage cash flow tied up in long payment cycles to fulfil their contractual obligations. Our client portfolio primarily focuses on these existing SMEs clients who secured the federal government recurring supply and services contracts.

Our Factoring segment remains resilience in expanding their footprint within the federal government procurement ecosystem - e-Perolehan ("eP"), leveraging our strict internal risk management frameworks to build their client portfolio. However, these federal government contracts payment cycle are cyclical in nature. To mitigate cyclical fluctuations associated with government-related contracts, we maintain a balanced customer portfolio exposure within the non-ePerolehan segment as well to ensure effective working capital utilisation. This includes contract awardees of contracts from established government-linked companies and public universities, allowing us to sustain healthy working capital utilisation and maximise financial returns.

Management Discussion and Analysis

FACTORING (CONTINUED)

Internally, we are enhancing our loan processing system to improve our credit processing and client database management. This effort is to further minimise human error in client assessment and improved governance structure built into our loan processing system to strengthen our client portfolio selection and collectability. Meanwhile, we are monitoring the implementation of the recently enacted government's Consumer Credit Act 2025 which is the new regulatory framework that governs the Factoring business. We are engaging with the regulators and industry stakeholders to align with new regulatory expectations to ensure compliance.

Despite the one-off impairment from a non-core business matter that impacted this segment's financial performance for the year, our core business remains resilient. With the approval of the fourth Madani Budget (Budget 2026) in Parliament, the federal government has allocated approximately RM40.2 billion for recurring supply and service expenditures, still representing a sizeable market opportunity for us to approach and support these contract awardees requiring factoring solutions to fulfil their contractual commitments. We will continue to strengthen client engagement through client-centric financial solutions, enhance our digital lending infrastructure and explore suitable growth opportunities within the eP ecosystem and established government-linked institutions. These initiatives are aimed at driving sustainable returns and long-term value for our stakeholders.

TRADING

The Trading segment experienced mixed performance, with commodity price volatility coupled with cautious and shifting customer spending preference affecting margins throughout the financial year. However, strategic diversification and improved procurement practices supported recovery in the second half.

Our wholesale business continues to be primarily driven by festive-season spending and on-demand purchasing patterns. To strengthen our market position, we are expanding our product portfolio to include a broader range of consumer electronics, display and audio-visual equipment, health and beauty appliances, home appliances and client computing products for our B2B and wholesale customers. Although consumer sentiment has remained cautious throughout the year, we expect the upcoming festive periods to provide a lift in demand that will support overall business volume.

While remaining cautious on this segment, we will focus on strengthening supplier networks and expanding into high-growth markets to enhance profitability and mitigate external risks.

Management Discussion and Analysis

CORPORATE DEVELOPMENT & EXERCISES

Variation

We had on 20 June 2025 vary up to RM16.85 million of the RM23.00 million balance unutilised proceeds raised from the Rights Issue with Warrants exercise completed on 14 December 2020 as working capital towards the Factoring Business to support its ongoing business growth.

At the end of FPE 2025, the varied proceeds have been fully utilised for its intended purpose.

RISKS MANAGEMENT

We highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks, if any, are disclosed below: -

Key Area	Risk Factors	Mitigation Measures
Credit & Counterparty Risk	Exposure by the Factoring segment towards default risk from customers whose receivables are financed due incomplete project delivery and/or delayed payments from contract awarders.	We have strengthened our credit vetting, KYC, client risk profilling and debtor limit controls in especially for non e-Perolehan related contracts to ensure the contract validity, client's background and client capability to fulfill their contractual obligation. We select clients with strong track records, focusing on government-related contracts, and track payments through the e-Perolehan system and all non e-Perolehan contract awarders to ensure timely repayment.
Talent Acquisition and Retention of Skilled Professionals	The Group relies heavily on a diverse pool of skilled and experienced staff. Given the globalised nature of the digital technology industry, we face competition from both local and international companies in attracting and retaining qualified personnel.	The Group regularly monitors organisational health and offers various programmes, perks, providing staff upskilling to retain key talents. Continuous communication ensures a timely understanding of employee needs, allowing for realignment when necessary.
Forex Risk	Our ICT and Trading segments are exposed to forex fluctuations as products sold are manufactured overseas even is locally sourced. Volatality in MYR exchange rate may negatively affect pricing and reduce our margin.	Ongoing monitoring and regular communication with distributors and our clients to address any potential issues arising from the forex fluctuations to prevent loss of contracts.
Customer & Revenue Concentration Risk	Project-based income may cause uneven cashflow. Loss, delay or non-renewal of major customers contracts could severely impact revenue.	Broaden client base across sectors & increase recurring service contracts by expanding into scalable, future-ready solutions and services. Continuous monitoring of key account volumes and renewal cycles to improve long-term customer retention and delivery.
Governance and Compliance Risk	Ongoing tightening of financial, data protection, and anti-money laundering regulations further raises compliance risks and costs.	Strengthen management oversight, transparency, and internal controls. Periodic meetings with all business segments support decision-making, planning, and to assess the financial performance and improve operational soundness of each business segments. Additionally, we maintained our Factoring segment on its shariah compliant certification as recognised by the Shariah Advisory Council of Malaysia.

Management Discussion and Analysis

MOVING FORWARD

The Group will continue accelerating its transformation toward a more resilient, technology-driven business model building capabilities, we aim to scale our ICT solutions to capture opportunities arising from Malaysia's digitalisation agenda. In Trading segment, we will broaden our presence in high-demand consumer and enterprise products while expanding recurring-income businesses such as rental-based offerings. Our Factoring segment will focus on strengthening market penetration across both government and non-government sectors to support stable utilisation and returns.

Although global supply chain pressures and macroeconomic uncertainties may influence near-term performance, we remain confident that our strategic repositioning, disciplined capital management and focus on high-potential growth segments will support sustainable progress. We continue to prioritise value creation and operational efficiency as we chart the Group's next phase of growth.

DIVIDENDS

The Board has not adopted any fixed dividend policy. The Board does not recommend payment of any dividend for the FPE2025.

ACKNOWLEDGEMENT & APPRECIATION

The Board of Directors extends its sincere gratitude to all our stakeholders for their unwavering support and trust throughout the year. Your confidence in our vision and commitment to sustainable growth has been instrumental in driving our achievements.

We also acknowledge the dedication of our employees, partners, and shareholders, whose collaboration and resilience have enabled us to navigate challenges and seize new opportunities. Together, we continue to build a stronger, more innovative organisation that delivers long-term value for all.

Thank you for being an integral part of our journey.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement outlines how Mlabs Systems Berhad ("Mlabs") addresses its material sustainability matters and the steps we take to integrate responsible practices into our operations. It also describes our role as an engaged investor and how we monitor and encourage sustainability progress of our portfolio companies in the Information & Communications Technology (ICT), Factoring, and Trading segments. Through continued disclosure and steady improvements, we aim to strengthen our business practices and support sustainable long-term value creation.

As such, we are pleased to present our Sustainability Statement ("Statement"), which outlines the sustainability efforts undertaken during the reporting period. This Statement describes Mlabs' approach to managing the economic, environmental and social ("EES") impacts across Mlabs and its subsidiaries (collectively, the "Mlabs Group").

Sustainability Statement

REPORTING PERIOD

This report covers the period from 1 July 2024 to 30 September 2025 ("FPE2025"), aligning with Mlabs Group's financial year. The reporting period concludes in September 2025 following an adjustment to Mlabs Group's financial year-end. This extension ensures that the sustainability report is fully aligned with Mlabs Group's updated financial reporting cycle, enabling a coherent and comprehensive view of our performance. It includes information on the business operations and activities of Mlabs Group, specifically where the Group holds majority ownership unless stated otherwise.

SCOPE AND BASIS OF SCOPE

The scope of this Statement covers the business operations and activities of Mlabs Group, including its subsidiaries. These subsidiaries are categorised into the following business segments:

Entity	Principal Activities
Information & Communications Technology (ICT)	• Provision of digital and managed ICT services, including Network Integration, Data Centre Build & Solution, Cybersecurity, Collaboration, Cloud Computing & Co-Location and Enterprise Solutions.
Factoring	• Provision of factoring services to SMEs, including government contract awardees via e-Perolehan ("eP"), and non-eP contract awardees from selected Government-linked corporations and public universities.
Trading	• Wholesale trading of consumer electronics, display and audio-visual equipment, health and beauty appliances, home appliances and client computing products.

We have excluded our foreign subsidiaries from the reporting scope, as their activities do not have a material impact on Mlabs Group's overall sustainability performance for the financial year under review.

This Statement discloses how Mlabs Group managed its sustainability topics, as well as the outcomes, highlights and performance throughout the financial year, along with the challenges faced and the plans for managing these challenges moving forward.

We recognise the potential EES impacts arising across our business value chain. Accordingly, the content, quality and scope of this report are guided by the prioritisation of the material topics most significant to Mlabs Group. Governance-related matters are presented under the Economic pillar, as strong governance practices underpin business integrity, financial resilience, and long-term value creation.

REPORTING FRAMEWORKS AND STANDARDS

Where applicable, we provide historical data to enhance the relevance of our disclosures for stakeholders, in compliance with Bursa Malaysia's Sustainability Reporting Guide (Third Edition), and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad as well as United Nations Sustainability Development Goals (UNSDGs).

EXCLUSIONS, LIMITATIONS AND DISCLAIMERS

Mlabs Group acknowledges the challenges associated with compiling data on a group-wide basis, which may affect the accuracy or comparability of some reported data. These discrepancies are noted where relevant.

FORWARD-LOOKING STATEMENTS

Any plans, targets, or other forward-looking statements in this report are based on reasonable current assumptions and may not be exhaustive. Actual outcomes and plans may vary due to changes in operating conditions. Readers are cautioned against placing undue reliance on these statements.

ASSURANCE

All financial data disclosed in this report form part of Mlabs Group's annual audited financial statements and are consistent with the figures presented in Mlabs Group's Annual Report 2025. The non-financial information has been internally compiled and reviewed by the relevant business units and Senior Management to ensure reasonable accuracy and reliability.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

Mlabs Group is committed to embedding sustainability within its operations and strategic decision-making processes. Our sustainability governance structure ensures clear accountability, effective oversight and integrated implementation of sustainability initiatives across all levels of Mlabs Group.

The Board holds ultimate responsibility for Mlabs Group's sustainability strategy, ensuring that sustainability considerations are fully integrated into our overall business approach. This responsibility is further delegated to the Environmental, Social, and Governance Committee ("ESGC") for dedicated oversight.

The ESGC plays a pivotal role in guiding and monitoring Mlabs Group's sustainability performance. Its specific roles and responsibilities are comprehensively detailed in its Terms of Reference, providing a framework for strategic direction and performance evaluation in ESG matters.

Senior Management works closely with the ESGC to translate sustainability strategies into tangible actions across our business operations. They are instrumental in supporting the ESG Working Group, facilitating the effective implementation and management of sustainability strategies and initiatives throughout Mlabs Group.

The ESG Working Group, comprising representatives from various divisions across Mlabs Group, operates under the direct oversight of Senior Management. This cross-functional group is responsible for day-to-day implementation, oversight, and resolution of sustainability-related issues. A key aspect of their role involves engaging proactively with stakeholders to ensure sustainability concerns and opportunities are addressed comprehensively.

BOARD OF DIRECTORS

ESG COMMITTEE

SENIOR MANAGEMENT

ESG WORKING GROUP

STAKEHOLDER ENGAGEMENT

In supporting sustainable value creation, we identify and review the sustainability matters that are most relevant to our business and stakeholders. In 2025, Mlabs conducted its online materiality assessment to better understand stakeholder expectations and the potential EES impacts associated with our operations.

For the 2025 materiality assessment, Mlabs engaged key stakeholder groups whose perspectives are essential for understanding the sustainability issues that may influence our business and stakeholders. The online survey was distributed to both internal and external stakeholders, reflecting a balanced representation of those who interact with or are impacted by the Mlabs Group.

Stakeholder Group	Roles	Stakeholders
Internal	Providing input that guides our strategy, operations, and governance by highlighting key risks, priorities, and expectations.	• Board of Directors • Senior Management / Business Division Heads • Employees
External	Offering perspectives that help us understand service quality, business needs, and emerging sustainability expectations.	• Customers • Suppliers / Vendors

The feedback gathered provided insights into the perceived importance and impact of various sustainability issues on Mlabs' business, as well as the expectations for strengthening our sustainability practices. These responses were consolidated and plotted into a materiality matrix, and reviewed by Senior Management and the Board to determine the priority material matters for Mlabs Group.

To ensure these material matters remain relevant over time, we will continue to review them periodically, taking into account evolving stakeholder concerns, regulatory requirements, and business priorities.

ENDORSEMENT

The findings from the materiality validation were presented to, approved by, and endorsed by the Board.

Sustainability Statement

OUR ENGAGEMENT METHOD

Mlabs engages a range of stakeholders who are connected to our business and may be influenced by, or have an influence on, our operations. We aim to maintain constructive relationships with these stakeholder groups through ongoing engagement across formal and informal channels. These interactions help us identify and address key sustainability matters, understand emerging risks and opportunities, and respond to stakeholder expectations effectively.

Stakeholder	Why We Engage	Engagement Method	Frequency
Customer	• To understand their needs, ensure satisfaction, and build long-term loyalty through quality products and services.	• Customer outreach programme / event • Customer feedback surveys to identify needs and expectations	• As and when required • As and when required
Supplier	• To maintain strong partnerships, ensure responsible sourcing, and secure reliable supply chains.	• Business meetings • Supplier and quality evaluations • Price negotiation	• As and when required • As and when required • As and when required
Employee	• To foster engagement, support professional development, and create a positive work environment that drives productivity.	• Anti-corruption training • Campaigns to remind employees about the whistleblowing platform (e.g. emails and posters to reinforce its purpose and confidentiality) • Awareness for efficient electricity & water usage • Waste segregation and recycling programme • Festive Gathering • Upskilling programme • KPI review	• As and when required • As and when required • Ongoing • Daily • As and when needed • As and when needed • Quarterly
Shareholder	• To provide transparency on performance, build trust, and ensure alignment with business strategy and long-term value creation.	• Annual and quarterly reports • Annual general meetings • Bursa Malaysia announcements • Mlabs Group's official website	• Annually & quarterly • Annually • As and when required • Ongoing

DEFINING OUR MATERIAL MATTERS

The following table identifies the key material matters under the Economic, Environmental, and Social pillars, along with their definitions. These matters guide our sustainability priorities and help ensure that our efforts are aligned with topics most significant to both our stakeholders and our business.

Material matters	Definition
Economic	
Economic Performance	Refers to the financial sustainability and profitability of Mlabs Group reflecting its ability to generate revenue, control costs, and create long-term value for stakeholders. This includes monitoring key financial indicators such as revenue growth, profitability, and return on investment. By maintaining strong economic performance, Mlabs Group ensures business continuity, supports employee welfare, and fosters investor confidence.
Anti-Corruption	Anti-corruption refers to our efforts to prevent and combat bribery, fraud, and other forms of unethical behaviour in our operations and relationships with stakeholders. Effective anti-corruption measures not only ensure compliance with laws and regulations, but also build trust with customers, investors, and partners. They safeguard Mlabs Group's reputation, reduce financial and legal risks, and promote a fair and transparent business environment.

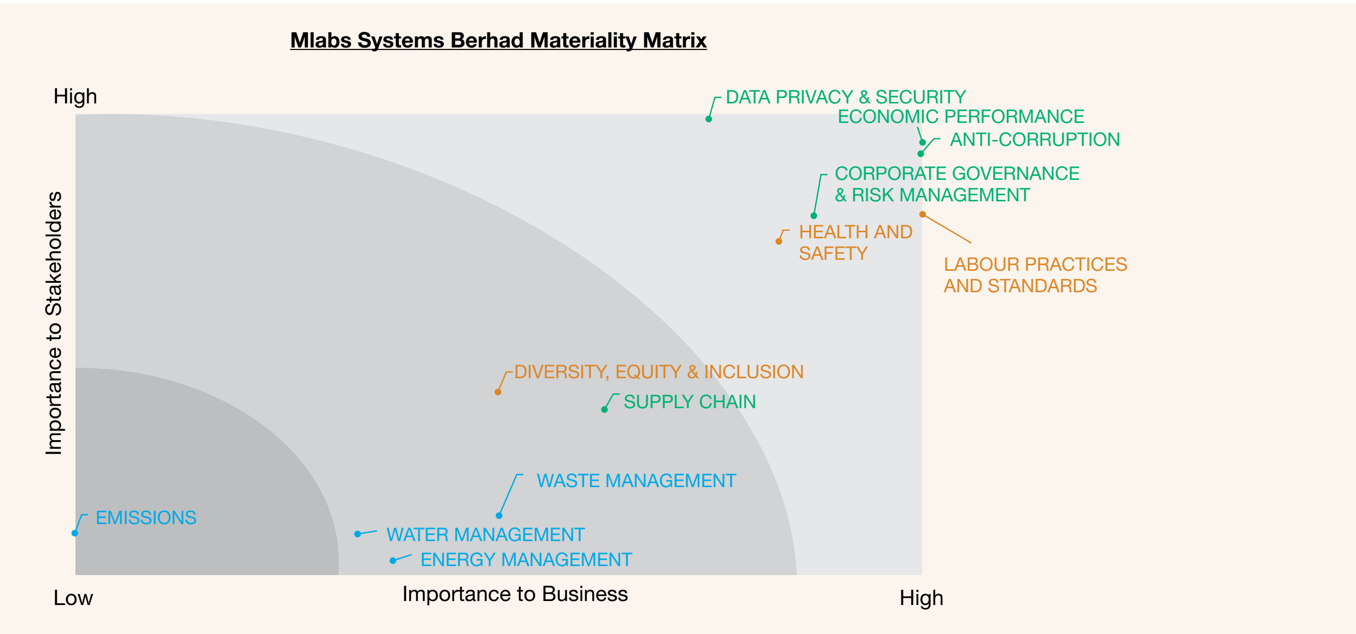
DEFINING OUR MATERIAL MATTERS (CONTINUED)

Material matters	Definition
Economic	
Corporate Governance & Risk Management	Encompasses Mlabs Group's commitment towards ethical leadership, transparent operations, and sound risk management. This involves establishing strong governance frameworks, adhering to regulatory requirements, and upholding accountability to stakeholders. Risk management, including credit assessments, receivables tracking, and internal controls, further protects Mlabs Group from potential financial losses and supports resilient, sustainable growth. These practices contribute to value creation for stakeholders and ensure that Mlabs Group is well-governed.
Data Privacy & Security	Data Privacy & Security refer to the measures Mlabs Group takes to protect its digital infrastructure and the personal data of its employees, customers, and other stakeholders. This involves safeguarding against cyberattacks, data breaches, and unauthorised access. By safeguarding digital infrastructure and personal data, Mlabs Group ensures business continuity, mitigates financial risks from cyberattacks, and builds trust with customers and stakeholders. Compliance with regulations like the Personal Data Protection Act (PDPA) further reduces legal liabilities, ensuring smooth operations and long-term economic resilience.
Supply Chain	The nature of our business involves sourcing products through distributors, and we remain committed to prioritising local sourcing wherever possible. These distributors are integral to our supply chain, which comprises a network of suppliers, materials, and services that support our daily operations. To reflect our commitment to responsible supply chain practices, we monitor the proportion of total expenditure allocated to local sources.
Environment	
Waste Management	Waste management refers to how Mlabs Group handles the generation, segregation, recycling, disposal, and reduction of waste produced during its operations. This includes: Scheduled Waste: Waste arising from the Group's operations that requires responsible handling due to its potential environmental impact. This mainly includes end-of-life electronic equipment and related consumables. In practice, the Group manages such waste through supplier take-back arrangements for used printer cartridges and by refurbishing laptops for rental or reuse, thereby reducing the volume of waste sent for disposal. General Waste: Paper, plastics, aluminium, and packaging materials.
Water Management	Water management refers to the efficient use of water resources in Mlabs Group's operations. It involves tracking water consumption, identifying potential wastage, and implementing strategies to minimise usage while ensuring access to clean water.
Energy Management	Energy management refers to the energy used by Mlabs Group in its operations, including electricity and other forms of energy, such as fossil fuels (e.g., used for employee commuting and business travel). This metric is crucial for understanding Mlabs Group's environmental impact, particularly in terms of greenhouse gas (GHG) emissions associated with energy use.
Emissions	Emissions refer to the release of GHG and pollutants from business activities. At Mlabs Group, managing emissions is key to reducing our environmental impact and supporting global climate action.

DEFINING OUR MATERIAL MATTERS (CONTINUED)

Material matters	Definition
Social	
Labour Practices and Standards	Labour practices at Mlabs Group focus on ensuring fair treatment, safety, and well-being for all employees. This includes fair wages, equal opportunities for advancement, non-discrimination, providing a safe and supportive work environment, and respect for workers' rights.
Health and Safety	Health and Safety refers to the measures Mlabs Group takes to protect its employees and visitors from risks and hazards in the workplace. This includes providing a safe work environment, equipping employees with safety training and awareness, and applying safety procedures and guidance to reduce the risk of accidents, injuries, and health-related issues.
Diversity, Equity and Inclusion (DEI)	DEI refers to creating a workplace where everyone is treated fairly, differences are respected, and all employees feel welcome and supported. For Mlabs Group, this means hiring people from different backgrounds, such as various genders, ethnicities, ages, and abilities. It also involves giving everyone equal chances to succeed, ensuring no one is left out or overlooked.

MATERIALITY ASSESSMENT CHART



Category	Very High Importance
Economic	Economic Performance
	Anti-corruption
	Corporate Governance & Risk Management
	Data Privacy & Security
Social	Labour Practices and Standards
	Health and Safety

Category	Medium Importance
Economic	Supply Chain
Social	Diversity, Equity & Inclusion
Environment	Waste Management
	Water Management
	Energy Management
Category	**Low Importance**
Environment	Emissions

Sustainability Statement

MATERIALITY ASSESSMENT CHART (CONTINUED)

The materiality matrix illustrates the EES topics that are most significant to both Mlabs Group and our stakeholders. The assessment evaluates each topic based on its importance to stakeholders and its impact on our business.

Material matters positioned in the upper-right quadrant, such as Economic Performance, Anti-Corruption, Corporate Governance and Risk Management, Labour Practices and Standards and Health and Safety represent our highest priorities, as they hold strong relevance to business continuity and are highly valued by stakeholders.

Mid-range topics, including Supply Chain and Diversity, Equity & Inclusion, remain important emerging areas that require continuous enhancement to meet evolving stakeholder expectations. Environmental topics such as Energy Management, Water Management, and Waste Management are positioned within the mid-priority range, reflecting their relevance to operational efficiency and resource stewardship.

Emissions, however, fall within the lower-priority range due to the nature of our operations as an ICT and services-based organisation with a relatively smaller carbon footprint. Nevertheless, we continue to monitor all environmental aspects to support our long-term sustainability commitments.

The materiality assessment provides a clear roadmap for Mlabs Group's sustainability priorities. By mapping each topic according to its significance to both our stakeholders and our business, the materiality matrix highlights where strategic attention and resources should be focused. This ensures that our sustainability initiatives are aligned with the expectations of those who matter most to our long-term success. The following section outlines our response to these priorities, highlighting key risks and opportunities to address stakeholder concerns and to drive sustainable value creation.

RESPONDING TO STAKEHOLDERS' PRIORITIES AND CONCERNS

Principle 1: Building Sustainable Financial Performance

Material Matters	Concerns Raised (Risks)	Our response (Opportunities)	UNSDGs
Economic Performance	Poor financial performance threatens business continuity, impacting stakeholders' confidence.	Build sustainable financial performance across all business segments to deliver long-term value to stakeholders.	
Anti-corruption	Poor oversight of internal operations may result in financial leakages and tarnish Mlabs Group's reputation.	Strengthen internal corporate governance to enhance operational oversight and prevent illicit practices.	
Corporate Governance & Risk Management	Poor corporate governance practices may result in operational inefficiency and poor business decisions.	Continuous improvement of internal Standard Operating Procedures (SOPs) and policies.	
Data Privacy & Security	Cyber threats, including breaches of customers' data, may result in the loss of customers' and stakeholders' trust.	Robust cybersecurity and improved data management protect critical customer data and maintain trust in Mlabs Group.	 
Supply Chain	Over-reliance on a single supplier may result in delays or failure to fulfil contractual obligations.	Broaden the panel of suppliers, focusing on domestic suppliers wherever possible to ensure timely delivery and prudent cost management.	 

Sustainability Statement

RESPONDING TO STAKEHOLDERS' PRIORITIES AND CONCERNS (CONTINUED)

Principle 2: Efficient Resource usage and reduce environmental impact

Material Matters	Concerns Raised (Risks)	Our response (Opportunities)	UNSDGs
Waste Management	Inefficiencies in office waste handling could increase costs and affect perceptions of environmental responsibility.	Demonstrate environmental responsibility and reduce operational waste costs.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Water Management	Unnecessary wastage arising from poor usage behaviours.	Promote responsible resource use and reduce utility costs.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Energy Management	Rising electricity costs; risk of inefficient usage.	Promote responsible resource use to reduce long-term operating costs and support climate-conscious business practices.	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Emissions	Limited impact due to a small operational footprint; some emission sources under Scope 3 remain challenging to track.	Encourage alternative meeting methods via teleconferencing and carpooling for unavoidable business travel to reduce the carbon footprint.	13 CLIMATE ACTION

Principle 3: Foster a safe, inclusive and empowering workplace

Material Matters	Concerns Raised (Risks)	Our response (Opportunities)	UNSDGs
Labour Practices	Loss of talent due to unfair labour practices can result in disunity and distrust between employees and the employer.	Upholding strong human rights and labour practices reinforces Mlabs Group's reputation as a responsible employer.	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Health and Safety	Mental-health concerns and work-related injuries can impact performance, resulting in delays and errors.	A strong health and safety culture, supported by a conducive working environment, enhances employee wellbeing and productivity, while helping maintain Mlabs Group's reputation.	3 GOOD HEALTH AND WELL-BEING
Diversity, Equity & Inclusion	Disunity and distrust between employees and the employer.	An inclusive, diverse, and empowering work culture attracts talent and fosters a range of perspectives that enhance the quality of decision-making.	5 GENDER EQUALITY

Sustainability Statement

OUR SUSTAINABILITY FRAMEWORK

MLABS SYSTEMS BERHAD

Sustainability Framework

Economic	**Environment**	**Social**	Mlabs Sustainability Pillars
Building Sustainable Financial Performance	Efficient resource usage and reduce environmental impact	Foster a safe, inclusive, and empowering workplace	Mlabs Principle (Sustainability Themes)
• Economic Performance • Anti-corruption • Corporate Governance & Risk Management • Data Privacy & Security • Supply Chain	• Waste Management • Water Management • Energy Management • Emissions	• Labour Practices and Standards • Health and Safety • Diversity, Equity & Inclusion	Material Topics

UNSDG

Mlabs Group's Sustainability Framework provides a structured approach to integrating sustainability considerations into our business operations and decision-making processes. The framework is guided by three core pillars, i.e., Economic, Environment, and Social, reflecting the key areas where Mlabs Group seeks to manage risks, create value, and support business sustainability.

Each pillar is underpinned by defined sustainability themes and material topics that are relevant to our operations and stakeholders. The framework also aligns selected initiatives with the UNSDGs to demonstrate how Mlabs Group's practices contribute to broader global sustainability priorities.

Under the Economic pillar, we focus on building sustainable financial performance while maintaining sound governance and risk management practices. These areas support business resilience, stakeholder confidence, and long-term value creation.

The Environment pillar emphasises efficient resource utilisation and the reduction of environmental impact arising from our operations. This pillar provides a structured basis for monitoring environmental performance and supports our ongoing efforts to enhance environmental awareness within the organisation.

The Social pillar focuses on fostering a safe, inclusive, and empowering workplace, cultivating a positive culture that supports employee well-being and productivity. This commitment to inclusion and empowerment also extends to the communities we engage with, reflecting our broader efforts to create meaningful social impact.

This Sustainability Framework serves as a reference for identifying material topics, guiding disclosures, and tracking progress over time in a manner proportionate to Mlabs Group's scale and operational capacity. Building on this foundation, the following sections present our sustainability performance across the Economic, Environmental, and Social pillars, translating strategic priorities into practical actions, measurable outcomes, and ongoing improvement. This structure provides a clear view of how sustainability is integrated into Mlabs Group's operations and value creation.

ECONOMIC SUSTAINABILITY

PRINCIPLE 1: BUILDING SUSTAINABLE FINANCIAL PERFORMANCE

Sustainable financial performance is fundamental to Mlabs Group's long-term ability to create value for stakeholders. Under the Economic pillar, this principle reflects our focus on conducting business responsibly and with resilience. The identified material matters (economic performance, anti-corruption, corporate governance and risk management, data privacy and security, and supply chain management) support this principle by strengthening business integrity, managing risks, and promoting reliable operations. Collectively, these efforts underpin sustainable growth while supporting accountability, transparency and financial resilience.

Economic Performance

Economic sustainability remains a central pillar of Mlabs Group's long-term value creation strategy, underpinning our ability to deliver resilient financial performance while strengthening our operational and governance foundations. Guided by our Sustainability Framework, the Group continues to prioritise responsible business practices, sound financial management, and strategic resource allocation to ensure sustained growth that benefits all stakeholders. Our economic performance in the reporting period reflects the continued diversification and strengthening of our core business segments, comprising ICT & Fintech, Trading and Factoring income streams.

Kindly refer to our Management Discussion and Analysis and the Audited Financial Statements in this Annual Report for additional details about the Group's financial performance.

Revenue	FYE2023 (RM '000)	FYE2024 (RM '000)	FPE2025 (RM '000)
ICT & Fintech*	13,508	15,094	12,436
Trading	1,505	5,453	8,672
Factoring	6,877	7,184	12,425
Others**	1,061	1,330	1,683
	22,951	**29,061**	**35,216**

* *Fintech division been removed from FPE2025 aligned with our refined sustainability framework focusing on domestic operations.*
** *Others consist of property rentals income, training and seminars, and various non-core business units.*

ICT

The global technology hardware market during the FPE2025 experienced significant cost pressures driven primarily by surging demand from AI data centres. Prices for DRAM and NAND flash memory rose sharply, doubling in some cases, as manufacturers redirected production capacity towards high-margin, high-bandwidth components required for AI systems, resulting in reduced availability for general consumer and enterprise hardware. Enterprise IT spending continued its upward trajectory as global investment in AI infrastructure and data center continues to expand. Conversely, consumer device demand remained soft, yet end-user prices increased due to rising component costs.

These pricing challenges were compounded by ongoing supply chain disruptions, including semiconductor shortages, logistics bottlenecks, and higher raw material costs. Geopolitical tensions and tariff-driven cost escalations further accelerated supply chain diversification efforts. AI remained the dominant force reshaping hardware economics, with manufacturers prioritising specialised, AI-centric components over mainstream products. Looking ahead, pricing pressures are expected to persist well into 2026, with several vendors signalling upcoming price increases average between 15–20%.

Our recent Microsoft® certification as an enterprise solutions provider has diversified our capabilities into software-based solutions, helping to cushion pricing margin impacts and broaden our service offerings to better meet customers' needs. At the same time, we are also working towards higher level certification for our cybersecurity capability which allows us to seek for higher value projects.

ECONOMIC SUSTAINABILITY (CONTINUED)

PRINCIPLE 1: BUILDING SUSTAINABLE FINANCIAL PERFORMANCE (CONTINUED)

Factoring

Our factoring segment remains resilient and continues to expand its contract awardee base, particularly among federal government agencies, selected government-linked companies, and public universities that require factoring solutions to fulfil their contractual obligations.

Our client base primarily comprises Micro, Small and Medium Enterprises ("MSMEs"), a segment that is generally underserved by larger financial institutions yet demonstrates a strong track record in delivering contractual commitments. To safeguard our working capital and mitigate potential risks, we apply prudent and comprehensive due diligence processes when onboarding and managing these MSME clients. At the same time, we are looking into a balanced client portfolio mix to maximise our return safely and sustainably.

In parallel, we are actively engaging with the Consumer Credit Oversight Board Task Force led by the Ministry of Finance, Bank Negara Malaysia, and the Securities Commission Malaysia in anticipation of the enactment and enforcement of the Consumer Credit Act ("CCA"). Under the CCA, all factoring companies will come under regulatory supervision by 2027. These engagements are part of our ongoing efforts to ensure that our business operations remain fully compliant with the CCA and aligned with evolving regulatory requirements.

Trading

During FPE2025, we observed evolving spending patterns across both consumer and enterprise segments. In the B2C market, purchasing behaviour has increasingly shifted towards value-driven bundled offerings for consumer electronics and household appliances. In response, we continue to focus on targeted sales roadshows for corporate employees and property owners to capture demand within these segments.

In contrast, B2B customers remain primarily focused on product pricing and currency fluctuations to align with specific project requirements. These trends have influenced our business strategy, particularly in managing inventory hedging, stock levels, and pricing and margin optimisation. Hospitality-related projects will continue to be a key area of focus, as many players in the domestic market are in the process of renovating or upgrading their hotels to accommodate the anticipated increase in visitor arrivals to the country.

To mitigate over-reliance on specific brands, we continue to broaden and diversify our supplier base in line with prevailing spending preferences. Concurrently, we are expanding our income streams through the introduction of a business-to-business water purifier rental solution targeted at cost-conscious customers, offering an affordable and flexible alternative to traditional outright ownership.

Anti-Corruption

Mlabs upholds a strict zero-tolerance stance against all forms of bribery and corruption as part of our commitment to ethical business conduct, regulatory compliance, and long-term value creation. Anti-corruption remains one of our most critical material matters and is integral to Mlabs Group's business integrity, investor confidence and operational resilience.

In FPE2025, we have broadened organisational awareness and compliance by enhancing employee competency through structured Anti-Bribery and Anti-Corruption (ABAC) training. The programme covered the elements and types of corruption including bribery, false claims, asset misappropriation, and unethical third-party practices which aligned with the requirements of the Malaysian Anti-Corruption Commission (MACC) Act 2009 & 2018 (Amendments), particularly Section 17A on Corporate Liability.

The training also provided a comprehensive understanding of anti-corruption principles, adequate procedures under the T.R.U.S.T framework, whistleblowing mechanisms, due diligence practices and the Plan-Do-Check-Act (PDCA) approach to strengthening internal controls. Participants were equipped to identify red flags, assess corruption risks, and recognise malpractices across hiring, sourcing, contract management, and payment processes. Through real-life case studies, interactive learning, and practical compliance techniques, employees gained greater capability in preventing, detecting, and managing unethical behaviour. This initiative reinforces our commitment to fostering a transparent and responsible workforce, ensuring that employees understand our anti-corruption policy comprehensively and are able to support a culture of integrity across all business operations.

ECONOMIC SUSTAINABILITY (CONTINUED)

PRINCIPLE 1: BUILDING SUSTAINABLE FINANCIAL PERFORMANCE (CONTINUED)

Anti-Corruption (Continued)

During the year, 50% of Senior Management, 35% of Middle Management, and 17% of Executive-level employees received anti-corruption training. Non-Executive employees have yet to be included in the training cycle. The training prioritised management and executive groups who are more frequently exposed to decision-making, vendor interactions, and other functions with heightened corruption risks. Strengthening competency at these levels ensures a solid governance foundation that can cascade effectively throughout the wider organisation. This initiative reinforces our commitment to fostering a transparent and responsible workforce. By ensuring that employees fully understand our anti-corruption policy and are empowered to uphold it, we continue to embed a culture of integrity across all business operations.

Although no corruption incidents occurred during the year, key challenges include maintaining vigilance among employees, adapting training content to remain relevant and practical, and keeping pace with evolving risks from business activities.

Looking ahead, we will continue to focus on expanding the reach and effectiveness of our anti-corruption initiatives across the organisation.

Employees who have received training on Anti-Corruption				
Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Senior Management	%	27	40	50
Middle Management		50	10	35
Executive		15	15	17
Non-Executive		0	0	0

In FPE2025, formal assessments of our operations for corruption-related risks were not yet conducted, and no confirmed incidents of corruption were recorded. In the absence of such assessments, Mlabs Group's continued focus on strengthening internal anti-corruption policies, governance structures, and employee training programmes to mitigate potential risks.

Future efforts will be directed to practical measures to strengthen anti-corruption practices without overextending resources. These include prioritising training for employees in high-risk functions, implementing basic due diligence for key suppliers and partners, promoting awareness of whistleblowing channels, and integrating simple monitoring steps into operational reviews. By starting with these achievable actions, Mlabs Group can improve detection and prevention of corruption, reinforce transparency, and gradually build a stronger culture of ethical conduct across the organisation.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Operations assessed for corruption-related risks	%	0	0	0
Confirmed incidents of corruption and action taken	Number	0	0	0

ECONOMIC SUSTAINABILITY (CONTINUED)

PRINCIPLE 1: BUILDING SUSTAINABLE FINANCIAL PERFORMANCE (CONTINUED)

Corporate Governance & Risk Management

Mlabs Group remains committed to upholding strong corporate governance and ethical conduct across all business operations. Our governance framework ensures clear lines of accountability, supported by oversight from the Board. A key component of this framework is our whistleblowing mechanism, which provides employees and stakeholders with an independent and confidential channel to report concerns directly to the Board. Our whistleblowing policy is publicly available on our website at www.mlabs.com/corporate-governance. This mechanism reinforces our commitment to integrity and ensures that any potential violations, whether ethical, operational, or compliance-related are addressed promptly and fairly.

During the reporting year, our governance practices continued to operate effectively, with no reported incidents of corruption or governance-related misconduct. Management also conducted ongoing monitoring of policies, compliance requirements, and internal processes to ensure business continuity and alignment with regulatory expectations. These efforts underscore our commitment to responsible oversight and robust internal controls.

Despite the progress achieved, we acknowledge that gaps and challenges remain. As our business continues to evolve, expectations around risk governance are increasing, particularly in relation to stronger data governance, more structured risk reporting, and deeper integration of ESG considerations into decision-making processes. Enhancing employee awareness of governance responsibilities remains a priority, especially as regulatory standards continue to advance.

As part of future initiatives, our governance policies will continue to evolve and be updated to ensure alignment with regulatory developments and organisational needs. We will further benchmark our practices against industry standards to strengthen a governance framework that is responsive to emerging risks.

Data Privacy & Security

Protecting personal and customer data remains a critical focus for Mlabs Group, as stakeholders expect robust measures to prevent data breaches, ensure trust, and comply with the Personal Data Protection Act (PDPA) 2010 (Act 709). Recognising that data privacy is a key risk area in our digital operations, we prioritise data protection and system integrity while continuously improving our cybersecurity measures.

Our Personal Data Protection Policy, first introduced in FYE2024, continues to guide the responsible collection, use, storage, and disclosure of personal and customer information across all business operations. Customer data is managed by our in-house technical team on a third-party, Tier 3-secured cloud environment, ensuring confidentiality, integrity, and availability. Clear communication on data usage purposes and strict access controls further reinforce transparency and stakeholder trust.

Since reporting commenced, Mlabs Group has recorded zero substantiated complaints related to breaches of customer privacy or data loss, reflecting the effectiveness of our data protection measures and continuous monitoring mechanisms.

As cybersecurity threats evolve, ensuring adequate protection against emerging risks remains an ongoing challenge. Rising phishing attempts, social engineering tactics, and system vulnerabilities demand continuous vigilance, particularly as digital engagement and cloud-based operations expand.

Moving forward, we will focus on practical, achievable steps to further strengthen data protection. Planned initiatives include refresher training sessions for employees on data privacy and phishing awareness, ensuring that our workforce remains equipped to safeguard information and uphold stakeholder trust.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Substantiated complaints concerning breeches of customer privacy and losses of customers data	Number	0	0	0

ECONOMIC SUSTAINABILITY (CONTINUED)

PRINCIPLE 1: BUILDING SUSTAINABLE FINANCIAL PERFORMANCE (CONTINUED)

Supply Chain

In FPE2025, Mlabs Group continued to prioritise sourcing products and services locally across all our business segments. We recognise that responsible supply chain practices, such as supporting local suppliers, contribute to a more resilient marketplace, foster the growth of local enterprises, and enable us to better meet consumers' needs by securing products and services tailored to their preferences.

We are pleased to report that the proportion of our spending on local suppliers increased to 99.1% in FPE2025, up from 98.9% in FYE2024, reflecting our ongoing commitment to supporting the local economy. Our suppliers remain reputable organisations that uphold high-quality standards, ensuring that the goods and services we receive consistently meet our expectations. In line with this commitment, we continue to source food and beverages from small local businesses for company events, training sessions, and meetings, reinforcing our support for local enterprises.

A key challenge in local sourcing is balancing cost efficiency and competitiveness with the need to maintain high-quality standards. While stakeholders value our commitment to local suppliers for business continuity, it is essential that products and services remain competitive in terms of both price and performance.

Mlabs will continue to practise fair and responsible procurement, strengthen support for local vendors, and enhance supplier evaluation processes. These efforts aim to ensure compliance, maintain quality standards, and create long-term value for both Mlabs Group and our supplier network.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Proportion of spending on local suppliers	%	94.9	98.9	99.1

As Mlabs Group strengthens the governance and financial foundations of its business, environmental stewardship represents the next critical area of focus in supporting long-term sustainability.

ENVIRONMENT SUSTAINABILITY

PRINCIPLE 2: EFFICIENT RESOURCE USAGE AND REDUCE ENVIRONMENTAL IMPACT

As Mlabs Group continues to grow, managing environmental impacts remains an important part of responsible operations. This principle focuses on improving efficiency in the use of natural resources and minimising environmental footprints associated with our operations. The material matters identified under this pillar (waste, water, energy, and emissions) are closely linked to how resources are consumed and managed across our operations. Addressing these areas supports operational efficiency and environmental responsibility, while reinforcing our commitment to reducing overall environmental impact.

Waste Management

Recognising the importance of effective waste management in reducing environmental impact, Mlabs Group continued to build upon the foundation laid in FYE2024. Last year, we committed to enhancing our waste tracking and management practices through the development of a system to measure waste diverted from and directed to disposal.

In FPE2025, we achieved two important milestones in our waste management journey. First, in April 2025, we commenced Mlabs Group's recycling initiative in collaboration with an external recycling company who is also a licensed e-waste recycler. Waste segregation bins were introduced at our headquarters and subsidiary offices to encourage proper sorting of recyclables. The recyclable items, such as paper, plastic and aluminium, are managed by Aspen Recycle Sdn Bhd. This initiative has successfully diverted 130.26 kg of waste from landfill, resulting in a reduction of 79.06 $kgCO_2e$ in GHG emissions, demonstrating our commitment to environmental sustainability.

Second, recognising that non-recyclable waste still remains a challenge, we began measuring the volume of waste sent directly to landfill in August 2025. As this is the first year of tracking, only two months of data (August–September 2025) are available, which will serve as baseline for future monitoring and target setting. The total waste directed to landfill amounted to 433.46 kg, reflecting the early stages of our waste management programme and highlighting areas for improvement. Notably, waste generated during events was approximately four times higher than usual, emphasising the need for targeted waste reduction strategies during peak periods.

ENVIRONMENT SUSTAINABILITY (CONTINUED)

PRINCIPLE 2: EFFICIENT RESOURCE USAGE AND REDUCE ENVIRONMENTAL IMPACT (CONTINUED)

Waste Management (Continued)

Building on current practices, we aim to expand waste diversion efforts and explore opportunities to further reduce environmental impact across all operations. These initiatives will strengthen our ability to manage waste responsibly while supporting broader sustainability objectives.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Total waste generated (a+b)	kg	N/A	N/A	563.72
(a) Total waste diverted from disposal		N/A	N/A	130.26
(b) Total waste directed to disposal		N/A	N/A	433.46
Emission reduction	$kgCO_2e$	N/A	N/A	79.06

Water Management

In FPE2025, Mlabs Group recorded an increase in water consumption compared to the previous financial year, with total usage rising from 164 m^3 in FYE2024 to 399 m^3. Water consumption during the year was mainly associated with routine office operations, including the use of restrooms and pantry facilities.

We remain committed to promoting responsible water-use practices among employees and encouraging mindful consumption in common areas. Where feasible, existing water-saving features such as low-flow fixtures and motion-sensor taps will be maintained. Through ongoing awareness initiatives, we aim to manage water consumption prudently while supporting operational requirements.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Water Consumption	m^3	221	164	399

Energy Management

At Mlabs Group, we remain committed to managing and reducing our energy consumption as part of our environmental sustainability strategy. Throughout FPE2025, we continued reinforcing energy-efficient practices such as maintaining LED lighting systems, routinely servicing air-conditioning units, and promoting responsible behaviours among employees, including switching off unused equipment and optimising workspace usage.

In FPE2025, total electricity consumption increased to 221,952 kWh, compared to 140,865 kWh in FYE2024. The increase was primarily driven by higher utilisation of our event space, which serves both internal needs and external clients for corporate activities, including annual meetings, training programmes, product launches, and marketing events. These activities required additional use of audiovisual equipment and air-conditioning, contributing to higher energy demand. As the event space continues to serve as a key shared facility, its operational intensity remains a significant factor influencing our overall energy performance.

To ensure responsible energy management despite increased activity levels, we implemented several measures, including scheduled maintenance to keep air-conditioning units and lighting systems operating efficiently, optimising energy use during non-event periods to prevent unnecessary consumption and encouraging employees to adopt energy-saving habits across the workplace.

Looking ahead, we will strengthen energy performance by exploring additional optimisation measures, enhancing data tracking capabilities, and assessing opportunities for further efficiency improvements. These initiatives reflect our commitment to continuous improvement while balancing operational requirements with environmental responsibility.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Energy Consumption	kWh	103,279	140,865	221,952

ENVIRONMENT SUSTAINABILITY (CONTINUED)

PRINCIPLE 2: EFFICIENT RESOURCE USAGE AND REDUCE ENVIRONMENTAL IMPACT (CONTINUED)

Emissions

Scope 1 carbon emissions remain not applicable to Mlabs Group, as our operations do not involve direct emission sources such as fuel combustion, company-owned vehicles, or facilities requiring on-site energy generation. In line with the GHG Protocol, our environmental disclosures therefore focus on Scope 2 emissions and relevant Scope 3 categories, which more accurately reflect the nature of our business activities.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Scope 1 – Direct Emission	tCO_2eq	N/A	N/A	N/A

In FPE2025, Mlabs Group's Scope 2 emissions from purchased electricity increased to 171.791 tCO_2eq, compared to 106.776 tCO_2eq in FYE2024 and 78.285 tCO_2eq in FYE2023. The increase was primarily attributable to higher electricity consumption arising from expanded operational activities during the reporting year, including more frequent use of event spaces for internal programmes and corporate activities, as well as the relocation of our factoring business. These activities required additional air-conditioning, lighting, and audiovisual equipment, contributing to higher energy demand.

While energy-efficient infrastructure and electricity-saving practices continue to be implemented across operations, the overall rise in operational intensity contributed to a corresponding increase in electricity-related emissions. Managing electricity consumption therefore remains a key focus area as Mlabs Group seeks to balance operational requirements with environmental performance.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Scope 2 – Electricity	tCO_2eq	78.285	106.776	171.791*

**Note: The emission factor used for Scope 2 emissions is from the 2022 Grid Emission Factor of the Energy Commission for Peninsular Malaysia, which is 0.774 tCO_2 /MWh*

In FPE2025, Mlabs Group expanded its GHG reporting boundary to include relevant Scope 3 emissions, reflecting our commitment to carbon accounting. Under Category 6: Business Travel, emissions amounted to 43.14 tCO_2eq, arising from employee travel for client engagements and operational requirements. Meanwhile, under Category 7: Employee Commuting, emissions amounted to 113.66 tCO_2eq in FPE2025. This data provides valuable insights into commuting patterns and supports our efforts to design initiatives that promote sustainable mobility across the organisation.

Scope 3 – Indirect Emission				
Indicator	**Measurement Unit**	**FYE2023**	**FYE2024**	**FPE2025**
Category 6: Business Travel	tCO_2eq	N/A	N/A	43.14
Category 7: Employee Commuting		N/A	N/A	113.66

In the coming years, Mlabs Group is committed to strengthening carbon management across both Scope 2 and Scope 3 emissions. For electricity-related emissions, we will continue to optimise energy use within our office and event space by enhancing operational controls, improving scheduling to minimise unnecessary usage, and reinforcing energy-saving practices among employees. To address Scope 3 emissions, we aim to promote more sustainable commuting practices through commute planning and carpooling to reduce unnecessary travel and associated emissions. We will also reduce reliance on work-related travel by increasing the use of virtual meetings where feasible.

As our reporting expands, we aim to improve data accuracy, deepen analysis of emission sources, and identify further opportunities for reduction. These ongoing efforts reinforce our dedication to managing our environmental footprint responsibly while supporting the needs of our growing operations.

Beyond environmental stewardship, our sustainability priorities extend to cultivating a supportive and empowering workplace. This commitment underpins the Social pillar of our ESG strategy, where we focus on nurturing talent and ensuring fair labour practices, promoting employee well-being and fostering a culture of respect and collaboration across the organisation.

Sustainability Statement

SOCIAL SUSTAINABILITY

PRINCIPLE 3: FOSTER A SAFE, INCLUSIVE AND EMPOWERING WORKPLACE

Mlabs Group recognises that its people are central to achieving sustainable economic and environmental outcomes. This principle underscores our commitment to providing a safe, fair, and inclusive workplace that supports employee wellbeing, engagement, and development. The material matters under this pillar (labour practices and standards, health and safety, and diversity, equity and inclusion) are interconnected in shaping a positive work environment where employees feel protected, respected, and empowered. By strengthening these areas, Mlabs Group enhances workforce stability, productivity, and long-term organisational performance.

Labour Practices and Standards

Mlabs Group's approach to labour practices focuses on fostering a fair, safe, and engaging work environment. Our key priorities include respecting human rights, promoting employee engagement, providing continuous training and development opportunities, and managing employee turnover effectively. By prioritising these areas, we aim to support the well-being, growth, and retention of our workforce while building a strong, ethical, and resilient organisation. These efforts reinforce our commitment to cultivating a workplace culture that empowers employees and sustains long-term organisational performance.

Human Rights

In FPE2025, Mlabs Group recorded zero substantiated complaints related to human rights violations, reflecting our continued commitment to fair labour practices, equal opportunities, and a respectful working environment that upholds fundamental human rights.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Substantiated complaints concerning human rights violations	Number	0	0	0

We continue to uphold human rights and labour practices in accordance with Malaysian labour laws and regulations. This includes adherence to the Employment Act 1955, which governs employment benefits such as statutory maternity and paternity leave, supporting employees' well-being and work–life balance. We practice fair employment, equal opportunity, and non-discrimination, with a strong focus on employee welfare. These practices are reinforced through ongoing training and development programmes that promote employee growth and strengthen awareness of appropriate workplace conduct and ethical standards.

In line with our commitment to workplace inclusion, Mlabs Group developed an internal sign language awareness video to promote accessible communication and foster an inclusive working environment. The video features a non-speaking employee introducing basic sign language to support better understanding and interaction among colleagues. This initiative demonstrates our efforts to strengthen employee engagement, mutual respect, and inclusivity across the organisation.

SOCIAL SUSTAINABILITY (CONTINUED)

PRINCIPLE 3: FOSTER A SAFE, INCLUSIVE AND EMPOWERING WORKPLACE (CONTINUED)

Employee Engagement

Mlabs Group fosters employee engagement through both work-related interactions and informal activities. Regular meetings and internal gatherings, including festive celebrations, provide opportunities for employees to connect, strengthen teamwork, and build a positive workplace culture. These initiatives reinforce collaboration, enhance morale, and contribute to a supportive environment where employees feel valued and engaged.

Training and Development

Our approach to human capital development focuses on building a knowledgeable, skilled, and future-ready workforce through continuous learning and targeted capability building. We cultivate a supportive environment that promotes skill enhancement, knowledge sharing, and employee engagement across all divisions. Training programmes are carefully selected to strengthen both professional and technical competencies, ensuring alignment with Mlabs Group's operational needs and long-term strategic direction.

Employees were encouraged to participate in programmes relevant to their functions, resulting in engagement in learning and skill development across departments. Our training and development programmes are structured across four main areas. Key training areas included:

Category	Training / Programmes
Governance, Ethics & Compliance	• Conflict of Interest & Disclosure Obligations • Anti-Bribery & Corruption – Awareness & Compliance • Anti-Money Laundering and Anti-Bribery (AMLA) • Understanding the New National Sustainability Reporting Framework
Digital & Technology Skills	• Generative AI Conference • Microsoft Excel (Intermediate & Advanced) • Technical Enablement Workshop
Financial & Operational Capability	• Financial Statement Analysis for Non-Finance Managers • E-Invoicing Implementation • Win-Win Negotiations
Safety & Well-being	• Basic Occupational First Aid (BOFA)

SOCIAL SUSTAINABILITY (CONTINUED)

PRINCIPLE 3: FOSTER A SAFE, INCLUSIVE AND EMPOWERING WORKPLACE (CONTINUED)

Training and Development (Continued)

Overall, the training programmes strengthened employee competency, improved digital readiness, enhanced ethical and compliance awareness, and supported operational excellence.

In FPE2025, Mlabs Group continued to invest in the development of its workforce across different employee categories. A total of 28 hours of training were recorded for Senior Management, reflecting a targeted approach focusing on strategic and leadership competencies. Middle Management received 161 hours of training, supporting their operational and supervisory responsibilities. Executives participated in 395 hours of training, highlighting our commitment to enhancing functional, technical, and professional skills among key operational employees. While there were no recorded training hours for Non-Executive employees, who largely consist of interns, our learning and development efforts continue to prioritise permanent employees, who play a central role in supporting Mlabs Group's long-term growth and capability-building. This approach ensures that training resources are directed toward strengthening core competencies and enhancing the skills of employees who are integral to sustaining organisational performance over time.

A realignment of the organisational hierarchy was undertaken during FPE 2025 which affected the reported figures for Senior Management. The overall reduction in training hours for Middle Management and Executive levels compared to previous years is attributable to a shift towards greater reliance on-the-job development and digital self-learning modules. These allow employees to acquire skills in a more flexible and context-specific manner, tailored to their daily responsibilities and evolving business needs.

Total training hours by employee category				
Indicator	**Measurement Unit**	**FYE2023**	**FYE2024**	**FPE2025**
Senior Management	Hours	185	185	28
Middle Management		370	252	161
Executive		577	612	395
Non-Executive		0	0	0

Employee Turnover

In FPE2025, Mlabs Group continued to prioritise the development and retention of a capable and committed workforce, recognising that our people are central to organisational success. Throughout the year, our recruitment decisions were guided by qualifications, relevant experience, aptitude, and professional attitude, ensuring that new hires aligned with both operational needs and organisational values.

Employee turnover occurred across several employee categories during the year, most notably at the executive level. This was largely attributable to the strength of external market opportunities offering enhanced role scope, accelerated career progression, and competitive remuneration. While turnover at this level is not unusual, it underscores the importance of continued investment in employee engagement, career development, and retention strategies to maintain workforce stability and support long-term organisational performance.

Looking ahead, Mlabs will strengthen its talent management approach by deepening retention initiatives and enhancing opportunities for career growth, particularly among Executive-level employees, where turnover is highest. We plan to expand internal capability-building programmes, improve role clarity, and introduce more structured development pathways to support long-term engagement. Regular reviews of our compensation and benefits framework will continue to ensure competitiveness in the evolving labour market.

Total number of employee turnover by employee category				
Indicator	**Measurement Unit**	**FYE2023**	**FYE2024**	**FPE2025**
Senior Management	Number	2	0	0
Middle Management		5	4	3
Executive		8	21	24
Non-Executive		2	0	0

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Percentage of contractors or temporary employee	%	2	2	15

Sustainability Statement

SOCIAL SUSTAINABILITY (CONTINUED)

PRINCIPLE 3: FOSTER A SAFE, INCLUSIVE AND EMPOWERING WORKPLACE (CONTINUED)

Health and Safety

In FPE2025, Mlabs Group refined the Health and Safety reporting boundary to better reflect the nature of our operations and align with common industry practices. Beginning this FPE, our Lost Time Injury Rate (LTIR) and related indicators are reported only for incidents that occur during working hours and in the course of work, including office activities, meetings, and work-related training sessions. Incidents that occur outside the workplace, such as commuting to and from the office, are no longer included in our LTIR calculation. This updated boundary provides a clearer and more accurate representation of workplace safety performance within our direct operational control.

Under the revised boundary, Mlabs Group recorded zero Lost Time Injuries in FPE2025, resulting in an LTIR of zero. This reflects our continued emphasis on maintaining safe working conditions, minimising hazards within the office environment, and ensuring structured oversight of all work-related activities.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Work-related fatalities	Number	0	0	0
Lost Time Incident Rate	Number/200,000 hours worked	0	1.05	0

The decision to exclude commuting-related incidents from FPE2025 reporting is based on two key considerations. First, such incidents occur outside the workplace environment where Mlabs has no operational control over surrounding conditions, infrastructure, or external risk factors. Reporting these as workplace injuries may not accurately reflect the effectiveness of our internal safety measures. Second, aligning the boundary with workplace-only incidents enhances consistency with industry norms, Bursa sustainability disclosures, and Occupational Safety and Health (OSH) best practices, enabling more meaningful benchmarking and trend analysis. While commuting safety remains important, Mlabs Group's LTIR reporting focuses solely on workplace-related incidents within its operational control.

Within this defined reporting boundary, we prioritise maintaining a safe and healthy working environment appropriate for our office-based operations and in line with applicable occupational safety and health requirements. During the year, employees continued to receive Basic Occupational First Aid (BOFA) training, equipping them with essential knowledge of first aid principles, emergency response, and practical skills such as Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) usage. This training supports a preventive and safety-conscious culture across the organisation.

In FPE2025, a total of 20 employees were trained on health and safety standards, reflecting our continued commitment to strengthening workplace safety awareness and emergency preparedness. This represents an increase compared to prior years and demonstrates our ongoing efforts to ensure that employees are adequately equipped to respond to workplace health and safety risks.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Employees trained on health and safety standards	Number	13	7	20

SOCIAL SUSTAINABILITY (CONTINUED)

PRINCIPLE 3: FOSTER A SAFE, INCLUSIVE AND EMPOWERING WORKPLACE (CONTINUED)

Health and Safety (Continued)

Beyond training and emergency preparedness, workplace safety and health are further reinforced through preventive operational controls integrated into daily office practices. This is achieved by maintaining a clean and orderly workplace, ensuring adequate lighting and ventilation, and implementing appropriate office layouts to minimise workplace hazards. These measures reflect the scale and nature of our operations while reinforcing the effectiveness of its workplace safety management approach.

A key challenge for Mlabs Group is maintaining strong safety performance within a corporate office environment where risks are generally low but still present, particularly during events, client meetings, or training sessions held in shared spaces. As our operations and event activities expand, continuous monitoring of facility conditions, including emergency preparedness remains important. Within our office, emergency exit routes are prominently displayed on notice boards and at our event space, providing employees and clients with clear guidance in the event of a fire. These measures support employee awareness and preparedness, reinforcing a safe working environment within the facilities we occupy.

As part of our continuous improvement efforts, we aim to further strengthen our workplace safety framework by improving visibility over safety observations and embedding preventive practices into daily operations. We plan to expand OSH-related awareness activities, including refresher briefings and targeted reminders during events or high-traffic activities. Regular inspections of office and event spaces will ensure that potential hazards such as electrical, ergonomic, or crowd-related risks are identified early and addressed promptly.

We will continue to prioritise skills development by offering more structured and role-specific training for employees responsible for safety oversight. As our reporting boundary evolves, we are committed to enhancing the quality of our trend analysis, strengthening near-miss incidents, and ensuring transparent disclosures that demonstrate our commitment to employee well-being. These initiatives are fundamental to our long-term objective of maintaining a safe and compliant workplace while fulfilling stakeholder expectations.

Diversity, Equity & Inclusion (DEI)

DEI supports Mlabs Group's efforts to maintain fair employment practices and an inclusive workplace. We seek to provide equal opportunities across all employee categories, with due consideration to business needs, talent availability, and organisational structure.

Workforce diversity is monitored through gender and age distribution by employee category, as well as the composition of the Board by gender and age group. These disclosures provide transparency on representation across different levels of the organisation. In addition, community investment initiatives reflect our broader commitment to inclusive engagement beyond the workplace.

At Mlabs Group, we continue to foster a diverse and inclusive workforce, recognising that varied skills, perspectives, and experiences drive innovation and business growth. In FPE2025, female employees represented 56% of our workforce, compared with 44% male employees, following a near gender balance in FYE2024.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Male Employee	%	57	49	44
Female Employee		43	51	56

We will continue to monitor workforce composition and promote fair and equitable employment practices. Recruitment, development, and advancement opportunities will continue to be based on merit and business needs, ensuring that all employees are treated with fairness and respect. This approach reinforces our dedication to building an inclusive workplace that supports organisational growth while reflecting the values of equity and integrity.

SOCIAL SUSTAINABILITY (CONTINUED)

PRINCIPLE 3: FOSTER A SAFE, INCLUSIVE AND EMPOWERING WORKPLACE (CONTINUED)

Gender distribution by Employee Category

Mlabs Group is committed to promoting gender diversity across all levels of the organisation. In FPE2025, a realignment of the organisational hierarchy was undertaken, which affected the reported figures for Senior Management. Notwithstanding this, we continued to see a positive shift towards a more balanced workforce, with a slight increase in female representation across Middle Management. These changes reflect our ongoing efforts to nurture an inclusive environment, support career development for all employees, and progressively reduce gender gaps within our management teams.

At the Executive level, female employees represented 71% of the team. This strong female representation demonstrates our commitment to promoting gender diversity and supporting career development at this level.

The Non-Executive category included 71% male and 29% female employees, influenced by external factors such as candidate availability and interest in internship roles.

Looking ahead, we will further enhance gender inclusivity by promoting equal opportunities, supporting professional development, and implementing initiatives that foster an equitable workplace for all employees.

Indicator	Measurement Unit	FYE2023		FYE2024		FPE2025	
		Male	Female	Male	Female	Male	Female
Senior Management	%	73	27	78	22	100	0
Middle Management		75	25	58	42	57	43
Executive		42	58	40	60	29	71
Non-Executive		50	50	100	0	71	29

Age Distribution by Employee Category

Mlabs Group recognises and values the contributions of employees across different age groups, as age diversity brings a balance of experience, skills, and perspectives to the organisation. In FPE2025, our workforce reflected a healthy mix of age profiles across all employee categories, supporting continuity, knowledge transfer, and long-term organisational sustainability.

At the Senior Management level, employees were aged 40 and above, reflecting the importance of experience, industry knowledge, and leadership maturity in senior decision-making roles. Middle Management was largely represented by employees aged between 40 and 49, indicating a strong experienced team supporting operational leadership and future succession.

The Executive category showed a more diverse age composition, with representation across younger and mid-career employees. This echoes our openness to nurturing talent at different career stages while maintaining continuity through experienced personnel.

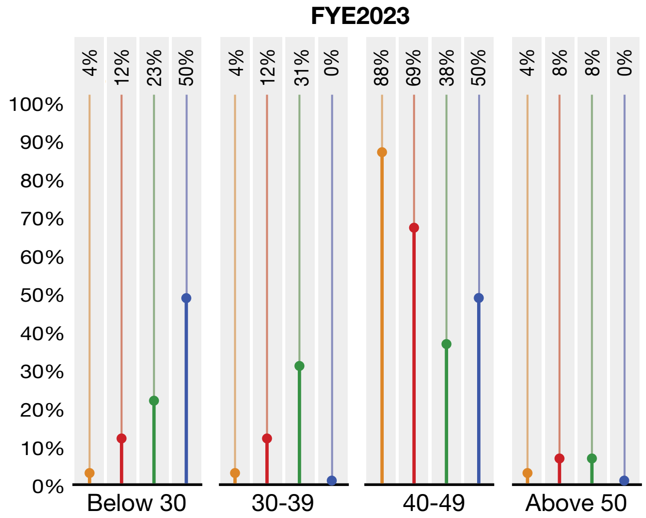
Among non-executive employees, a higher proportion of younger employees was observed, largely driven by entry-level and internship roles. This supports workforce renewal and provides opportunities for early-career individuals to gain industry exposure and develop foundational skills.

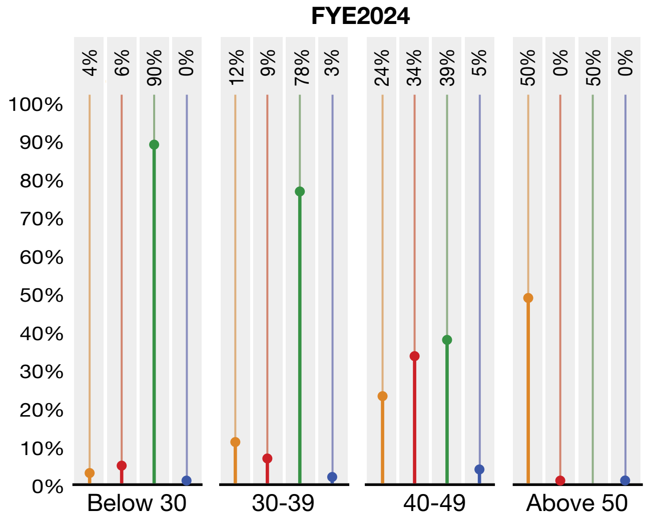
SOCIAL SUSTAINABILITY (CONTINUED)

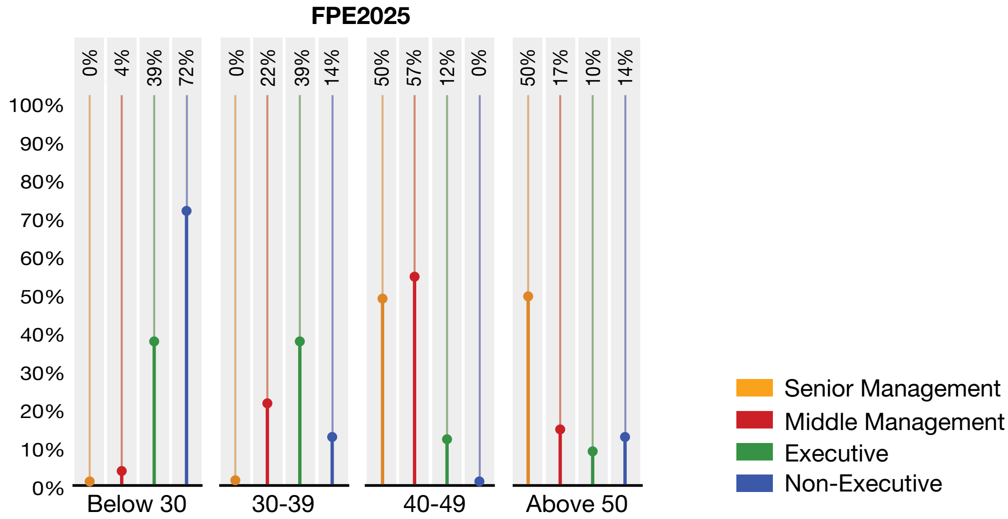
PRINCIPLE 3: FOSTER A SAFE, INCLUSIVE AND EMPOWERING WORKPLACE (CONTINUED)

Age Distribution by Employee Category (Continued)

Overall, Mlabs Group's age profile demonstrates a balanced workforce structure that supports both operational stability and talent development. Mlabs Group remains committed to merit-based recruitment, fair career progression, and providing equal opportunities for employees of all age groups to grow and contribute meaningfully to the organisation.







Percentage of Directors by Gender and Age Group

As at FPE2025, the composition of the Board remains unchanged in terms of gender and age distribution compared to the previous financial year. The Board continues to comprise predominantly male directors, with female representation maintained at 14%. In terms of age profile, a significant majority of directors are above 50 years old, reflecting a Board that is anchored by experienced leadership and long-standing industry expertise.

Mlabs Group recognises that this composition presents both strengths and areas for potential enhancement. The depth of experience and institutional knowledge among senior Board members continues to support stability, continuity, and informed strategic oversight. At the same time, the Board acknowledges the value that broader gender and age diversity can bring, including varied perspectives, innovative thinking and greater alignment with evolving business, technological and sustainability considerations.

SOCIAL SUSTAINABILITY (CONTINUED)

PRINCIPLE 3: FOSTER A SAFE, INCLUSIVE AND EMPOWERING WORKPLACE (CONTINUED)

Percentage of Directors by Gender and Age Group (Continued)

While no changes were made during the financial period, the Board remains mindful of emerging expectations around diversity in governance. Consideration of diversity factors will continue to form part of future Board planning, taking into account our strategic direction, operational needs, and the availability of suitably qualified candidates.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Percentage of Directors by Gender				
Male	%	86	86	86
Female		14	14	14
Percentage of Directors by Age Group				
Below 30	%	0	0	0
Between 30-39		14	14	14
Between 40-49		14	14	14
Above 50		72	72	72

Community Investments

Community investment extends our commitment to social well-being beyond the workplace. These efforts are aligned with Mlabs Group's broader sustainability strategy, particularly our commitment to social inclusion, stakeholder trust and supporting the welfare of groups affected by socio-economic disparities.

Guided by defined focus areas, our initiatives are prioritised for their potential to deliver measurable social impact, particularly in public health, access to basic needs, and support for underprivileged and less fortunate groups. We aim to contribute to a more equitable society while providing opportunities for employee engagement through volunteering and community programmes. These initiatives create opportunities for employee participation through volunteer activities, donation drives and engagement programmes that foster social awareness and strengthen internal culture.

During FPE2025, we invested a total of RM 8,951.40 in community programmes benefiting 181 individuals across initiatives spanning our three focus areas.

In public health, contributions included blood donation drives and support for traditional healthcare access, helping to enhance community health and well-being.

As part of access to basic needs, meals were provided to homeless individuals during the holy month of Ramadan, addressing essential needs and supporting individuals facing socio-economic challenges during this period.

SOCIAL SUSTAINABILITY (CONTINUED)

PRINCIPLE 3: FOSTER A SAFE, INCLUSIVE AND EMPOWERING WORKPLACE (CONTINUED)

Community Investments (Continued)

In addition, we channelled support to a local home that provides care, shelter, and educational support for underprivileged children. As part of these efforts, we organised a celebration to enhance the children's emotional well-being, alongside assistance to support the home's ongoing needs. These programmes demonstrate Mlabs Group's support for children's rights, particularly in the areas of safety and emotional well-being, and reflect our commitment to contributing positively to the well-being and opportunities for every child.

Looking ahead, we intend to continue our community investments and enhance employee involvement through structured volunteerism where possible. We will continue to review and refine our community focus areas to ensure they remain responsive to evolving societal needs.

Indicator	Measurement Unit	FYE2023	FYE2024	FPE2025
Total amount invested in the community where the target beneficiaries are external to the listed issuer.	MYR	4,000.00	4,654.60	8,951.40
Total number of beneficiaries of the investment in communities.	Number	200	329	181

CONCLUSION

In the coming financial year, Mlabs Group will continue to advance its sustainability agenda, strengthening our sustainability framework to address economic, environmental, and social priorities while supporting long-term growth and reputation.

Our focus will remain on embedding sustainability into core operations, expanding stakeholder engagement, and aligning with evolving regulatory and market expectations. By doing so, Mlabs Group aims to create enduring value for stakeholders while contributing positively to society and the environment.

Sustainability Statement

MLABS SYSTEMS BHD

BMLR Transition Period

Date & Time: 2026-03-30_08:51:32

Ace Market | Group 3 | FYE 30/09/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Economic Performance	Revenue _ ICT & Fintech*	RM '000	12,436	—	External (Reasonable)	*Fintech division been removed from FPE2025 aligned with our refined sustainability framework focusing on domestic operations.
Economic Performance	Revenue _ Trading	RM '000	8,672	—	External (Reasonable)	
Economic Performance	Revenue _ Factoring	RM '000	12,425	—	External (Reasonable)	
Economic Performance	Revenue _ Others**	RM '000	1,683	—	External (Reasonable)	**Others consist of property rentals income, training and seminars, and various non-core business units.
Anti-Corruption	Employees who have received training on Anti-Corruption _ Senior Management	%	50	—	Internal	
Anti-Corruption	Employees who have received training on Anti-Corruption _ Middle Management	%	35	—	Internal	
Anti-Corruption	Employees who have received training on Anti-Corruption _ Executive	%	17	—	Internal	
Anti-Corruption	Employees who have received training on Anti-Corruption _ Non-Executive	%	0	—	Internal	
Anti-Corruption	Operations assessed for corruption-related risks	%	0	—	Internal	
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	—	Internal	
Data Privacy & Security	Substantiated complaints concerning breeches of customer privacy and losses of customers data	Number	0	—	Internal	

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Sustainability Statement

MLABS SYSTEMS BHD
BMLR Transition Period

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Ace Market | Group 3 | FYE 30/09/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Supply Chain	Proportion of spending on local suppliers	%	99.1	—	Internal	
Waste Management	Total waste generated (a+b)	kg	563.72	—	Internal	
Waste Management	(a) Total waste diverted from disposal	kg	130.26	—	Internal	
Waste Management	(b) Total waste directed to disposal	kg	433.46	—	Internal	
Waste Management	Emission reduction	$kgCO_2e$	79.06	—	Internal	
Water Management	Water Consumption	m^3	399	—	Internal	
Energy Management	Energy Consumption	kWh	221,952	—	Internal	
Emissions	Scope 1 – Direct Emission	tCO_2eq	N/A	—	Internal	
Emissions	Scope 2 – Electricity	tCO_2eq	171.791*	—	Internal	*Note: The emission factor used for Scope 2 emissions is from the 2022 Grid Emission Factor of the Energy Commission for Peninsular Malaysia, which is 0.774 tCO_2/MWh
Emissions	Scope 3 – Indirect Emission _ Category 6: Business Travel	tCO_2eq	43.14	—	Internal	
Emissions	Scope 3 – Indirect Emission _ Category 7: Employee Commuting	tCO_2eq	113.66	—	Internal	
Labour Practices and Standards	Human Rights _ Substantiated complaints concerning human rights violations	Number	0	—	Internal	
Labour Practices and Standards	Training and Development _ Total training hours by employee category _ Senior Management	Hours	28	—	Internal	

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Sustainability Statement

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BMLR Transition Period

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Ace Market | Group 3 | FYE 30/09/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Practices and Standards	Training and Development _ Total training hours by employee category _ Middle Management	Hours	161	—	Internal	
Labour Practices and Standards	Training and Development _ Total training hours by employee category _ Executive	Hours	395	—	Internal	
Labour Practices and Standards	Training and Development _ Total training hours by employee category _ Non-Executive	Hours	0	—	Internal	
Labour Practices and Standards	Total number of employee turnover by employee category _ Senior Management	Number	0	—	Internal	
Labour Practices and Standards	Total number of employee turnover by employee category _ Middle Management	Number	3	—	Internal	
Labour Practices and Standards	Total number of employee turnover by employee category _ Executive	Number	24	—	Internal	
Labour Practices and Standards	Total number of employee turnover by employee category _ Non-Executive	Number	0	—	Internal	
Labour Practices and Standards	Percentage of contractors or temporary employee	%	15	—	Internal	
Health and Safety	Work-related fatalities	Number	0	—	Internal	
Health and Safety	Lost Time Incident Rate	Number/200,000 hours worked	0	—	Internal	

Sustainability Statement

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Ace Market | Group 3 | FYE 30/09/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Health and Safety	Employees trained on health and safety standards	Number	20	—	Internal	
Diversity, Equity & Inclusion (DEI)	Employee Gender distribution _ Male Employee	%	44	—	Internal	
Diversity, Equity & Inclusion (DEI)	Employee Gender distribution _ Female Employee	%	56	—	Internal	
Diversity, Equity & Inclusion (DEI)	Gender distribution by Employee Category _ Senior Management _ Male	%	100	—	Internal	
Diversity, Equity & Inclusion (DEI)	Gender distribution by Employee Category _ Senior Management _ Female	%	0	—	Internal	
Diversity, Equity & Inclusion (DEI)	Gender distribution by Employee Category _ Middle Management _ Male	%	57	—	Internal	
Diversity, Equity & Inclusion (DEI)	Gender distribution by Employee Category _ Middle Management _ Female	%	43	—	Internal	
Diversity, Equity & Inclusion (DEI)	Gender distribution by Employee Category _ Executive _ Male	%	29	—	Internal	
Diversity, Equity & Inclusion (DEI)	Gender distribution by Employee Category _ Executive _ Female	%	71	—	Internal	
Diversity, Equity & Inclusion (DEI)	Gender distribution by Employee Category _ Non-Executive _ Male	%	71	—	Internal	
Diversity, Equity & Inclusion (DEI)	Gender distribution by Employee Category _ Non-Executive _ Female	%	29	—	Internal	

Sustainability Statement

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Ace Market | Group 3 | FYE 30/09/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Senior Management _ Below 30	%	0	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Senior Management _ Between 30-39	%	0	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Senior Management _ Between 40-49	%	50	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Senior Management _ Above 50	%	50	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Middle Management _ Below 30	%	4	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Middle Management _ Between 30-39	%	22	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Middle Management _ Between 40-49	%	57	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Middle Management _ Above 50	%	17	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Executive _ Below 30	%	39	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Executive _ Between 30-39	%	39	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Executive _ Between 40-49	%	12	—	Internal	

Sustainability Statement

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Ace Market | Group 3 | FYE 30/09/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Executive _ Above 50	%	10	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Non-Executive _ Below 30	%	72	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Non-Executive _ Between 30-39	%	14	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Non-Executive _ Between 40-49	%	0	—	Internal	
Diversity, Equity & Inclusion (DEI)	Age Distribution by Employee Category _ Non-Executive _ Above 50	%	14	—	Internal	
Diversity, Equity & Inclusion (DEI)	Percentage of Directors by Gender _ Male	%	86	—	Internal	
Diversity, Equity & Inclusion (DEI)	Percentage of Directors by Gender _ Female	%	14	—	Internal	
Diversity, Equity & Inclusion (DEI)	Percentage of Directors by Age Group _ Below 30	%	0	—	Internal	
Diversity, Equity & Inclusion (DEI)	Percentage of Directors by Age Group _ Between 30-39	%	14	—	Internal	
Diversity, Equity & Inclusion (DEI)	Percentage of Directors by Age Group _ Between 40-49	%	14	—	Internal	
Diversity, Equity & Inclusion (DEI)	Percentage of Directors by Age Group _ Above 50	%	72	—	Internal	

MLABS SYSTEMS BHD
BMLR Transition Period

Date & Time: 2026-03-30_08:51:32
Ace Market | Group 3 | FYE 30/09/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity, Equity & Inclusion (DEI)	Community Investments _ Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	8,951.40	—	Internal	
Diversity, Equity & Inclusion (DEI)	Community Investments _ Total number of beneficiaries of the investment in communities	Number	181	—	Internal	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Mlabs Systems Berhad ("**Mlabs**" or "**the Company**") presents this Corporate Governance Overview Statement ("**Statement**") to provide shareholders and investors with an overview of the corporate governance ("**CG**") practices of Mlabs and its subsidiaries ("**the Group**") during the financial period ended 30 September 2025 ("**FPE 2025**"). This overview takes guidance from the key CG principles set out in the Malaysian Code on Corporate Governance ("**MCCG**").

This Statement is prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and is to be read in conjunction with the CG Report 2025 ("**CG Report**"), which is available on the Company's website at www.mlabs.com.

The CG Report provides explanations on how the Group applied each practice set out in the MCCG during FPE 2025.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(a) Board Responsibilities

The Board acknowledges and fully supports the importance of corporate governance in directing and managing the businesses and affairs of the Group, and to safeguard and enhance shareholders' value and performance of the Group on a sustainable and long-term basis.

The Board determines the Group's strategic objectives and ensures that required resources are in place for the Group to meet its objectives and to guide the Group on its short and long-term goals, providing advice, stewardship and directions on the management and business development of the Group. The Board also sets the Group's values and standards and ensures that its obligations to the shareholders and other stakeholders are understood and fulfilled.

The above roles and responsibilities of the Board are formalised in the Board Charter. The Board Charter also clearly sets all relevant governance matters and applicable limits of authority, including matters reserved for the Board and those which are expressly delegated to Board Committees, the Chairman of the Board ("**Chairman**"), the Executive Director ("**ED**") or a nominated member of Executive Management, subject always to the ultimate responsibility of the Directors under the Companies Act 2016 ("**the Act**"). The Board Charter is reviewed periodically or as and when changes occur to ensure that it reflects the current needs of the Group. More information on the Board Charter can be found on the Group's website at www.mlabs.com.

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board Committees:

- Audit and Risk Management Committee ("**ARMC**")
- Nominating Committee ("**NC**")
- Remuneration Committee ("**RC**")
- Option Committee

All the Board Committees have their own terms of reference and have the authority to act on behalf of the Board within the authority as laid out in their terms of reference and report to the Board with the necessary recommendations.

The Board Committee's terms of reference can be viewed on the Company's website at www.mlabs.com.

(b) The Chairman of the Board

To foster a strong governance culture in the Group and to ensure a balance of power and authority, the roles of the Chairman and Chief Executive Officer ("**CEO**") were strictly separated. This was to maintain effective supervision and accountability of the Board and Executive Management. The Chairman was responsible for Board effectiveness and ensuring that the conduct and working of the Board were in an orderly and effective manner, while the CEO took on the primary responsibility of managing the Group's businesses and resources as well as overseeing and managing the day-to-day operations of the Group.

In line with the recommendation of the MCCG, the Chairman is not a member of any of the Board Committees. This is to ensure that checks and balances, as well as objectivity, will not be influenced by the Chairman of the Board, who also sits on Board Committee(s).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(c) Code of Conduct and Ethics

The Board has formalised a Code of Conduct and Ethics which reflects the Group's vision and core values of integrity, respect and trust. The core areas concerned include the following:

- Conflict of interest
- Confidential information
- The aims and purpose, capabilities and capacity of the Company
- Attendance at meetings and board requirements
- Business records and control
- Compliance with laws
- Effectiveness in corporate management
- Time management and effectiveness
- Access of the Secretary
- Access and appointment of an independent adviser
- Contractual interests with the Company
- Relationship with shareholders, employees, creditors and customers
- Social responsibility and environment

The Code of Conduct and Ethics governs the conduct of the Directors and all officers and employees of the Group and provides guidance on the communication process and the duty to report whenever there are breaches of the same. In connection thereto, each Director is to communicate any suspected violations of this code to the chairman of the ARMC, and all violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of the said violations. This code is reviewed and updated from time to time by the Board to ensure that it continues to remain relevant and appropriate.

The Code of Conduct and Ethics is set out in the Board Charter and can be viewed on the Company's website at www.mlabs.com.

(d) Whistleblowing Policy

To maintain the highest standards of ethical conduct and integrity, the Group has adopted a formal Whistleblowing Policy. This policy establishes a framework where stakeholders can raise in confidence any possible corporate misdemeanours. The whistleblowing channel was created to help stakeholders raise their concerns without fear of retaliation and to provide protection from reprisals and victimisation, provided that the whistleblowing was done in good faith.

Stakeholders, who have suspected fraud, misconduct or any integrity concerns, are encouraged to submit their report in a sealed envelope addressed or emailed to the chairman of the ARMC. All concerns raised will be investigated and addressed by the Board accordingly.

The Whistleblowing Policy can be viewed on the Company's website at www.mlabs.com.

(e) Anti-Bribery and Corruption Policy

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption, which took effect on 1 June 2020, the Group adopted the Anti-Bribery and Corruption Policy ("ABC Policy"). The Company also conducted briefings and training for all employees of the Group to create awareness of the ABC Policy to foster the commitment of the employees to instil the spirit of integrity and avoid all forms of corruption practices within the organisation. The ABC Policy has also been incorporated into the Employee Handbook.

The ABC Policy can be viewed on the Company's website at www.mlabs.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(f) Sustainability Policy

The Group is committed to adhering to all standards of upright business conduct through integrity and transparency, with a constant and growing progression towards excellence in every area of business conduct. To this end, the Board has in place a Sustainability Policy to embed the principles of sustainability into the Group's business operations.

The policy outlines the general principles and structures of the foundations that govern the sustainability strategy of the Group to ensure that all its corporate activities and businesses are carried out while enhancing the sustainable creation of value for shareholders and taking into account the other stakeholders related to its business activities, natural resources, society and neighbouring communities, promoting the values of sustainability, integration and dynamism, favouring the achievement of the sustainable development goals.

The Board fulfils its responsibilities by delegating to the Environmental, Social, Governance ("**ESG**") Committee. The ESG Committee is responsible for implementing, overseeing and addressing all sustainability-related issues from stakeholders and updating the Board on the Group's sustainability management performance, key material issues identified by stakeholders and planned follow-up measures.

The Sustainability Policy can be viewed on the Company's website at www.mlabs.com.

(g) Succession Planning

The Group recognises that effective succession planning is integral to the delivery of its strategic plans. It is essential to ensure a continuous level of quality in key management, in avoiding instability by helping to mitigate the risks which may be associated with any unforeseen events, such as the departure of a key individual, and in promoting diversity.

Given the current state of the Group's lifecycle, there is an informal succession plan for key management in place. Going forward and at the relevant and appropriate time, the Board shall look into a structured approach to the said plan for the Group.

(h) Company Secretaries

The Company Secretaries of the Company have the requisite credentials and are competent and suitably qualified to act as Company Secretaries under Section 235(2) of the Act. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their functions. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, the Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislation.

The Company Secretaries support the Board by ensuring that all Board meetings are properly conducted and adhere to the Board's policies and procedures, rules, relevant laws and best practices on CG and deliberations at the Board and Board Committee meetings, as well as follow-up on matters arising are well captured and recorded. The Company Secretaries also keep the Board updated on changes in the Listing Requirements and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.

(i) Access to Information and Advice

The Board members have full and unrestricted access to the Company Secretaries. In addition to their corporate secretarial and administrative responsibilities, they also advise the Board on its roles and responsibilities, corporate disclosures and compliance, and corporate governance developments and practices.

The Directors also received updates from time to time on the Group's businesses and relevant new laws and regulations. Visits by the Non-Executive Directors to the Group's businesses were also arranged for the enhancement of their knowledge in respect of the Group's businesses, as well as better awareness of the risks associated with the Group's operations.

Prior to the Board meetings, the agenda for each meeting, together with a full set of the board papers containing the information relevant to the business of the meetings, is circulated to the Directors within an appropriate timeline before the meeting. The Directors may also interact directly with the Executive Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them.

When necessary, the Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense to enable the Directors to discharge their duties with adequate knowledge on the matters being deliberated, subject to approval by the Chairman of the Board, and depending on the quantum of the fees involved.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(j) Board Meetings

The Board schedules meetings on a quarterly basis, and additional meetings which require the Board's deliberation and approval will be convened in between the scheduled meetings as and when necessary. A pre-scheduled meeting of the year will be circulated to all the Board members at the beginning of each calendar year to facilitate the Directors in planning and incorporating the said meetings into their respective schedules. At the end of each Board and Board Committees meeting, the date of the next meeting is to be re-confirmed by the Directors.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, approvals will be obtained via circular resolutions, supported with information necessary for an informed decision.

The deliberations of the Board and Board Committees in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries. Minutes of meetings are circulated and confirmed as a correct record by the Board and Board Committees at the next meeting. The Directors may request clarification or make comments on the minutes prior to their confirmation.

The Board and Board Committees have discharged their roles and responsibilities by attending the Board and Board Committees meetings held in FPE 2025. The Board is satisfied with the level of time commitment given by the Directors in carrying out their responsibilities, which is evidenced by the attendance record of the Directors stated in the Profile of the Board of Directors of this Annual Report.

(k) Board Commitment

Notwithstanding that no specific quantum of time has been fixed, each member of the Board is expected to devote sufficient time and attention to the affairs of the Company. Each Board member is expected to achieve at least 50% attendance of total Board meetings held in any applicable financial year, with appropriate leave of absence to be notified to the Chairman and/or Company Secretaries, where applicable.

Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. Prior to the acceptance of new Board appointment(s) in other companies and/or Public Listed Companies ("**PLCs**"), the Directors are to notify the Chairman and/or the Company Secretaries in writing. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, one criterion, as agreed by the Board, is that they must not hold directorships at more than 5 PLCs (as prescribed in Rule 15.06 of the Listing Requirements).

(l) Continuing Education Programs

The Board is aware that continuous training for the Directors is vital for them in discharging their duties effectively. All Directors are encouraged to attend appropriate external training programmes to supplement their knowledge of the latest developments and issues relevant to the Group, especially in the areas of corporate governance and regulatory requirements.

The external training programmes, seminars and/or conferences attended by the Directors during the FPE 2025 were as follows:

	Training Programmes/Seminars/Conferences
General Tan Sri Dato' Sri Hj. Suleiman bin Mahmud RMAF (Rtd)	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tan Sik Eek	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Mejar Dato' Ismail bin Ahmad (R)	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(l) Continuing Education Programs (continued)

	Training Programmes/Seminars/Conferences
Ong Tee Kein	• Overview of Transfer Pricing • Micro Credential: New Updates on Group Consolidation and Business Combination in IFRS for SMEs 3rd Edition • Application of Five Transfer Pricing Methods & Transfer Pricing Consideration for Intra-group Services • Essentials of International Standard Quality Management (ISQM) • Basics of Malaysian Financial Reporting Standards (MFRS) • Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Professor Emeritus Dr. Sureswaran Ramadass	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Chuah Hoon Hong	• Taklimat Pematuhan Korporat SSM Tahun 2024 • MBRS 2.0 for Preparers – Financial Statements • Implementation of Section 17A of the MACC Act: Corporate Liability • The Journey into the AI Age: Game Changer for Your Digital Transformation Era Programme
Karina binti Idris Ahmad Shah	• Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green Hushing • ICDM BARMC Dialogue & Networking Session | Board's Role in Whistleblowing Oversight • ESG Updates Locally and Internationally; Climate-Related Litigation—What's Happening? and Sustainability Reporting Best Practices and Tips • ICDM Advocacy Dialogue & Networking Session Post-Budget 2025 Dialogue: Key Highlights & A Conversation with the Ministry of Finance (MoF) • Strategic Data and Frameworks in Board Governance • ICDM x SAC Advocacy Dialogue & Debate | Impact in Action: From Leadership to Stewardship • ESG Essentials: Driving Sustainable Business Strategies • Board Leadership in Industry Disruptions – Steering Companies Through Market Shifts • Finance Essentials for Non-Finance Directors

During the FPE 2025, all the Directors have attended the necessary training programmes as required under Rule 15.08 of the Listing Requirements.

The Board (via the NC and with the assistance of the Company Secretaries) shall continue to evaluate and determine the training needs of the Directors to build their knowledge so that they can be up-to-date with the development of the Group's business and industry that may affect their roles and responsibilities.

In addition to the above, the Directors would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, Internal Auditors and Company Secretaries during the Board and Board Committees meetings.

(m) Conflict of Interest Policy for Directors

The Board has established the Conflict of Interest Policy for Directors, to ensure that actual, potential and perceived conflicts of interest are effectively identified and managed and to provide guidance on how to deal with conflict of interest situations as they arise.

The Conflict of Interest Policy for Directors is accessible on the Company's website at www.mlabs.com.

To ensure accountability and prevent conflict of interest in relation to issues that come before the Board, Directors are reminded by the Company Secretaries of their statutory duties and responsibilities and are provided with updates on any changes thereon. Hence, all related party transactions and/or potential conflict of interest situations (if any) will be submitted to the ARMC for review on a quarterly basis.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(m) Conflict of Interest Policy for Directors (continued)

The Directors further acknowledge that they are also required to abstain from deliberation and voting on relevant resolutions in which they have an interest at the Board or any general meeting convened. In the event a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting in respect of their shareholdings and will further undertake to ensure that persons connected to them will similarly abstain from voting on the resolutions.

During the financial period under review, the ARMC and the Board have not received any reports from the Directors or the chief executive of the Company relating to conflicts of interest or potential conflicts of interest situations, including interests in any competing business, that they have with the Company or its subsidiaries.

(n) Board Composition

The Group is led by an experienced and diversified Board which comprises professionals from various fields to bring together a balance of skills, diversity, a mix of experience and expertise in areas relevant to enhance the growth of the Group's business. During the FPE 2025, our Board comprises 7 members, comprising a Non-Independent Non-Executive Director/Chairman, an Executive Director, two (2) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors. In this respect, the Company has complied with the requirement of the Listing Requirements for Independent Non-Executive Directors to make up at least 1/3 of the Board membership. In the event of any vacancy in the Board resulting in non-compliance with the Listing Requirements, the Board shall fill the vacancy within three months from the date of that event.

The Board views the present number of its Independent Directors as ideal to provide the necessary checks and balances to the Board's decision-making process. Collectively, bring with them wide and varied technical, financial and corporate experience to enable the Board to lead and control the Group effectively. The Board is of the opinion that the existing three (3) Independent Non-Executive Directors, with their extensive knowledge and experience, would be able to represent the investment of the public and the minority shareholders. The Independent Non-Executive Directors on the Board help to bring objective and independent judgements to facilitate a balanced leadership in the Group.

(o) Annual Evaluation

The Board (via the NC) evaluates the effectiveness of the Board as a whole, all committees of the Board and the contribution of each Director. This evaluation, which is done annually, is facilitated by the Company Secretaries. The criteria used by the NC in evaluating the performance of an individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. The Board did not engage any external party to undertake an independent assessment of the Directors.

From the annual assessment and review conducted for FPE 2025, the NC was satisfied that all the Directors possess sufficient qualifications to remain on the Board. Save for the NC members who are also members of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the NC members views that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry.

As for the Board evaluation, the NC agreed that all the Directors have discharged their stewardship duties and responsibilities towards the Company as Directors effectively. The NC further concluded that the Board and Board Committees were functioning effectively as a whole with a high level of compliance and integrity.

In addition, the NC will also conduct annual assessments on its Independent Directors and the criteria for assessment cover areas such as contributions to interaction, roles and responsibilities and quality of input to enhance the Board's effectiveness. The independence of Independent Directors was assessed based on their relationship with the Group and their involvement in any significant transactions with the Group, including their ability to exercise independent judgment at all times and based on the criteria set out in the Listing Requirements.

From the annual assessment and review conducted for FPE 2025, the NC was satisfied that all the Independent Directors are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company. Additionally, each of the Independent Directors has provided an annual confirmation of their independence to the NC and the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(p) Board Diversity

As of FPE 2025, our Board comprises one female Director, representing approximately 14.29% of the total number of the Board. In line with the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of additional female directors onto the Board in future to bring about a more diverse perspective.

Before recommending an appointment to the Board, the NC will undertake a comprehensive evaluation and assessment of the candidates in accordance with the criteria as set out in the Directors' Fit and Proper Policy adopted by the Group. The NC also takes into account the Group's business and matches the capabilities and contribution expected for a particular appointment.

The Board has established the Directors' Fit and Proper Policy to ensure that any person to be appointed or elected/re-elected as a Director of the Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the appointed position in the most effective manner.

The Directors' Fit and Proper Policy is accessible on the Company's website at www.mlabs.com.

The Board is committed to providing fair and equal opportunities and nurturing diversity in the Group. The Board had adopted the Board Diversity Policy, which sets out the Company's approach to diversity on the Board of the Group. In this respect, all persons, regardless of age, gender, ethnicity, cultural background or other personal factors, with appropriate experience and qualifications will be considered equally during recruitment and promotion. The Board is also committed to workplace diversity, ensuring that the Group values and respects differences and that the workplace is fair, accessible, flexible, inclusive and free from discrimination.

The Board Diversity Policy is accessible on the Company's website at www.mlabs.com.

(q) Re-Election of Directors

The procedure for the re-election of Directors by rotation is set out in the Company's Constitution. Pursuant to the Company's Constitution, all Directors who are appointed by the Board during the year are subject to re-election by shareholders at the first meeting after their appointment. The Company's Constitution also provides that at least 1/3 of the remaining Directors are subject to re-election by rotation at each Annual General Meeting ("**AGM**"), and retiring Directors can offer themselves for re-election. All Directors shall retire from office at least once every 3 years, but shall be eligible for re-election.

The NC also would identify the Directors to be retired ("**Retiring Directors**") by rotation in accordance with the Constitution of the Company and assess the Retiring Directors' eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective Retiring Director's performance and contributions to the Board, the NC will then recommend to the Board the re-election of the Retiring Directors at the AGM of the Company.

For the forthcoming AGM, the following Directors are standing for re-election as Directors of the Company pursuant to the following clauses of the Company's Constitution and are being eligible have offered themselves for re-election in accordance with the Company's Constitution:

(i) Ong Tee Kein (Clause 115); and
(ii) Professor Emeritus Dr. Sureswaran Ramadass (Clause 115).

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the AGM, the Board, through its NC, had assessed the Retiring Directors and considered the following:

(i) The Directors' performance and contribution;
(ii) The Directors' skills, experience and strengths in qualities; and
(iii) The Directors' ability to act in the best interest of the Company in decision-making.

The Board, through the NC, has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the Retiring Directors who had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Board Committees meetings) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company, subject to the shareholders' approval at the forthcoming AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(r) Tenure of Independent Directors

In line with the MCCG, the Board has adopted the 9-year policy for Independent Directors. Upon completion of the 9 years, an Independent Director may continue to serve on the Board, subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as an Independent Director after the latter has served a cumulative term of 9 years, the Board will justify the decision and seek annual shareholders' approval through a two-tier voting process.

As at 30 September 2025, the tenure of the Independent Non-Executive Directors of the Company is as follows:

	1-5 Years	6-9 Years
Professor Emeritus Dr. Sureswaran Ramadass		√
Chuah Hoon Hong	√	
Karina binti Idris Ahmad Shah	√	

For information, Professor Emeritus Dr. Sureswaran Ramadass will have served as an Independent Non-Executive Director of the Company for a cumulative term of 9 years by 30 August 2026. Upon completion of the 9-year term, he will be re-designated as a Non-Independent Non-Executive Director of the Company in compliance with the Listing Requirements, unless shareholders' approval is obtained at the forthcoming AGM to retain him as an Independent Director through the two-tier voting process.

The Board, through the NC, has assessed and determined that Professor Emeritus Dr. Sureswaran Ramadass' vast and diverse range of experiences has brought the right mix of skills to the Board. As Director, he continues to bring independent and objective judgements to Board deliberations and the decision-making process as a whole. The Board, therefore, endorsed the NC's recommendation for Professor Emeritus Dr. Sureswaran Ramadass to be retained as Independent Director of the Company. Thus, the Board shall seek shareholders' approval at the forthcoming AGM for Professor Emeritus Dr. Sureswaran Ramadass to be retained as an Independent Director through a two-tier voting process.

The key justifications for Professor Emeritus Dr. Sureswaran Ramadass' continuance as Independent Non-Executive Director are as follows:

- he fulfill the criteria under the definition of Independent Director as stated in the Listing Requirements and, therefore, is able to bring independent and objective judgment to the Board as a whole;
- his experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contributions and competence;
- he has been with the Company for a certain period and therefore understands the Company's business operations, which enables him to contribute actively and effectively during deliberations or discussions at Board and Committee meetings;
- he continues to be scrupulously independent in his thinking and his effectiveness as a constructive challenger of the Executive Director and Management; and
- he has not entered into any related party transactions with the Group.

(s) Nominating Committee

The Board has established the NC, which comprises a majority of Independent Non-Executive Directors, with the responsibilities of identifying and recommending the right candidate with the necessary skills, experience and competencies to be filled in the Board and Board Committees on an ongoing basis.

The summary of activities of the NC during the FPE 2025 are as follows:

- Reviewed the composition, mix of skills and experience and other qualities of the Board.
- Reviewed the effectiveness of the Board as a whole, the Board Committees and the Directors.
- Reviewed the performance of the Board Committees and their term of office.
- Reviewed and recommended the Company's Directors' retirement by rotation.
- Reviewed and recommended any modifications and/or amendments to the Terms of Reference of the NC and other polices.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(t) Remuneration Committee

The Board has established the RC, which comprises a majority of Independent Non-Executive Directors. The Board (via the RC) will ensure that the Group's levels of remuneration are commensurate with the skills and responsibilities expected of Senior Management, as well as the Directors, and that it must be sufficient to attract and retain the talent needed to run the Group successfully. The Board, as a whole, determines the remuneration of the Directors and each Director is required to abstain from discussing his own remuneration. The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Senior Management.

The details of the Group's remuneration policies and practices are set out in the Remuneration Policy & Procedure adopted by the Board, which is accessible on the Company's website at www.mlabs.com.

The RC's recommended remuneration for Directors and Senior Management is subject to the Board's approval, as it is the ultimate responsibility of the Board to approve the remuneration of the Directors and Senior Management.

In relation to the proposed fees and allowances for the Non-Executive Directors, it will be presented at the AGM for shareholders' approval.

The summary of activities of the RC during the FPE 2025 are as follows:

- Reviewed and recommended the payment of Directors' fees and other benefits payable to the Directors for the shareholders' approval.
- Reviewed the remuneration packages of the Executive Director.
- Reviewed and recommended any modifications and/or amendments to the Terms of Reference of the RC and other policies.
- Reviewed and recommended the payment of meeting allowance for the ESG Committee.

(u) Remuneration of Directors and Senior Management

The detailed disclosure on a named basis for the remuneration of individual Directors for the FPE 2025 is as follows:

Received from the Company (RM):							
Directors	**Fees**	**Salaries**	**Bonus**	**Allowance**	**Benefits-in-kind**	**Other Emoluments**	**Total**
General Tan Sri Dato' Sri Hj. Suleiman bin Mahmud RMAF (Rtd)	97,500	-	-	-	-	-	97,500
Mejar Dato' Ismail bin Ahmad (R)	97,500	-	-	-	-	-	97,500
Ong Tee Kein	97,500	-	-	3,802	-	-	101,302
Professor Emeritus Dr. Sureswaran Ramadass	75,000	-	-	3,265	-	-	78,265
Chuah Hoon Hong	75,000	-	-	-	-	-	75,000
Karina binti Idris Ahmad Shah	75,000	-	-	1,000	-	-	76,000
Tan Sik Eek *	-	-	-	-	-	-	-
Total	**517,500**	**-**	**-**	**8,067**	**-**	**-**	**525,567**

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

(u) Remuneration of Directors and Senior Management (continued)

Received from the Group (RM):							
Directors	**Fees**	**Salaries**	**Bonus**	**Allowance**	**Benefits-in-kind**	**Other Emoluments**	**Total**
General Tan Sri Dato' Sri Hj. Suleiman bin Mahmud RMAF (Rtd)	97,500	-	-	-	-	-	97,500
Mejar Dato' Ismail bin Ahmad (R)	97,500	-	-	-	-	-	97,500
Ong Tee Kein	277,500	-	-	3,802	-	-	281,302
Professor Emeritus Dr. Sureswaran Ramadass	75,000	-	-	3,265	-	-	78,265
Chuah Hoon Hong	75,000	-	-	-	-	-	75,000
Karina binti Idris Ahmad Shah	75,000	-	-	1,000	-	-	76,000
Tan Sik Eek *	283,500	621,018	-	-	-	-	904,518
Tay Ben Seng, Benson^	-	-	-	-	-	-	-
Chen Chee Peng^	-	-	-	-	-	-	-
Dato' Seri Abdul Azim Bin Mohd Zabidi^	-	-	-	-	-	-	-
Razif Mohar Bin Fadzli Nathan^	-	112,836	-	-	-	109,115	221,951
Total	**981,000**	**733,854**	**-**	**8,067**	**-**	**109,115**	**1,832,036**

Note:
* *The Executive Director is also the Key Senior Management of the Company*
^ *The Director of the subsidiaries of the Group*

The Company notes the need for corporate transparency in the remuneration of its senior management executives, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Group's Senior Management's remuneration who are not Directors of the Company.

The remuneration of the Senior Management personnel, which is a combination of annual salary, bonus and benefits-in-kinds, etc is determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance and the overall performance of the Group. The aggregate remuneration of the 2 Senior Management received for FPE 2025 was RM1,649,341, representing 64% of the total employees' remuneration of the Group.

The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and the 2 Senior Management's total combined remuneration package should meet the intended objectives of the MCCG.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(a) Audit and Risk Management Committee

The ARMC currently comprises 3 members, the majority of whom are Independent Directors. The ARMC chairman is Mr Chuah Hoon Hong, an Independent Non-Executive Director of the Company.

The ARMC has policies and procedures to review, assess and monitor the performance, suitability and independence of the external auditors. Prior to the commencement of the annual audit, the ARMC will seek confirmation from the external auditors as to their independence. This independence confirmation would be re-affirmed by the external auditors to the ARMC upon their completion of the annual audit. These confirmations were made pursuant to the independence guidelines of the Malaysian Institute of Accountants.

Further details on the work performed by the ARMC in furtherance of its oversight role are set out in the ARMC Report on pages 62 to 64 of this Annual Report.

The Company has established a transparent arrangement with the external auditors to meet their professional requirements. From time to time, the external auditors highlight to the ARMC and Board the matters that require their attention.

The ARMC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the external auditors. The ARMC has been explicitly accorded the power to communicate directly with both the external auditors and internal auditors. The terms of engagement for services provided by the external auditors are reviewed by the ARMC prior to submission to the Board for approval. The effectiveness and performance of the external auditors are reviewed annually by the ARMC.

To assess or determine the suitability and independence of the external auditors, the ARMC has taken into consideration, among others, the following:

i) The adequacy of the experience and resources of the external auditors;
ii) The external auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
iii) The nature of the non-audit services provided by the external auditors and fees paid for such services relative to the audit fee; and
iv) Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditors.

Annual appointment or re-appointment of the external auditors is via shareholders' resolution at the AGM on the recommendation of the ARMC and the Board. The external auditors are being invited to attend the AGM of the Company to respond to and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statements.

Where necessary, the ARMC will meet with the external auditors without the presence of the Executive Director and members of Management to ensure that the independence and objectivity of the external auditors are not compromised, and matters of concern expressed by the ARMC are duly recorded by the Company Secretaries. In presenting the Audit Planning Memorandum to the ARMC, the external auditors will highlight their internal policies and procedures with respect to their audit independence and objectivity, which include safeguards and procedures and an independent policy adopted by the external auditors.

The ARMC had assessed the independence of Messrs Nexia SSY PLT ("Nexia") as external auditors of the Company, as well as reviewed the level of non-audit services rendered by Nexia to the Company for FPE 2025. The ARMC also had obtained assurance from Nexia that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

From the annual assessment and review conducted for FPE 2025, the ARMC was satisfied with Nexia's technical competency and audit independence and took note that the quantum of non-audit fees charged thereto was not material as compared to the total audit fees paid to Nexia. Having satisfied itself with their performance and technical competency, as well as received the assurance from Nexia as stated above, the Board approved the ARMC's recommendation for the shareholders' approval to be sought at the forthcoming AGM on the re-appointment of Nexia as the external auditors of the Company for the financial year ending 30 September 2026.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

(b) Risk Management and Internal Control Framework

The Board fulfils its responsibilities in the risk governance and oversight functions through the ARMC via a risk management framework which adopts a structured and integrated approach to managing key business risks. This framework, together with the system of internal control, is designed to manage the Group's risks within its risk appetite rather than to eliminate the risk of failure to achieve the Group's business and corporate objectives.

As for the adequacy and effectiveness of the system of internal control, it is reviewed by the ARMC with assistance from the internal auditors. The internal audit function is outsourced to an independent professional consulting firm to provide an independent and objective assurance on the effectiveness of governance, risk management processes and the internal control system of the Group. The internal auditors' independence is maintained by reporting functionally to the Board through the ARMC and administratively to Executive Management. Internal audit reports, which are issued, have to be tabled at the ARMC for review, and Executive Management is required to be present at ARMC meetings to respond and provide feedback on the audit findings and recommended improvements. In addition, Executive Management is also required to present to the ARMC in meetings, status updates on significant matters and changes in key processes that could impact the Group's operations.

Based on the above, the Board is of the view that the risk management process and system of internal control were in place during FPE 2025 for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group.

Further details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on pages 65 to 66 of this Annual Report.

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

(a) Communication with Stakeholders

The Board is committed to ensuring that communications to shareholders and the investing public in general, regarding the businesses, operations, and financial performance of the Group, are timely and factual and are available on an equal basis.

The release of announcements and information by the Group to Bursa Securities is handled by the Executive Director or the Company Secretaries within the prescribed requirements of the Listing Requirements.

Information is disseminated via annual reports, circulars/statements to shareholders, quarterly and annual financial statements, and announcements from time to time. As these announcements and information can be price-sensitive, they are only released after having been reviewed by the Executive Director and/or the Board where necessary.

The Group's website also provides all relevant information to stakeholders and the investing community. Quarterly and annual financial statements, announcements, financial information, annual reports, and circulars/statements to shareholders are uploaded onto the website for investors and the public.

Any shareholders' queries or concerns relating to the Group may be conveyed to our Executive Director as detailed below:

Executive Director	:	Mr. Tan Sik Eek
Add	:	Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort 47410 Petaling Jaya, Selangor Darul Ehsan
Tel	:	603-7887 2896
Email	:	enquiry@mlabs.com

General Tan Sri Dato' Sri Hj. Suleiman bin Mahmud RMAF (Rtd), our Non-Independent Non-Executive Director/Chairman, is designated by the Board to be the contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Executive Director. He can also be contacted at the above address.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

(b) Conduct of General Meetings

The AGM serves as a principal forum for the Group's dialogue with shareholders. All shareholders are encouraged to attend the AGM, during which they can participate and be given the opportunity to ask questions and vote on important matters affecting the Group, including the election/re-election of Directors, business operations, and the financial performance and position of the Group.

At the AGM, the shareholders are encouraged to participate in the questions and answers session, where they will be given the opportunity to raise questions or seek more information during the AGM. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholders.

Under Rule 8.31A(1) of the Listing Requirements, a public listed company must, among others, ensure that any resolution set out in the notice of any general meeting is voted by poll. For this purpose, the share registrar will be appointed as the poll administrator, and an independent scrutineer will be appointed to validate the votes cast at the AGM.

At the commencement of all general meetings, the Chairman will inform the shareholders of their right to poll voting. Separate resolutions are proposed for substantially separate issues at the meeting. The outcome of the AGM will be announced to Bursa Securities on the same meeting day. In line with the recommendation of MCCG, the minutes of the general meeting will be posted on the Company's website for public viewing within 30 business days after the general meeting.

The tentative dates of the AGM will be discussed and fixed by the Board in advance to ensure that each of the Directors is able to make the necessary arrangements to attend the planned AGM. Barring unforeseen circumstances, all Directors (which include the Chairs of all mandated Board Committees) shall be attending the AGM to address shareholders' queries at the meeting. The external auditors will also be present at the meeting to answer shareholders' queries on their audit process and report, the accounting policies adopted by the Group, and their independence.

In line with Practice 12.1 of the MCCG, the Company's notice of the forthcoming AGM shall be given to shareholders at least 28 days prior to the meeting. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of any proposed resolution.

COMPLIANCE STATEMENT

Other than as disclosed and/or explained in this Annual Report and CG Report 2025, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

Moving forward, the Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders. The areas to be prioritised by the Board will be principles that have yet to be adopted by the Company, as disclosed in the CG Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

On 29 November 2023, Mlabs Systems Berhad ("**Mlabs**" or "**the Company**") had approved the renaming of the "Audit Committee" to "Audit and Risk Management Committee" ("**ARMC**"). The ARMC was established to act as a committee of the Board of Directors ("**Board**") with the primary objective of assisting the Board in fulfilling its fiduciary duties in relation to:

- Assessing the processes in relation to the risk and control environment;
- Overseeing financial reporting and internal controls; and
- Evaluating the internal and external audit processes.

The ARMC is guided by its terms of reference, which can be viewed on the Company's website at www.mlabs.com.

MEMBERSHIP AND MEETINGS

The members of the ARMC during the financial period ended 30 September 2025 ("**FPE 2025**") and as of the date of this Report, together with their attendance record at meetings held during FPE 2025, are as follows:

Name	Designation	Status of directorship	Number of meetings attended/Number of meetings held [(1)]
Chuah Hoon Hong	Chairman	Independent Non-Executive Director	6/6
Professor Emeritus Dr. Sureswaran Ramadass	Member	Independent Non-Executive Director	6/6
Mejar Dato' Ismail bin Ahmad (R)	Member	Non-Independent Non-Executive Director	6/6

[(1)] *Number of meetings (including adjourned meetings, if any) held during the respective member's tenure of office during FPE 2025*

The members of the ARMC of the Company had complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, of which at least one member had with requisite accounting qualifications. No alternate director is appointed as a member of the ARMC.

Mlabs recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. As recommended by the Malaysian Code on Corporate Governance ("**MCCG**"), the Company will observe a cooling-off period of at least 3 years in the event that any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of Mlabs and its subsidiaries ("**the Group**"). Currently, none of the members of the Board nor the ARMC of the Company was former key audit partners of the external auditors appointed by the Group.

Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the terms of reference of the ARMC. The qualifications and experience of the individual ARMC members are disclosed in the Profile of the Board of Directors of this Annual Report.

During the FPE 2025, the ARMC members undertook the relevant training programmes to keep themselves abreast of the latest developments in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively. Further details on the external programs attended by the ARMC members are set out in this Annual Report on pages 52 to 53.

Whilst the ARMC's terms of reference require the ARMC to meet at least 4 times in a financial year, it met 6 times during FPE 2025. The Company Secretaries, who are also the Secretary to the ARMC, were in attendance during the meetings. The Financial Controller and other officers, if necessary, were invited to the meetings to deliberate on matters within their purview.

After each meeting, the ARMC Chairman reports to the Board on matters deliberated by the ARMC for their reference and notation. Matters reserved for the Board's approval are tabled at Board meetings. The Company Secretaries document the decisions made and actions required and forward them to Executive Management for their action.

Audit and Risk Management Committee Report

SUMMARY OF ARMC'S ACTIVITIES

During the FPE 2025, the following activities were carried out by the ARMC in the discharge of its functions and duties to meet its responsibilities:

(a) Financial Results

- Reviewed and recommended the quarterly financial results of the Group (including announcements) and the annual financial statements of the Group and Company for the Board's approval.
- Deliberated on significant matters raised by the external auditors, including financial reporting issues, significant judgements made by Executive Management, significant and unusual events or transactions and management reports and updates on actions recommended by the external auditors for improvement.
- Deliberated on changes in or implementation of major accounting changes and compliance with accounting standards and other legal requirements.

(b) External Audit

- Reviewed and approved the external auditors' scope of work and audit plan prior to the commencement of the annual audit.
- Analysed and reviewed the proposed external audit fees for approval by the Board.
- Analysed and reviewed the non-audit fees and related costs in respect of non-audit services rendered by the external auditors to ensure that their independence is not impaired.
- Reviewed and discussed with the external auditors, the changes in or implementation of major accounting policies, significant matters arising from the audit, significant judgements made by Executive Management, significant and unusual events or transactions and compliance with accounting standards and other legal and regulatory requirements and how all these matters are dealt with and the audit report, and reported the same to the Board.
- Evaluated the performance, suitability and independence of the external auditors and recommended them to the Board for re-appointment.
- Met with the external auditors without the presence of the Management to have frank and candid dialogues, and to exchange free and honest views and opinions.
- Reviewed and recommended for the appointment of Messrs Nexia SSY PLT as new external auditors of the Company to fill the casual vacancy caused by the resignation of Messrs CAS Malaysia PLT.

(c) Internal Audit

- Reviewed and approved the internal audit plan and the internal auditors' scope of work.
- Reviewed and discussed with the internal auditors, their audit findings and issues arising during the course of the audit.
- Reviewed the adequacy and effectiveness of corrective actions taken by Executive Management on all significant matters raised by the internal auditors.
- Evaluated the performance, suitability and independence of the internal auditors.

(d) Related Party Transactions/Conflict of Interest Situations

- Reviewed significant related party transactions (including recurrent related party transactions of a revenue or trade nature) to ensure that the said transactions are carried out at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and on terms not less favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.
- Reviewed any conflict of interest situations that may arise within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.

(e) Risk Management

- Reviewed the adequacy and effectiveness of the risk management process in identifying and assessing risks.
- Reviewed and assessed the adequacy of the risk management policies in place and ensured that the necessary infrastructure, resources and systems were in place for implementing the risk management process.

Audit and Risk Management Committee Report

SUMMARY OF ARMC'S ACTIVITIES (CONTINUED)

(f) Other Activities

- Reviewed and discussed with the Executive Management the budget of the Group.
- Reviewed its terms of reference and other policies, and made recommendations to the Board on revision, if necessary.
- Reviewed the application of corporate governance principles and the extent of the Group's compliance with the best practices set out under the MCCG.
- Reviewed the Management Discussion and Analysis, Corporate Governance Overview Statement, Corporate Governance Report, ARMC Report and the Statement on Risk Management and Internal Control for adoption by the Board.
- Reviewed and recommended to the Board for approval, the Circular to Shareholders in relation to the proposed new shareholders' mandate and renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature, for shareholders' consideration and approval.
- Reviewed and verified the allocation of Employee's Share Option Scheme options to the Directors and eligible employees.
- Reviewed and recommended the change of the Company's financial year end from 30 June to 30 September.

The Board assessed and evaluated the performance of the ARMC and its members through the Nominating Committee for the FPE 2025. Based on the outcome of the annual assessment, the Board was satisfied with the performance of the ARMC and its members and concluded that they have effectively discharged their functions, duties and responsibilities in accordance with the terms of reference of the ARMC.

INTERNAL AUDIT FUNCTION

During the financial period under review, the Group has outsourced its internal audit function to IA Prov Sdn. Bhd. ("**IA Prov**"), an independent professional consulting firm, to assist the ARMC in discharging its responsibilities and duties. The role of the internal audit function is to undertake independent, regular and systematic reviews of the system of internal controls to provide reasonable assurance to the ARMC that such systems continue to operate satisfactorily and effectively in the Group.

IA Prov is headed by Mr. Yee Chun Lin ("**Mr. Yee**"), who is a Chartered Member of Institute of Internal Auditor. He is also a non-practising Certified Information System Auditor of ISACA. Mr. Yee has close to 20 years of audit experience. IA Prov has assigned 4 staff to provide internal audit services during the financial year under review.

During the FPE 2025, the internal audit of the Group was carried out in accordance with a risk-based audit plan (prepared in accordance with International Standards for the Professional Practice of Internal Auditing) approved by the ARMC.

The internal auditors present their audit reports, which include their findings and recommendations for improvements, to the ARMC for its review and deliberation. The ARMC also appraised the adequacy of the comments, actions and measures to be taken by the Executive Management in resolving the audit issues reported and recommended for further improvement.

The internal auditors also carried out follow-up reviews to monitor the implementation of the said action plans and measures for reporting to the ARMC.

For FPE 2025, the internal audit scope was to assess the adequacy and effectiveness of the system of internal control of the following processes of the Group's operations:

- Procurement Function of Pacifica Direct Sdn. Bhd.; and
- Sales and receivables cycle of Mfinity Technologies Sdn. Bhd..

The total cost paid or payable for the internal audit function for FPE 2025 was RM20,898.

The ARMC had assessed the adequacy of the scope, functions, competency and resources of IA Prov for the financial period under review, and the internal audit function performed by IA Prov was satisfactory and adequate. Accordingly, the ARMC and the Board agreed to continuously outsource the internal audit function in providing an independent appraisal of the adequacy and effectiveness of the Group's internal control system.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control ("Statement"), which has been prepared in accordance with the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) ("Guidelines"), is made pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Securities Malaysia Berhad ("Listing Requirements").

BOARD RESPONSIBILITY

The Board of Directors ("**Board**") acknowledges that risk management and internal control are integral to corporate governance and that it is responsible for establishing a sound risk management framework and internal control system as well as ensuring their adequacy and effectiveness. The Board recognises that Mlabs Systems Berhad ("**Mlabs**" or "the **Company**") and its subsidiaries ("**the Group**")'s risk management framework and internal control system are designed to manage the Group's risks within its acceptable risk appetite, rather than to eliminate the risk of failure to achieve the Group's business and corporate objectives. As risks are inherent in all business activities, the said framework and system provide reasonable, rather than absolute assurance against the risks of material misstatement of financial information or against financial losses and fraud or breaches of laws or regulations.

The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit and Risk Management Committee ("**ARMC**").

RISK MANAGEMENT

The Group's Enterprise Risk Management Framework adopts a structured and integrated approach to managing key business risks with the aim of safeguarding the Group's assets and the shareholders' interests.

The ARMC is assisted by the Group Financial Controller ("**GFC**") to identify and assess risks as well as to ensure that the risk management processes are adequate and effective. All policies and procedures formulated to identify, measure and monitor various risk components are reviewed and recommended by the GFC to the ARMC.

The risk management processes involve the key management staff in each functional/operating unit of the Group and are managed by the GFC with assistance from the internal auditors. The risks identified remain the foundation for developing a risk profile and the action plans to assist key management in managing and responding to these risks.

The Group's risk management practices are business driven, and the processes of identifying, evaluating and managing significant risks facing the Group are embedded into its culture and operations. These processes are driven by the Executive Director ("**ED**") and are responsive to changes in the business environment, and are clearly communicated to all levels, via management meetings (formal and informal) and discussions.

INTERNAL CONTROL SYSTEM

The Board acknowledges the importance of the internal audit function and is committed to articulating, implementing and reviewing the Group's system of internal control. The internal audit function has been outsourced to IA Prov Sdn. Bhd., an independent professional service provider, to assist the ARMC in discharging their responsibilities and duties. To ensure independence, the internal auditors report directly to the ARMC.

The internal audit of the Group was carried out in accordance with a risk-based audit plan approved by ARMC. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control to ensure that the internal controls are viable and robust and where necessary, recommended improvements are presented to the ARMC for consideration. In addition, the internal auditors also carried out follow-up reviews to ensure their recommendations for improvements to internal controls are implemented.

The ARMC has also instructed the Executive Management to closely monitor the implementation status of the management action plans addressed by the Group's internal auditor and report directly to it on the status concerned during the quarterly meetings as and when necessary.

Statement on Risk Management and Internal Control

INTERNAL CONTROL SYSTEM (CONTINUED)

The key elements of the Group's system of internal control include:

(i) A management organisational structure with clearly defined lines of responsibilities, authority and accountability;
(ii) Approval and authority limits are imposed on key and senior management with respect to daily operations and major non-operating transactions;
(iii) The Board and ARMC meet every quarter to discuss financial performances, business operations and strategies and corporate updates;
(iv) Management financial statements and reports are prepared regularly for monitoring of actual performances by the ED and senior management;
(v) Corporate and regulatory matters are controlled centrally at the Group level;
(vi) The ARMC comprises a majority of Independent Non-Executive Directors with full and unrestricted access to both internal and external auditors;
(vii) The quarterly financial results and yearly audited financial statements are reviewed by the ARMC prior to their approval by the Board;
(viii) The Group has in place the Whistleblowing Policy to provide an avenue for employees to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines in a safe and confidential environment; and
(ix) The Group also established the Anti-Bribery and Corruption Policy ("**ABC Policy**"), prohibiting all forms of bribery and corruption practices. All employees are required to understand the ABC Policy laid out.

ASSURANCE

The Board has reviewed the adequacy and effectiveness of the Group's risk management framework and system of internal control for the financial period ended 30 September 2025 and up to the date of this Statement and is of the view that the risk management process and system of internal control are in place for the period covered by this Statement for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group.

The ED is accountable to the Board for identifying risks relevant to the business of the Group, implementing and maintaining sound risk management practices and internal controls and monitoring and reporting to the Board significant control deficiencies and changes in risks that could affect the Group's objectives and performance.

The Board and Executive Management will continuously improve and enhance the system of internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

As required by Rule 15.23 of the Listing Requirements, the external auditors, Messrs Nexia SSY PLT ("**Nexia**"), had reviewed this Statement. Their review procedures were performed in accordance with Audit and Assurance Practice Guide 3 ("**AAPG 3"**): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 does not require Nexia to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

Based on the procedures performed and evidence obtained, Nexia had reported to the Board that nothing has come to their attention that causes them to believe that this Statement included in this Annual Report is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

CONCLUSION

The Board is of the opinion that there were no significant weaknesses identified during the financial period under review in the system of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely affect the Group, save and except for the specific shortcomings in operational related issues as highlighted by the internal audit conducted. These gaps will be gradually closed through on-going corrective measures.

Nevertheless, the Board recognises that the systems must continuously improve to meet the changing business environment. The Board and the Executive Management will continue to take necessary measures to strengthen and improve its internal control environment and processes.

OTHER COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

Rights Issue with Warrants

(a) The Company has on 14 December 2020 completed the Rights Issue with Warrants exercise with the issuance of 755,123,220 new ordinary shares at an issue price of RM0.09 per rights share, together with 440,488,340 free detachable warrants of the Company on the basis of 12 rights shares together with 7 free Warrants C for every existing share held by the entitled shareholders of the Company.

The status of utilisation of proceeds derived from the Rights Issue with Warrants exercise by the Company as at 30 September 2025 was as follows:

	Proposed Utilisation (RM'000)	Variation as Announced on 20.06.2025 (RM'000)	Revised Utilisation as Announced on 20.06.2025 (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)
Remote meeting and videotelephony enablers	23,000	(16,850) (1)	6,150	2,805	3,345
Factoring business expansion	-	16,850 (1)	16,850	16,850	-
Broadcasting and livestreaming centre	7,600			7,600	-
Acquisition and/or investments in complementary business and/or assets	25,000			25,000	-
Working Capital	11,561			11,561	-
Expenses in relation to the proposals	800			800	-
	67,961			**64,616**	**3,345**

Note:

(1) *The proceeds initially earmarked for remote meeting and videotelephony enablers from the Rights Issue with Warrants has reallocated towards the expansion of the Factoring business.*

(b) The Company has on 1 August 2024 completed the Rights Issue with Warrants exercise with the issuance of 216,598,817 new ordinary shares at an issue price of RM0.16 per rights share together with 86,639,526 free detachable warrants of the Company on the basis of 2 Warrants D for every 5 rights shares subscribed for.

As at 30 September 2025, the proceeds raised from the above exercise have been fully utilised by the Company as follows:

	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)
Factoring business	34,036	34,036	-
Expenses in relation to the proposals	620	620	-
	34,656	**34,656**	**-**

AUDIT AND NON-AUDIT FEES

The amount of audit fees incurred for statutory audit services rendered to the Group by the external auditors for the financial period ended 30 September 2025 ("**FPE 2025**") amounted to RM360,000 of which RM240,000 was incurred by the Company.

Other Compliance Information

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

(i) Employees' Share Options Scheme

The Employees' Share Options Scheme ("**ESOS**") of the Company were approved by the shareholders at the Extraordinary General Meeting held on 8 June 2017 and is governed by the ESOS By-Laws.

The ESOS was implemented on 28 September 2017 and shall be in force for a period of five (5) years and may be extended to such further period, at the sole and absolute discretion of the Board upon the recommendation by the Option Committee, provided always that the initial scheme period and such extension of the scheme made pursuant to the ESOS By-Laws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authorities from the effective date of the ESOS. On 27 September 2022, the Board approved the extension of the ESOS, which is expiring on 27 September 2022, for another five (5) years until 27 September 2027 in accordance with the terms of the ESOS By-Laws.

As at 30 September 2025, the share option movements are as detailed below:

No. of Share Options granted during the financial period ended 30 September 2025	Share Options Exercised during the financial period ended 30 September 2025	Share Options lapsed during the financial period ended 30 September 2025	No. of Share Options outstanding during the financial period ended 30 September 2025
None	None	None	None

Directors and Chief Executive	Percentage
Aggregate options granted	None
Aggregate options exercised	None
Aggregate options outstanding	None

Directors and Senior Management	Percentage
Aggregate maximum allocation	None
Actual percentage of options granted during the financial year	None
Actual percentage of options granted since the commencement of the ESOS	14%

During the FPE 2025, there were no ESOS options granted to any of the Executive or Non-Executive Directors.

MATERIAL CONTRACTS

Neither the Company nor any of its subsidiary companies have entered into any material contracts which involved the Directors' and/or major shareholders' interests, which were still subsisting at the end of FPE 2025, or which were entered into since the end of the previous financial year ended 30 June 2024.

Other Compliance Information

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

The breakdown of the aggregate value of transactions of a revenue and trading nature conducted during the FPE 2025 is set out below:

Related Party and its Principal Activities	Mlabs Group - Transacting Party	Nature of Transaction with Mlabs Group	Value of Transaction (RM)	Interested Director and Major Shareholders and nature of their relationship with Related Party
NetX Holdings Berhad ("**NetX**") and its subsidiary companies - Investment holding, research and development of software, system design, integration and installation and provision of information technology services	Mlabs Group	Provision of Network Integration, Performance Optimisation, Data Centre Build and Solution, Microsoft Solutions, Collaboration, Cybersecurity, and Cloud Computing & Co-Location, by Mlabs Group Provision of Blockchain & Digital Assets Advisory Services, Fintech Technology Research & Development, High-Frequency & Quant Trading Solutions, Investment Managed Account Services, Software Application Development and Trading of Precious Metal by Mlabs Group Provisioning of Branding, Digital Marketing, Online Media Portal, Offline Marketing, Business events organiser, and Seminar & Training Organiser by Mlabs Group Provision of turnkey solutions on network infrastructure, security management, system security management, system design, system integration and installation, including supply of related hardware and provision of related software and hardware maintenance and support services by NetX Group Provision of management services such as property management services, legal services or any shared services to Mlabs Group Provision of celebration events planning and gifting services to Mlabs Group Provision of advertisement by Mlabs Group	40,570	Mr Tan Sik Eek is the Executive Director of Mlabs and NetX. He is also a shareholder of Mlabs and NetX with a shareholding of 0.01% and 4.27%, respectively.

Other Compliance Information

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE (CONTINUED)

Related Party and its Principal Activities	Mlabs Group - Transacting Party	Nature of Transaction with Mlabs Group	Value of Transaction (RM)	Interested Director and Major Shareholders and nature of their relationship with Related Party
		Provision of research and development of mobile applications and software platforms by Mlabs Group Provision of distribution and supply of alcoholic beverages and business of event management by Mlabs Group Provision of retail sale of any kind of product over the internet by Mlabs Group Provision of wholesale of household appliances, computer hardware, software and peripherals by Mlabs Group Provision of wholesale of computer hardware, software and peripherals to Mlabs Group Provision of all types of training for the workers, and business management consultancy services by Mlabs Group	37,219	
		Leasing/renting/letting of office premises to / from Mlabs Group	209,076	
Fintec Global Berhad ("**Fintec**") and its subsidiary companies - Technology incubation, investment holding, manufacturing and sale of rubber gloves and sale and production of microbiology fertiliser and probiotic effective microorganisms	Mlabs Group	Provision of Network Integration, Performance Optimisation, Data Centre Build and Solution, Microsoft Solutions, Collaboration, Cybersecurity, and Cloud Computing & Co-Location by Mlabs Group Provision of Blockchain & Digital Assets Advisory Services, Fintech Technology Research & Development, High-Frequency & Quant Trading Solutions, Investment Managed Account Services, Software Application Development and Trading of Precious Metal by Mlabs Group Provisioning of Branding, Digital Marketing, Online Media Portal, Offline Marketing, Business events organiser, and Seminar & Training Organiser by Mlabs Group Sales of gloves and fertiliser products to Mlabs Group Provision of advertisement by Mlabs Group	59,364	Mr Tan Sik Eek is the Executive Director amd shareholder of Mlabs with a shareholding of 0.01%. He is also the Managing Director and shareholder of Fintec with a shareholding of 0.01%.

Other Compliance Information

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE (CONTINUED)

Related Party and its Principal Activities	Mlabs Group - Transacting Party	Nature of Transaction with Mlabs Group	Value of Transaction (RM)	Interested Director and Major Shareholders and nature of their relationship with Related Party
		Provision of research and development of mobile applications and software platforms by Mlabs Group Provision of distribution and supply of alcoholic beverages and business of event management by Mlabs Group Provision of retail sale of any kind of product over the internet; wholesale of household appliances, computer hardware, software and peripherals by Mlabs Group Provision of all types of training for the workers, and business management consultancy services by Mlabs Group	10,363	
XOX Bhd ("**XOX**") and its subsidiary companies - Mobile telecommunication, fintech, mobile application, mobile cellular, wireless telecommunication	Mlabs Group	Provision of Network Integration, Performance Optimisation, Data Centre Build and Solution, Microsoft Solutions, Collaboration, Cybersecurity, and Cloud Computing & Co-Location by Mlabs Group Provisioning of Branding, Digital Marketing, Online Media Portal, Offline Marketing, Business events organiser, and Seminar & Training Organiser by Mlabs Group Provision of advertisement at XOX Black Market or any other advitisement platforms to Mlabs Group Provision of advertisement by Mlabs Group	463,151	Mr Tan Sik Eek is the Executive Director of Mlabs and XOX. He is also a shareholder of Mlabs with a shareholding of 0.01%.
		Provision of research and development of mobile applications and software platforms by Mlabs Group Provision of distribution and supply of alcoholic beverages and business of event management by Mlabs Group Provision of retail sale of any kind of product over the internet; wholesale of household appliances, computer hardware, software and peripherals by Mlabs Group Provision of all types of training for the workers, and business management consultancy services by Mlabs Group	616,675	
		Leasing/renting/letting of office premises to Mlabs Group	-	

Other Compliance Information

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE (CONTINUED)

Related Party and its Principal Activities	Mlabs Group - Transacting Party	Nature of Transaction with Mlabs Group	Value of Transaction (RM)	Interested Director and Major Shareholders and nature of their relationship with Related Party
DGB Asia Berhad ("**DGB**") and its subsidiary companies - Digital scan equipment, vending machines, hotel operator, software customisation and developments	Mlabs Group	Provision of research and development of mobile applications and software platforms by Mlabs Group Provision of distribution and supply of alcoholic beverages and business of event management by Mlabs Group Provision of retail sale of any kind of product over the internet; wholesale of household appliances, computer hardware, software and peripherals by Mlabs Group Provision of all types of training for the workers, and business management consultancy services by Mlabs Group	33,635	Mr Tan Sik Eek is the Executive Director of Mlabs with a shareholding of 0.01%. He is also a shareholder of DGB with a shareholding of 0.001% and a director of the subsidiaries of DGB.
		Provision of research and development of mobile applications and software platforms by Mlabs Group Provision of distribution and supply of alcoholic beverages and business of event management by Mlabs Group Provision of retail sale of any kind of product over the internet; wholesale of household appliances, computer hardware, software and peripherals by Mlabs Group Provision of all types of training for the workers, and business management consultancy services by Mlabs Group	2,674	
		Leasing/renting/letting of office premises to Mlabs Group	75,604	

Other Compliance Information

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE (CONTINUED)

Related Party and its Principal Activities	Mlabs Group - Transacting Party	Nature of Transaction with Mlabs Group	Value of Transaction (RM)	Interested Director and Major Shareholders and nature of their relationship with Related Party
Symphony Life Berhad (“**Symphony Life**”) and its subsidiary companies - Property development, property investment and investment holding	Mlabs Group	Provision of Network Integration, Performance Optimisation, Data Centre Build and Solution, Microsoft Solutions, Collaboration, Cybersecurity, and Cloud Computing & Co-Location by Mlabs Group Provision of Blockchain & Digital Assets Advisory Services, Fintech Technology Research & Development, High-Frequency & Quant Trading Solutions, Investment Managed Account Services, Software Application Development and Trading of Precious Metal by Mlabs Group Provisioning of Branding, Digital Marketing, Online Media Portal, Offline Marketing, Business events organiser, and Seminar & Training Organiser by Mlabs Group Provision of vending machine maintenance and support services and subscription package to Mlabs Group Provision of Vending Machine advertisement to Mlabs Group Provision of advertisement by Mlabs Group	91,742	Mr Tan Sik Eek is the Executive Director of Mlabs with a shareholding of 0.01%. He is also a Non-Independent Executive Director of Symphony Life.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors ("**Board**") of Mlabs Systems Berhad ("**Mlabs**" or "the **Company**") is required by the Companies Act 2016 ("**the Act**") to make a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements for the financial period ended 30 September 2025 have been drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards and the requirements of the Act.

In preparing the financial statements, the Directors have considered that:

- reviewed the accounting policies and ensured that they were consistently applied;
- in cases where judgements and estimates were made, the judgements and estimates concerned were based on reasonableness and prudence;
- The applicable approved accounting standards in Malaysia have been applied; and
- The preparation of the financial statements is on a going concern basis.

The Directors are responsible for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Act.

The Board has relied on the Group's system of internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

FINANCIAL
STATEMENTS

DIRECTORS' REPORT

FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2025

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 July 2024 to 30 September 2025.

Change of financial year end

During the current financial period, the Company changed its financial year end from 30 June to 30 September. The Group and the Company hereby present their fifteen (15) month financial statements from 1 July 2024 to 30 September 2025.

Principal activities

The principal activities of the Company are investment holding and research and development of mobile application solutions. The principal activities of its subsidiary companies are as stated in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

Financial results

	Group RM'000	Company RM'000
Loss for the financial period	(27,218)	(8,616)
Attributable to:		
Owners of the Company	(26,448)	(8,616)
Non-controlling interest	(770)	-
	(27,218)	(8,616)

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature other than as those disclosed in the notes to the financial statements.

Dividends

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

Reserves and provisions

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

Issue of shares and debentures

During the financial period, the Company increased its share capital from 72,470,289 ordinary shares amounting to RM110,048,888 to 289,069,106 ordinary shares amounting to RM129,530,874 via the issuance of 216,598,817 new ordinary shares at an issue price of RM0.16 per ordinary share together with 86,639,526 free detachable warrants for a total cash consideration of RM34,655,811 for working capital purposes and an amount of RM679,032 was utilised out of the shares capital for share issuance expenses.

The new ordinary shares issued during the financial period ranked pari passu in all respects of the distribution of dividends and repayment of capital with existing ordinary shares.

There was no issuance of debentures during the financial period.

Directors' Report

for the financial period from 1 July 2024 to 30 September 2025

Options granted over unissued shares

No options were granted to any person to take up any unissued shares of the Company during the financial period.

Warrants

Warrants 2024/2027 ("Warrants D")

On 26 July 2024, the Company issued renounceable rights to subscribe for 216,598,817 new ordinary shares at an issue price of RM0.16 per Rights Share on the basis of three (3) Rights Shares for every one (1) existing Consolidated Share held, together with 86,639,526 free detachable Warrants 2024/2027 ("Warrants D") on the basis of two (2) Warrants D for every five (5) Rights Shares subscribed.

The Warrants D was constituted under the Deed Poll D dated 18 June 2024.

The salient features of Warrants D are as follows:

(i) The Warrants D may be exercised at any time commencing on the date of issue of Warrants D on 26 July 2024 but not later than 25 July 2027 at an exercise price of RM0.16 for each new share. Any Warrants D which have not been exercised at the date of maturity, will lapse and cease to be valid for any purpose.

(ii) The Warrants D holders will not have any voting rights in any general meeting of the Company unless the Warrants D are exercised into new ordinary shares and registered prior to the date of the general meeting of the Company.

(iii) Warrants D issued by the Company will expire on 25 July 2027.

(iv) The movement of Warrants D is as follows:

		Number of warrants			
Date of offer	**Exercise price RM**	**As at 1.7.2024 Units**	**Issued Units**	**Exercised Units**	**As at 30.9.2025 Units**
Warrants D	0.16	-	86,639,526	-	86,639,526

Directors

The Directors in office during the financial period and during the period from the end of the financial period to the date of this report are as follows:

General Tan Sri Dato' Sri Hj. Suleiman bin Mahmud RMAF (RTD)
Tan Sik Eek
Mejar Dato' Ismail bin Ahmad (R)
Ong Tee Kein
Professor Emeritus Dr. Sureswaran Ramadass
Chuah Hoon Hong
Karina binti Idris Ahmad Shah

The names of the directors of the subsidiary companies of the Company in office during the financial period and during the period from the end of the financial period to the date of this report, not including those Directors listed above are:

Chen Chee Peng
Tay Ben Seng, Benson
Dato' Seri Abdul Azim Bin Mohd Zabidi
Razif Mohar Bin Fadzli Nathan (Appointed on 17 June 2025)
Stephen Joseph Chor Lynch (Ceased to be director on 30 April 2025 following the disposal of Inbase Partner Limited)

Directors' Report
for the financial period from 1 July 2024 to 30 September 2025

Directors' interests

According to the Register of Directors' Shareholdings, particulars of interest in the shares of the Company and its related corporations during the financial period of those Directors who held office at the end of the financial period were as follows:

	Number of ordinary shares in the Company			
Shareholdings in the name of the Directors:	**At 1.7.2024**	**Additions**	**Disposals**	**At 30.9.2025**
Direct interests:				
Ong Tee Kein	41,805	-	-	41,805
Professor Emeritus Dr. Sureswaran Ramadass	1,675	-	-	1,675
Tan Sik Eek	35,000	-	-	35,000
Indirect interests:				
Professor Emeritus Dr. Sureswaran Ramadass #	191	-	-	191

\# Deemed interest by virtue of the shareholdings of his spouse.

By virtue of their interests in the shares of the Company, all the above Directors are also deemed to have interests in the shares of the subsidiary companies as at the end of the financial period to the extent the Company has an interest.

Other than disclosed above, the other Directors in office at the end of the financial period do not have any interest in the shares of the Company or its related corporations during the financial period.

Directors' benefits

In respect of the Directors or past Directors of the Company, no fees and other benefits distinguished separately, have been paid to or receivable by them as remuneration for their services to the Company or any related corporation, other than Directors' remuneration, as disclosed in Note 30 to the financial statements.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit by reason of a contract made by the Company or any 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 period was the Company or any related corporation, a party to any arrangement whose object was 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.

Indemnity and insurance costs for Directors, Officers and Auditors

No indemnity has been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been the Director, officer or auditor of the Company.

Other statutory information

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

(a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount to which they might be expected so to realise.

Directors' Report

for the financial period from 1 July 2024 to 30 September 2025

Other statutory information (continued)

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

(a) which would render the amounts written-off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) 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 period which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made; and

(b) no charge has arisen on the assets of the Group and of the Company which secures the liability of any other person nor has any contingent liability arisen in the Group and in the Company.

Subsequent events

The details of subsequent events are disclosed in Note 37 to the financial statements.

Auditors

The auditors, Nexia SSY PLT, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 28 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 1 July 2026.

TAN SIK EEK
Director

ONG TEE KEIN
Director

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

	Note	Group 30.9.2025 RM'000	Group Restated 30.6.2024 RM'000	Company 30.9.2025 RM'000	Company 30.6.2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	5,366	9,143	21	17
Right-of-use assets	7	1,096	1,384	-	-
Investment properties	8	18,525	17,501	-	-
Intangible assets	9	-	-	-	-
Investment in subsidiary companies	10	-	-	106,239	48,580
Investment in associate companies	11	-	-	-	-
Other investments	12	6,414	5,325	-	-
Finance lease receivables	13	-	196	-	-
Trade receivables	14	2,054	174	-	-
		33,455	33,723	106,260	48,597
Current assets					
Inventories	15	2,075	1,910	-	-
Finance lease receivables	13	135	1,171	-	-
Trade receivables	14	34,747	23,405	-	-
Other receivables	16	3,534	20,834	1,223	526
Amount due from subsidiary companies	17	-	-	1,808	35,646
Contract assets	18	54	26	-	-
Tax recoverable		8	5	-	-
Deposits with foreign securities companies	19	42,396	40,368	-	-
Fixed deposits with licensed banks, cash and bank balances	19	6,743	8,371	1,149	537
		89,692	96,090	4,180	36,709
TOTAL ASSETS		123,147	129,813	110,440	85,306
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	129,531	110,049	129,531	110,049
Warrants reserve	21	14,495	-	14,495	-
Foreign translation reserve	21	(1,930)	4,090	-	-
Accumulated losses	21	(30,531)	(4,063)	(34,363)	(25,747)
		111,565	110,076	109,663	84,302
Non-controlling interests	10(c)	(795)	(2,112)	-	-
TOTAL EQUITY		110,770	107,964	109,663	84,302
Non-current liabilities					
Lease liabilities	7	596	1,033	-	-
Contract liabilities	18	2,048	-	-	-
Deferred tax liabilities	22	-	61	-	-
		2,644	1,094	-	-
Current liabilities					
Trade payables	23	3,645	6,661	-	-
Other payables	23	5,399	13,401	663	684
Amount due to Directors of the subsidiary company	24	-	3	-	-
Amount due to subsidiary companies	17	-	-	114	320
Lease liabilities	7	603	455	-	-
Contract liabilities	18	32	170	-	-
Provision for taxation		54	65	*	*
		9,733	20,755	777	1,004
TOTAL LIABILITIES		12,377	21,849	777	1,004
TOTAL EQUITY AND LIABILITIES		123,147	129,813	110,440	85,306

* *Denotes amount below RM1,000*

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2025

		Group		Company	
	Note	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
REVENUE	25	33,407	26,720	-	-
Cost of sales		(17,410)	(16,798)	-	-
GROSS PROFIT		15,997	9,922	-	-
Other income	26	3,574	1,441	76	159
Administrative expenses		(20,548)	(17,892)	(1,689)	(1,706)
Net (allowance for)/reversal of trade and other receivables, amount due from subsidiary companies and deposits with foreign securities companies		(18,059)	(2,868)	247	(2,107)
Selling and distribution expenses		(7,338)	(4,620)	(17)	(20)
Other operating expenses		(326)	(5,331)	(7,233)	(2,870)
LOSS FROM OPERATIONS		(26,700)	(19,348)	(8,616)	(6,544)
Finance costs	27	(153)	(304)	-	-
LOSS BEFORE TAXATION	28	(26,853)	(19,652)	(8,616)	(6,544)
Taxation	29	(365)	(126)	-	-
Loss for the financial period/year		(27,218)	(19,778)	(8,616)	(6,544)
Other comprehensive loss, net of tax					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(5,019)	506	-	-
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD/YEAR		(32,237)	(19,272)	(8,616)	(6,544)
LOSS FOR THE FINANCIAL PERIOD/YEAR ATTRIBUTABLE TO:					
Owners of the Company		(26,448)	(16,188)	(8,616)	(6,544)
Non-controlling interest		(770)	(3,590)	-	-
		(27,218)	(19,778)	(8,616)	(6,544)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Owners of the Company		(31,688)	(15,690)	(8,616)	(6,544)
Non-controlling interests		(549)	(3,582)	-	-
		(32,237)	(19,272)	(8,616)	(6,544)
Loss per share (sen)					
- Basic	31	(9.54)	(1.45)		
- Diluted	31	(9.54)	(1.45)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2025

		Attributable to owners of the Company						
		Non-distributable						
	Note	Share capital RM'000	Warrant reserve RM'000	Foreign translation reserve RM'000	Accumulated losses RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group								
At 1 July 2024 (Restated)		110,049	-	4,090	(4,063)	110,076	(2,112)	107,964
Loss for the financial period		-	-	-	(26,448)	(26,448)	(770)	(27,218)
Other comprehensive (loss)/income, net of tax		-	-	(5,240)	-	(5,240)	221	(5,019)
Total comprehensive loss for the financial period		-	-	(5,240)	(26,448)	(31,688)	(549)	(32,237)
Transactions with owners:								
Ordinary shares issued pursuant to:								
- Rights issue with Warrants D	20,21	20,161	14,495	-	-	34,656	-	34,656
- Transaction costs of Share issue with Warrants D	20	(679)	-	-	-	(679)	-	(679)
Changes in ownership interest in a subsidiary		-	-	-	(20)	(20)	20	-
Disposal of subsidiary companies		-	-	(780)	-	(780)	1,846	1,066
At 30 September 2025		129,531	14,495	(1,930)	(30,531)	111,565	(795)	110,770
At 1 July 2023 – As previously reported		110,049	44,798	3,592	(32,004)	126,435	1,470	127,905
- Prior year adjustments		-	-	-	(669)	(669)	-	(669)
Restated balances at 1 July 2023		110,049	44,798	3,592	(32,673)	125,766	1,470	127,236
Loss for the financial year (Restated)		-	-	-	(16,188)	(16,188)	(3,590)	(19,778)
Other comprehensive income, net of tax		-	-	498	-	498	8	506
Total comprehensive loss for the financial year (Restated)		-	-	498	(16,188)	(15,690)	(3,582)	(19,272)
Transactions with owners:								
Ordinary shares issued pursuant to:								
- Exercise of Warrants C	20	*	-	-	-	*	-	*
- Warrants C expired		-	(44,798)	-	44,798	-	-	-
At 30 June 2024 (Restated)		110,049	-	4,090	(4,063)	110,076	(2,112)	107,964

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

Statements of Changes in Equity
for the financial period from 1 July 2024 to 30 September 2025

Company	Note	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 July 2024		110,049	-	(25,747)	84,302
Total comprehensive loss for the financial period		-	-	(8,616)	(8,616)
Transactions with owners:					
Ordinary shares issued pursuant to:					
- Rights issue with Warrants D	20,21	20,161	14,495	-	34,656
- Transaction costs of Share issue with Warrants D		(679)	-	-	(679)
At 30 September 2025		129,531	14,495	(34,363)	109,663
At 1 July 2023		110,049	44,798	(64,001)	90,846
Total comprehensive loss for the financial year		-	-	(6,544)	(6,544)
Transactions with owners:					
Ordinary shares issued pursuant to:					
- Exercise of Warrants C		*	-	-	*
- Warrants C expired		-	(44,798)	44,798	-
At 30 June 2024		110,049	-	(25,747)	84,302

* *Denotes amount below RM1,000*

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2025

	Note	Group		Company	
		Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		(26,853)	(19,652)	(8,616)	(6,544)
Adjustments for:					
Amortisation of intangible assets		-	2,652	-	-
Depreciation of property, plant and equipment		4,436	3,974	6	4
Depreciation of right-of-use-assets		693	752	-	-
Depreciation of investment properties		476	366	-	-
Fair value (gain)/loss on other investments		(234)	1,381	-	-
Gain on derecognition of leases		(8)	(95)	-	-
(Gain)/loss on disposal of property, plant and equipment		(6)	547	-	3
(Gain)/loss on disposal of subsidiary companies		(2,698)	-	2,587	-
Impairment losses on trade receivables		2,668	1,775	-	-
Impairment losses on other receivables		15,583	163	-	-
Impairment losses on investment in subsidiary companies		-	-	1,883	2,867
Impairment losses on amount due from subsidiary companies		-	-	187	2,107
Allowance for impairment losses on deposits with foreign securities companies		238	1,176	-	-
Impairment losses on intangible assets		-	1,913	-	-
Loss on derecognition of a subsidiary company		59	-	-	-
Reversal of impairment loss of amount due from subsidiary companies		-	-	(434)	-
Income distribution from short-term investments		(26)	(1)	(5)	(1)
Interest expense		153	304	-	-
Inventories written off		23	1	-	-
Interest income		(448)	(456)	-	-
Property, plant and equipment written off		47	102	-	-
Provision of slow-moving inventories		-	29	-	-
Reversal of slow-moving inventories		-	(12)	-	-
Reversal of impairment on other receivables		(43)	(6)	-	-
Reversal of impairment on trade receivables		(387)	(240)	-	-
Unrealised loss/(gain) in foreign exchange		214	205	2,763	(136)
Operating loss before working capital changes		(6,113)	(5,122)	(1,629)	(1,700)
Increase in inventories		(209)	(428)	-	-
Increase in receivables		(15,976)	(17,959)	(697)	(56)
(Decrease)/increase in payables		(5,397)	15,773	(21)	84
Increase in contract assets		(28)	(26)	-	-
Increase in contract liabilities		1,910	99	-	-
Cash used in operations		(25,813)	(7,663)	(2,347)	(1,672)
Tax paid		(440)	(413)	-	-
Net cash used in operating activities		(26,253)	(8,076)	(2,347)	(1,672)

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

Statements of Cash Flows

for the financial period from 1 July 2024 to 30 September 2025

	Note	Group		Company	
		Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Advance to subsidiary companies		-	-	(31,005)	(1,260)
Net additional placement with foreign securities companies		(6,386)	(13,127)	-	-
Placements in other investments		(855)	(2,700)	-	-
Income received from short-term investments		26	1	5	1
Interest received		6	28	-	-
Acquisition of additional equity interest in subsidiary companies		-	-	(3)	-
Acquisition of investment properties		-	(113)	-	-
Acquisition of property, plant and equipment		(729)	(408)	(10)	(11)
Increase in fixed deposits pledged to licensed banks		(1,204)	-	-	-
Net cash outflows from deemed disposal of subsidiary companies		(638)	-	-	-
Proceeds from disposal of property, plant and equipment		25	427	-	*
Additional capital injection for a subsidiary company		-	-	(5)	-
Net cash used in investing activities		(9,755)	(15,892)	(31,018)	(1,270)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(153)	(304)	-	-
Repayment to Directors		(10)	*	-	-
Net proceeds from issuance of rights issue		33,977	*	33,977	*
Payment of lease liabilities		(686)	(755)	-	-
Net cash generated from/(used in) financing activities		33,128	(1,059)	33,977	*
Net (decrease)/increase in cash and cash equivalents		(2,880)	(25,027)	612	(2,942)
Cash and cash equivalents at beginning of the financial period/year		8,371	33,232	537	3,479
Effect of changes in exchange rates on cash and cash equivalents		48	166	-	-
		8,419	33,398	537	3,479
Cash and cash equivalents at end of the financial period/year	19	5,539	8,371	1,149	537

* *Denotes amount below RM1,000*

Statements of Cash Flows
for the financial period from 1 July 2024 to 30 September 2025

Reconciliation of movement of liabilities to cash flow arising from financial activities

Group

	At 1 July 2024 RM'000	Net changes from financing activities RM'000	Net additions of lease liabilities RM'000	Other changes RM'000	At 30 September 2025 RM'000
Lease liabilities	1,488	(686)	397	-	1,199

	At 1 July 2023 RM'000	Net changes from financing activities RM'000	Net derecognition of lease liabilities RM'000	Other changes RM'000	At 30 June 2024 RM'000
Lease liabilities	2,787	(755)	(514)	(30)	1,488

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2025

1. Corporate information

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

The Company's registered office is located at 22-09, Menara 1MK, No. 1, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur.

The principal place of business of the Company is located at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at 30 September 2025 and for the financial period from 1 July 2024 to 30 September 2025 comprise the Company and its subsidiary companies (together referred to as the "Group"). The financial statements of the Company as at 30 September 2025 and for the financial period from 1 July 2024 to 30 September 2025 do not include other entities.

The Company is principally engaged in the business of investment holding and research and development of mobile application solutions. The principal activities of its subsidiary companies are set out in Note 10. There have been no significant changes in the nature of these activities during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 1 July 2026.

2. Basis of preparation of the financial statements

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information (Note 3).

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's functional currency. All information has been rounded to the nearest thousand (RM'000), unless otherwise stated.

(a) Deposits with foreign securities companies and subsequent events

i. Nature of the Deposits

As at 30 September 2025, the Group maintained deposits placed with foreign securities companies amounting to approximately RM43.8 million (equivalent to approximately USD10.4 million, at the prevailing exchange rate as at 30 September 2025). These deposits were maintained as part of the Group's treasury and investment management activities and are classified as current assets in the consolidated statement of financial position.

The deposits were held with counterparties incorporated outside Malaysia. The Group represented to the Board that the deposits formed part of an active treasury management strategy, as documented in approved board papers for the financial period under review.

ii. Subsequent Redemption of Deposits

Subsequent to the financial period end, management undertook a progressive redemption of the deposits in multiple tranches between January 2026 and April 2026. Redemption proceeds were received in the Group's USD banking accounts.

As at the date of approval of these financial statements, the deposits previously held with the foreign securities companies have been fully redeemed. Bank records, independently confirmed by the Group's bankers, evidence inward remittances corresponding to the redemption proceeds received.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

2. Basis of preparation of the financial statements (continued)

(a) Deposits with foreign securities companies and subsequent events (continued)

iii. Subsequent Utilisation – Acquisition of Quoted Equity Securities

Based on management's fund flow reconciliation, the redeemed proceeds were allocated between investments in quoted equity securities and general treasury requirements. Approximately 65.0% of the redeemed proceeds were applied towards quoted equity securities, while approximately 33.0% remained in bank accounts and 2% was utilised for operational purposes.

The quoted equity securities were acquired through SFGHK Limited, a broker based in Hong Kong, and are registered through a nominee arrangement with M&A Nominee (Tempatan) Sdn. Bhd. pending transfer to the Group's direct Central Depository System ("CDS") account. The related transactions were announced by the Company via Bursa Malaysia.

The Group obtained independent confirmation from M&A Nominee (Tempatan) Sdn. Bhd. that the relevant quoted equity securities are held in nominee form for SFGHK Limited for the account of the Group. The process of transferring securities from the nominee arrangement to the Group's direct CDS account was ongoing as at the date of approval of these financial statements.

Management has assessed whether SFGHK Limited is a related party of the Group in accordance with MFRS 124, Related Party Disclosures, having regard to publicly available information. Based on the formal indicia considered, including the registered directorship and shareholding records available to the Group, management did not identify a related party relationship between the Group and SFGHK Limited.

iv. Management's Assessment

Management has assessed the recoverability of the deposits as at 30 September 2025 and the subsequent portfolio shareholdings acquired. Having regard to the redemption proceeds received, the bank records (independently confirmed by the Group's bankers), the nominee confirmation obtained from M&A Nominee (Tempatan) Sdn. Bhd., securities companies statements related records, and the Bursa Malaysia announcements, management is of the view that the balances recorded as at 30 September 2025 are recoverable and that no further impairment is required.

v. Subsequent Events Disclosure

Save as disclosed above, there were no other material events after the financial period end and before the date of approval of these financial statements that require adjustment to or disclosure in the financial statements.

(b) During the financial period, the Group and the Company reported net losses of RM27.218 million and RM8.616 million respectively.

The Group and Company have taken and will take various measures to increase its revenue in-line with the anticipated recovery in the nation's economy in year 2026. The Group and the Company will continue to implement cost control measures to ensure cost optimisation in its operation. These will ensure that it is able to preserve its current healthy cash flow position to enable the Group to take advantage of business opportunities that may arise.

The Directors have reviewed the Group's cash flow projections prepared by Management, which cover a period to 30 September 2027, taking into account reasonably possible changes in the inflation rate based on forecasted market data. The Directors are of the opinion that with the cash and cash equivalents available currently, the Group and the Company will be able to finance its operations and meet its obligations as and when they fall due and to continue its business without significant curtailment of operations in the next twelve months from the approval date of the financial statements.

The Group's and the Company's Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. Material accounting policy information

All material accounting policy information set out below are consistent with those applied in the previous financial year, except as disclosed in Note 4.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at financial period end. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same financial year end as the Company. Consistent accounting policies are applied to like transactions and events of similar circumstances.

All intra-group balances, income and expenses and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiary companies are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree.

A change in the ownership interest of a subsidiary company, without loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary company, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary company at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary company;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary company;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent’s share of components previously recognised in other comprehensive income (“OCI”) to profit or loss or retained earnings, if required in accordance with other MFRSs.

(b) Non-controlling interests

Non-controlling interests (“NCI”) represent the portion of profit or loss and net assets in subsidiary companies not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and OCI and within equity in the consolidated statements of financial position, but separate from parent shareholders’ equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in subsidiary companies that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(c) Investment in associate companies

The Group’s investment in its associate companies are accounted for using the equity method.

Under the equity method, the investment in associate companies is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate companies since the acquisition date. Goodwill relating to the associate companies is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group’s share of the results of operations of the associate companies.

The aggregate of the Group’s share of profit or loss of the associate companies is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non controlling interests in the subsidiaries of the associate companies.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

3. Material accounting policy information (continued)

(d) Property, plant and equipment, and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Depreciation on the property, plant and equipment are calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Renovation	10%
Motor vehicles	20%
Furniture, fittings, signboard and office equipment	20% - 33.33%
Computers	20%

Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

(e) Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

The Group uses the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Investment properties under construction are not depreciated as the assets are not available for use. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(g) to the financial statements.

Buildings are depreciated on a straight-line basis to write off the cost over the estimated useful lives of 50 years. Investment properties under construction is stated at cost and is not depreciated until such time when the asset is available for use.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

(f) Intangible assets

An intangible asset shall be recognised if, and only if, it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

Intangible assets that have been capitalised are amortised on a straight-line basis over the period of their expected benefit, when the intangible assets are available for use. Film production cost are amortised when the film is released. The estimated useful lives for the intangible assets are as follows:

Website cost	5 years
Software development expenditure	3 years

3. Material accounting policy information (continued)

(g) Impairment of non-financial assets

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

For property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently, when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value-in-use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGU").

In assessing value-in-use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

The Group and the Company recognised impairment losses in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is measured using first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Leases

The Group presents right-of-use assets and lease liabilities as separate lines in the statement of financial position.

(i) Group as a lessee

<u>Right-Of-Use-Assets</u>

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received.

Depreciation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

Office	2 to 6 years

3. Material accounting policy information (continued)

(i) Leases (continued)

(i) Group as a lessee (continued)

Lease liabilities

The Group recognises lease liability, which is measured at the present value of the lease payments to be made over the lease term, at the commencement date.

The lease payments are discounted using incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured in order to reflect any reassessment or lease modifications.

Short-term leases and leases of low-value assets

The Group elected to apply exemption to those short-term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low-value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

Lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Under some of the leases, the Group is offered with the option to extend the lease term for additional one to three years. The Group applies judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

(ii) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified as operating leases. Rental income arising is accounted for an on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits, deposits with foreign securities companies, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short-term funding requirements.

3. Material accounting policy information (continued)

(k) Financial assets

(i) Classification

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

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss ("FVTPL").

(ii) Initial recognition and subsequent measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refer to how the Group and the Company manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

(a) Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

(i) the financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade receivables, other receivables, finance lease receivables, contract assets, amount due from subsidiary companies, and cash and bank balances.

(b) Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

The Group's and the Company's financial assets at FVTPL include money market funds, equity investments, short-term investments and redeemable convertible preference shares as disclosed in Note 12.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

3. Material accounting policy information (continued)

(k) Financial assets (continued)

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the statements of financial position) when:

(a) the rights to receive cash flows from the asset have expired; or

(b) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (i) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (ii) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

(l) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (“ECL”) for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance at an amount equal to lifetime ECL, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECL. For trade receivables and contract assets, loss allowances are measured based on lifetime ECL at each reporting date. The Group and the Company estimate the ECL on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while the 12-month ECL are the portion of the ECL that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

3. Material accounting policy information (continued)

(l) Impairment of financial assets (continued)

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

(i) Simplified approach for trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information such as:

- internal credit rating/assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor (where available);
- significant increase in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

Grouping of instruments for ECL measured on collective basis

Collective assessment

To measure ECL, trade receivables are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

Note 14 sets out the measurement details of ECL.

3. Material accounting policy information (continued)

(l) Impairment of financial assets (continued)

(ii) General 3-stages approach for cash and bank balances, deposits with foreign securities companies, other receivables, finance lease receivables, contract assets and amount due from subsidiary companies

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes 16, 17 and 19 set out the measurement details of ECL.

(m) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

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

i Amortised cost

The Group's and the Company's financial liabilities are measured at amortised cost using the effective interest method.

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

ii Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value, net of transaction costs. Subsequently, they are measured at higher of:

a the amount of the loss allowance; and

b the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 Revenue from Contracts with Customers.

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

(n) Contract assets and contract liabilities

A contract asset is the Group’s right to consideration for goods or services transferred to a customer when the right is subject to conditions other than passage of time. Contract assets are reviewed for impairment on the same basis as financial assets in accordance with the Group’s accounting policy on impairment of financial assets as disclosed in Note 3(l).

A contract liability is the Group’s obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers for the consideration due under the contracts with customers.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

3. Material accounting policy information (continued)

(o) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. This reserve is non-distributable and will be transferred to share capital upon the exercise of warrants. The warrants reserve in relation to unexercised warrants at the expiry of the warrants will be transferred to retained earnings or accumulated losses.

(p) Income tax

i Current tax

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

ii Deferred tax

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

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

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

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Revenue recognition and other income

Revenue is measured at fair value of consideration received or receivable. The following describes the performance obligation in contracts with customers:-

i Sales of goods

The Group sells a range of kitchen equipment and appliances to customers. As the performance obligation is satisfied at a point in time when the Group transfers control of the goods to the customers, whereby the goods are delivered to the customers, revenue is also recognised based on the selling price specified in the contract.

The sales of bulk made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present as the sales are made with cash term. The receivables is recognised when the customers obtained the controls of goods as the consideration is unconditional other than passage of time before payment is due.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

3. Material accounting policy information (continued)

(q) Revenue recognition and other income (continued)

ii Rendering of services

Revenue is recognised over period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Revenue is measured on the basis of the percentage-of-completion method when the outcome of services provided can be estimated reliably. If the outcome of a service contract cannot be estimated reliably, contract revenue is recognised only to extend that contract costs incurred are likely to be recoverable.

iii Profit income from debt factoring

Profit income from advances to customers through debt factoring, with normal term of 90 days, are recognised as income on accrual basis.

iv Fee income from debt factoring

Fee income from debt factoring comprised of administration and processing fee, which are generally recognised at point in time when the performance obligation has been fulfilled.

v Income from debt leasing

Income from debt leasing comprised of processing fee and profit income from customers through leasing. Income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

vi Profit from term advance

Income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

vii Rental income

Rental income is recognised on a straight-line basis over the term of the tenancy agreement subject to revision of rental rate.

viii Interest income

Interest income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

(r) Employees benefits

i Short-term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii Defined contribution plans

The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

3. Material accounting policy information (continued)

(s) Earnings per ordinary share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares.

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

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from convertible securities.

4. Adoption of new and revised Malaysian Financial Reporting Standards (“MFRS”) and interpretations (“MFRSs”)

(a) MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2024

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and to the Company’s existing accounting policies.

(b) MFRSs that have been issued but only effective for financial period beginning on 1 January 2025 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 121:	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9:	Financial Instruments	1 January 2026
Amendments to MFRS 10:	Consolidated Financial Statements	1 January 2026
Amendments to MFRS 107:	Statement of Cash Flows	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:	The Effects of Changes in Foreign Exchange Rates	1 January 2027
Amendments to MFRS 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

5. Significant accounting judgement and estimates

Key sources of estimation uncertainty

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

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Depreciation of property, plant and equipment, right-of-use assets and investment properties

The cost of property, plant and equipment, right-of-use assets and investment properties are depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment, right-of-use assets and investment properties to be within a range of 2 to 50 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Group's and of the Company's property, plant and equipment, right-of-use assets and investment properties at the reporting date are disclosed in Notes 6, 7 and 8.

(b) Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the Management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(c) Write-down of obsolete or slow-moving inventories

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

The carrying amount of the Group's inventories are disclosed in Note 15.

(d) Provision for expected credit losses of trade and other receivables, finance lease receivables, contract assets and amount due from subsidiary companies

The Group uses a provision matrix to calculate ECL for trade and other receivables, finance lease receivables, contract assets and amount due from subsidiary companies. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade and other receivables and amount due from subsidiary companies are disclosed in Notes 14, 16 and 17.

5. Significant accounting judgement and estimates (continued)

Key sources of estimation uncertainty (continued)

(e) Provision for expected credit losses of deposits with foreign securities companies

The Group determines ECL on cash and bank balances based on a valuation report prepared by an independent valuer, which incorporates credit risk assessments of the relevant financial institutions.

The impairment provisions for financial assets are based on assumptions relating to probability of default, loss given default and forward-looking macroeconomic factors. The Group applies judgement in evaluating the credit quality of counterparties and in selecting appropriate default rates and expected loss rates, taking into account current market conditions and future economic outlook.

At each reporting date, these assumptions and inputs are reviewed and updated, and changes in forward-looking information are analysed. The information about the ECL on the Group's cash and bank balances is disclosed in Note 19.

(f) Income tax

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised 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 and deferred tax provisions in the year in which such determination is made.

(g) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiary companies that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary company's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary company’s stand-alone credit rating).

(h) Determining the lease term of contracts with renewal options – the Group as lessee

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

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

The Group included the renewal period as part of the lease term for leases of building with shorter non-cancellable period (i.e., one to three years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on profit if a replacement building for rent is not readily available.

(i) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of these deferred tax assets not recognised which comprise unabsorbed tax losses, unutilised capital allowances and other taxable temporary differences of the Group are disclosed in Note 29.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

6. Property, plant and equipment

Group 30.09.2025	Renovation RM	Motor vehicles RM	Furniture, fittings, signboard, and office equipment RM	Computers RM	Total RM
Cost					
At 1 July 2024	2,678	420	6,630	7,095	16,823
Additions	378	-	240	111	729
Foreign exchange translation	-	-	-	(8)	(8)
Reclassifications	-	-	(3)	3	-
Write offs/Disposals	(51)	-	(18)	(10)	(79)
At 30 September 2025	3,005	420	6,849	7,191	17,465
Accumulated depreciation					
At 1 July 2024	798	390	2,103	4,385	7,676
Charge for the financial period	551	11	1,694	2,180	4,436
Foreign exchange translation	-	-	-	(4)	(4)
Reclassifications	-	-	(1)	1	-
Write offs/Disposals	(3)	-	(3)	(7)	(13)
At 30 September 2025	1,346	401	3,793	6,555	12,095
Accumulated impairment losses					
At 1 July 2024/30 September 2025	-	-	-	4	4
Carrying amount					
At 30 September 2025	1,659	19	3,056	632	5,366
Cost					
At 1 July 2023	4,133	420	6,785	6,945	18,283
Additions	19	-	88	301	408
Foreign exchange translation	(60)	-	(9)	2	(67)
Write offs/Disposals	(1,414)	-	(234)	(153)	(1,801)
At 30 June 2024	2,678	420	6,630	7,095	16,823
Accumulated depreciation					
At 1 July 2023	660	381	978	2,422	4,441
Charge for the year	680	9	1,293	1,992	3,974
Foreign exchange translation	(7)	-	(7)	*	(14)
Write offs/Disposals	(535)	-	(161)	(29)	(725)
At 30 June 2024	798	390	2,103	4,385	7,676
Accumulated impairment losses					
At 1 July 2023/30 June 2024	-	-	-	4	4
Carrying amount					
At 30 June 2024	1,880	30	4,527	2,706	9,143

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

6. Property, plant and equipment (continued)

Company 30.09.2025	Furniture, fittings, and office equipment RM	Computers RM	Total RM
Cost			
At 1 July 2024	11	18	29
Additions	3	7	10
Reclassifications	(3)	3	-
At 30 September 2025	11	28	39
Accumulated depreciation			
At 1 July 2024	2	10	12
Charge for the financial period	3	3	6
Reclassifications	(1)	1	-
At 30 September 2025	4	14	18
Carrying amount			
At 30 September 2025	7	14	21
30.6.2024			
Cost			
At 1 July 2023	4	18	22
Additions	7	4	11
Disposals	-	(4)	(4)
At 30 June 2024	11	18	29
Accumulated depreciation			
At 1 July 2023	1	8	9
Charge for the financial year	1	3	4
Disposals	-	(1)	(1)
At 30 June 2024	2	10	12
Carrying amount			
At 30 June 2024	9	8	17

** Denotes amount below RM1,000*

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

7. Leases

(a) The Group as lessee

Right-of-use-assets

	Group		
	Motor vehicle RM'000	**Office RM'000**	**Total RM'000**
Carrying amount			
Balance as at 1 July 2024	-	1,384	1,384
Additions	237	294	531
Charge for the financial period	(69)	(624)	(693)
Derecognitions	-	(126)	(126)
Balance as at 30 September 2025	168	928	1,096
Balance as at 1 July 2023	-	2,590	2,590
Additions	-	372	372
Charge for the financial year	-	(752)	(752)
Derecognitions	-	(791)	(791)
Foreign exchange translation	-	(35)	(35)
Balance as at 30 June 2024	-	1,384	1,384

The Group's office leases terms range from 1 to 3 years (30.6.2024: 1 to 3 years) and comes together with extension options for renewal of contract which range from 1 to 3 years (30.6.2024: 1 to 3 years).

The Group's motor vehicle lease is for a 2 year period with no extension options for renewal of contract.

Certain office leases have been derecognised upon the expiry of tenancy agreements. The Group applied "short-term lease" exemptions on the subsequent monthly rentals until further agreements have been signed.

Lease liabilities – unsecured

	Group		
	Motor vehicle RM'000	**Office RM'000**	**Total RM'000**
Carrying amount			
Balance as at 1 July 2024	-	1,488	1,488
Additions	237	294	531
Lease payment	(74)	(720)	(794)
Interest expenses (Note 27)	8	100	108
Derecognitions	-	(134)	(134)
Balance as at 30 September 2025	171	1,028	1,199
Represented by:			
Current liabilities	119	484	603
Non-current liabilities	52	544	596
	171	1,028	1,199

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

7. Leases (continued)

(a) The Group as lessee (continued)

<u>Lease liabilities – unsecured</u> (continued)

	Group		
	Motor vehicle RM'000	Office RM'000	Total RM'000
Balance as at 1 July 2023	-	2,787	2,787
Additions	-	372	372
Lease payment	-	(863)	(863)
Interest expense (Note 27)	-	108	108
Derecognitions	-	(886)	(886)
Foreign exchange translation	-	(30)	(30)
Balance as at 30 June 2024	-	1,488	1,488
Represented by:			
Current liabilities	-	455	455
Non-current liabilities	-	1,033	1,033
	-	1,488	1,488

<u>30.9.2025</u>

	Motor vehicle RM'000	Office RM'000	Total RM'000
Minimum lease payment			
- Not later than one year	126	530	656
- Later than one year and not later than five years	53	562	615
	179	1,092	1,271
Future finance charges on lease liabilities	(8)	(64)	(72)
Present value of lease liabilities	171	1,028	1,199
Present value of lease is analysed as follow:			
Current liabilities			
- Not later than one year	119	484	603
Non-current liabilities			
- Later than one year and not later than five years	52	544	596
	171	1,028	1,199
Rates of interest charged per annum:			
Lease liabilities owing to non-financial institutions	6.79%	5.90% to 6.82%	5.90% to 6.82%

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

7. Leases (continued)

(a) The Group as lessee (continued)

Lease liabilities – unsecured (continued)

30.6.2024	**Group Office RM'000**
Minimum lease payment	
- Not later than one year	528
- Later than one year and not later than five years	1,101
	1,629
Future finance charges on lease liabilities	(141)
Present value of lease liabilities	1,488
Present value of lease is analysed as follow:	
Current liabilities	
- Not later than one year	455
Non-current liabilities	
- Later than one year and not later than five years	1,033
	1,488
Rates of interest charged per annum:	
Lease liabilities owing to non-financial institutions	5.90% to 6.82%

i The Group has certain leases of equipments with lease terms of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

ii The following are the amounts recognised in profit or loss:

	Group	
	30.9.2025 RM'000	**30.6.2024 RM'000**
Included in other income		
Gain on derecognition of leases	(8)	(95)
Included in administrative expenses		
Depreciation of right-of-use-assets	693	752
Included in finance costs		
Interest on lease liabilities	108	108
	793	765

iii As at the end of the financial period/year, the Group had total cash outflow for leases as follows:

	Group	
	30.9.2025 RM'000	**30.6.2024 RM'000**
Payment of lease liabilities	794	863

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

7. Leases (continued)

(b) The Group as lessor

The Group entered into operating leases on its investment properties. These leases have terms of between two and three years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties. Rental income recognised by the Group during the financial period is RM558,835 (30.6.2024: RM148,200).

As at the end of the reporting period/year, the future minimum lease receivables are as follows:

	Group	
	30.9.2025 RM'000	**30.6.2024 RM'000**
Non-cancellable operating lease commitments as lessors		
- Less than one year	737	14
- Later than one year but not later than five years	561	-
	1,298	14

Based on the Group's historical collection experience, the amounts of lease receivables presented on the statement of financial position represent the amount exposed to credit risk. The Management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net lease receivables.

8. Investment properties

Group **30.9.2025**	**Buildings RM'000**	**Investment properties under construction RM'000**	**Total RM'000**
Cost			
At 1 July 2024	19,050	-	19,050
Additions	1,500	-	1,500
At 30 September 2025	20,550	-	20,550
Accumulated depreciation			
At 1 July 2024 (Restated)	1,390	-	1,390
Charge for the financial period	476	-	476
At 30 September 2025	1,866	-	1,866
Accumulated impairment losses			
At 1 July 2024/30 September 2025	159	-	159
Carrying amount			
At 30 September 2025	18,525	-	18,525
Fair value	20,940	-	20,940

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

8. Investment properties (continued)

Group

30.6.2024 (Restated)	Buildings RM'000	Investment properties under construction RM'000	Total RM'000
Cost			
At 1 July 2023	16,800	2,137	18,937
Additions	-	113	113
Transfers	2,250	(2,250)	-
At 30 June 2024	19,050	-	19,050
Accumulated depreciation (Restated)			
At 1 July 2023	1,024	-	1,024
Charge for the financial year	366	-	366
At 30 June 2024	1,390	-	1,390
Accumulated impairment losses			
At 1 July 2023/30 June 2024	159	-	159
Carrying amount (Restated)			
At 30 June 2024	17,501	-	17,501
Fair value	19,210	-	19,210

The fair value disclosure of the freehold properties is determined by the external independent property valuer, who is, a member of the Institute of Valuers in Malaysia, with appropriate recognised professional qualifications and experience in the location and category of property being valued. In estimating the fair value of the properties, comparison valuation method of the properties is their current use.

Level 2 Fair Value

The fair value references of freehold properties are categorised as Level 2, and have been generally derived from active markets that the Group can access at the measurement date.

	Group	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
Rental income derived from investment properties	559	148
Direct operating expenses generating rental income	(102)	(81)
Profit arising from investment properties carried at cost	457	67

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

9. Intangible assets

Group

30.09.2025	Website cost RM'000	Software development expenditure RM'000	Total RM'000
Cost			
At 1 July 2024	200	17,989	18,189
Disposal of subsidiary companies	-	(7,069)	(7,069)
At 30 September 2025	200	10,920	11,120
Accumulated amortisation			
At 1 July 2024	160	10,068	10,228
Disposal of subsidiary companies	-	(5,302)	(5,302)
At 30 September 2025	160	4,766	4,926
Accumulated impairment losses			
At 1 July 2024	40	7,921	7,961
Disposal of subsidiary companies	-	(1,767)	(1,767)
At 30 September 2025	40	6,154	6,194
Carrying amount			
At 30 September 2025	-	-	-
30.6.2024			
Cost			
At 1 July 2023	200	17,905	18,105
Foreign exchange translation	-	84	84
At 30 June 2024	200	17,989	18,189
Accumulated amortisation			
At 1 July 2023	160	7,369	7,529
Charge for the financial year	-	2,652	2,652
Foreign exchange translation	-	47	47
At 30 June 2024	160	10,068	10,228
Accumulated impairment losses			
At 1 July 2023	40	6,000	6,040
Charge for the financial year	-	1,913	1,913
Foreign exchange translation	-	8	8
At 30 June 2024	40	7,921	7,961
Carrying amount			
At 30 June 2024	-	-	-

Software development expenditure

During the previous financial year, Management recognised a full impairment on the software development expenditure. This impairment decision was based on qualitative factors and Management's judgement that there will be a reduction in the expected future economic benefits derived from the asset.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

10. Investment in subsidiary companies

	Company	
	30.9.2025	30.6.2024
	RM'000	RM'000
Unquoted shares, at cost		
At beginning of the financial period/year	22,722	22,722
Additions	8	-
Disposal of subsidiary companies	(12,741)	-
At end of the financial period/year	9,989	22,722
Capital contribution		
At beginning of the financial period/year	116,333	116,333
Capitalisation from amount due from subsidiary companies (Note 17)	64,632	-
At end of the financial period/year	180,965	116,333
Less: Accumulated impairment losses		
At beginning of the financial period/year	90,475	87,608
Impairment losses recognised during the financial period/year	1,883	2,867
Reclassifications (Note 17)	2,511	-
Disposal of subsidiary companies	(10,154)	-
At end of the financial period/year	84,715	90,475
Carrying amount	106,239	48,580

Capital contribution in subsidiary companies represent amount due from subsidiary companies which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiary companies.

The details of subsidiary companies are as follows:-

Name of subsidiary companies	Effective equity interest 30.9.2025	Effective equity interest 30.6.2024	Country of incorporation and principal place of business	Principal activities
Mfinity Technologies Sdn. Bhd.	100%	100%	Malaysia	Wholesale of computer hardware, software, and peripherals and provision of all kinds of ICT services activities.
Pacifica Direct Sdn. Bhd.	100%	100%	Malaysia	Wholesale & retail sale of any kind of product over the internet and offline store, provide IT related services, renting and leasing of equipment.
Mlabs Properties Sdn. Bhd.	100%	100%	Malaysia	Investment holding of investment properties.
Macademi Sdn. Bhd.	100%	100%	Malaysia	Business to provide all types of training and provision of management consultancy services.
Champagne Carbon Sdn. Bhd.	100%	100%	Malaysia	Distribution and supply of alcoholic beverage.
Mlabs Capital Sdn. Bhd.	100%	100%	Malaysia	Investment holdings.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

10. Investment in subsidiary companies (continued)

The details of subsidiary companies are as follows (continued):-

Name of subsidiary companies	Effective equity interest 30.9.2025	Effective equity interest 30.6.2024	Country of incorporation and principal place of business	Principal activities
Carbon International Sdn. Bhd.	100%	100%	Malaysia	Dormant, yet to commence business of retail sale of products over the internet.
Champagne Carbon Asia Limited*	100%	100%	Hong Kong	Trading of wine and investment holding.
Inbase Partners Limited*	-	51%	Cayman Islands	Software engineering and development, financial technology legal consultant and digital crypto currency market analysis.
Linkodes International Limited *	62%	60%	Hong Kong	Dormant, yet to commence business activity on technology development and investment holding.
Subsidiary company of Mfinity Technologies Sdn. Bhd.				
Inshub Sdn. Bhd.	100%	100%	Malaysia	Business on provision of marketing and event services and website design, development and maintenance.
Subsidiary company of Inbase Partners Limited				
Inbase Partners Taiwan Limited *	-	51%	Taiwan	Financial technology related services and trade of precious metals.
Inbase Asia Sdn. Bhd.	-	-	Malaysia	Dormant, yet to commence business.
Subsidiary company of Champagne Carbon Asia Limited				
Carbon Champagne Taiwan Limited *	100%	100%	Taiwan	Reseller of alcoholic beverage.
Shenzhen Carbon Champagne Development Limited*	-	100%	China	Dormant, yet to commence commercial operations on reseller of alcoholic beverage.
Subsidiary company of Linkodes International Limited				
Swapp Asia Sdn. Bhd.	62%	60%	Malaysia	Business in technology service activities and retail sale of products over the internet
Subsidiary company of Mlabs Capital Sdn. Bhd.				
Ikhlas Al Dain Sdn. Bhd.	100%	100%	Malaysia	Factoring and other finance business.
Mlabs Capital Limited *	100%	100%	Hong Kong	Investment holding.

* *Audited by firms other than Nexia SSY PLT*

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

10. Investment in subsidiary companies (continued)

(a) Acquisition and incorporation of subsidiary companies

Current financial period

i On 6 November 2024, the Company incorporated Inbase Asia Sdn. Bhd. through its subsidiary, Inbase Partners Limited, with a paid-up share capital of RM100 comprising 100 ordinary shares, for a cash consideration of RM100.

ii On 16 July 2025, the Company acquired an additional 5,000 ordinary shares in Linkodes International Limited for a cash consideration of RM2,703 from a non-controlling shareholder. The Company's effective ownership in Linkodes International Limited increased to 62% after the acquisition.

iii On 1 September 2024, the Company acquired additional 4,999 ordinary shares in Macademi Sdn. Bhd. for a cash consideration of RM4,999 for working capital purposes.

(b) Disposal and deemed disposal of subsidiary companies

Current financial period

(i) Inbase Partners Limited ("IPL") and its subsidiary company

On 30 April 2025, the Company entered into a Share Sale Agreement for the disposal of its investment in IPL for a total cash consideration of RM4.

The fair value of the identifiable assets and liabilities of IPL and its subsidiary company as at the date of disposal were as follows:

	30.4.2025 RM'000
Trade receivables	463
Other receivables	593
Cash and bank	638
Other payables	(5,461)
Total fair value of identifiable net liabilities	(3,767)
Less: Non-controlling interest as at disposal date	1,846
Add: Foreign translation reserve	(777)
Proceeds from disposal	*
Gain on disposal of subsidiary companies	(2,698)

The effect of the disposal on cash flow is as follows:

	30.4.2025 RM'000
Consideration settled in cash	*
Less: Cash and cash equivalents of subsidiary companies disposed	(638)
Net cash outflow from the disposal	(638)

* *Denotes amount below RM1,000*

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

10. Investment in subsidiary companies (continued)

(b) Disposal and deemed disposal of subsidiary companies (continued)

Current financial period (continued)

(ii) Inbase Asia Sdn. Bhd. ("IASB")

On 30 April 2025, the Company derecognised its investment in IASB through IPL with no cash consideration following the striking off of the subsidiary.

There was no fair value attributable to the identifiable assets and liabilities of IASB as at the date of deemed disposal, as the company has been dormant since its incorporation.

(iii) Shenzhen Carbon Champagne Development Limited ("SCCDL")

On 11 March 2025, the Company derecognised of its investment in SCCDL with following the striking off of the subsidiary.

The fair value of the identifiable assets and liabilities of SCCDL as at the date of derecognised were as follows:

	11.3.2025 RM'000
Amount due to a director	(3)
Other payables	(53)
Total fair value of identifiable net liabilities	(56)
Add: Foreign translation reserve	(3)
Proceeds from disposal	-
Loss on derecognition of subsidiary	(59)

(c) Non-controlling interest

Financial information of subsidiary companies that have material non-controlling interests is provided below:

	30.9.2025 %	30.6.2024 %
Inbase Partners Group	-	49
Linkodes International Limited	38	40

Accumulated balances of material non-controlling interests:

	30.9.2025 RM'000	30.6.2024 RM'000
Inbase Partners Group	-	(1,532)
Linkodes International Limited	(795)	(580)
	(795)	(2,112)

10. Investment in subsidiary companies (continued)

(c) Non-controlling interest (continued)

Loss allocated to material non-controlling interests:

	Financial period from 1.7.2024 to 30.9.2025 RM'000	**Financial year from 1.7.2023 to 30.6.2024 RM'000**
Inbase Partners Group	(498)	(3,241)
Linkodes International Limited	(272)	(349)
	(770)	(3,590)

Other comprehensive income/(loss) allocated to material non-controlling interests:

	Financial period from 1.7.2024 to 30.9.2025 RM'000	**Financial year from 1.7.2023 to 30.6.2024 RM'000**
Inbase Partners Group	184	10
Linkodes International Limited	37	(2)
	221	8

The summarised financial information of the subsidiary companies that have non-controlling interests which are material to the Group before intra-group elimination are as follows:

(i) Inbase Partners Group

	30.9.2025 RM'000	**30.6.2024 RM'000**
NCI percentage of ownership and voting interest (%)	-	49
Total comprehensive expenses allocated to NCI	-	(3,230)
<u>Summarised statements of financial position</u>		
Current assets	-	9,065
Current liabilities	-	(12,191)
Net liabilities	-	(3,126)
<u>Summarised statements of profit or loss and other comprehensive income</u>		
Revenue	-	2,451
Loss for the period/year	-	(6,613)
Total comprehensive expense for the period/ year	-	(6,592)
<u>Summarised statements of cash flows</u>		
Cash flows used in operating activities	-	(9,342)
Cash flows generated from investing activities	-	581
Cash flows generated from financing activities	-	323
Net decrease in cash and cash equivalents	-	(8,438)

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

10. Investment in subsidiary companies (continued)

(c) Non-controlling interest (continued)

(ii) Linkodes International Limited

	30.9.2025 RM'000	30.6.2024 RM'000
NCI percentage of ownership and voting interest (%)	38	40
Total comprehensive expenses allocated to NCI	(234)	(352)
<u>Summarised statements of financial position</u>		
Non-current assets	12	*
Current assets	547	4,420
Current liabilities	(1,296)	(5,939)
Net liabilities	(737)	(1,519)
<u>Summarised statements of profit or loss and other comprehensive income</u>		
Revenue	609	286
Loss for the period/year	(693)	(873)
Total comprehensive expense for the period/ year	(598)	(881)
Cash flows generated from operating activities	(1,328)	3,610
Cash flows used in investing activities	(15)	(520)
Cash flows used in financing activities	1,380	(3,596)
Net increase/(decrease) in cash and cash equivalents	37	(506)

* *Denotes amount below RM1,000*

11. Investment in associate companies

	Company 30.9.2025 RM'000	Company 30.6.2024 RM'000
Unquoted shares, at cost		
At 1 July 2024/30 September 2025	200	200
Less: Accumulated impairment losses		
At 1 July 2024/30 September 2025	(200)	(200)
Carrying amount	-	-

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

11. Investment in associate companies (continued)

The details of associate companies are as follows:

Name of associate companies	Effective equity interest 30.9.2025	Effective equity interest 30.6.2024	Country of incorporation and principal place of business	Principal activities
Longhouse Films Sdn. Bhd.	49%	49%	Malaysia	Film entertainment, film investment, film production, film development and film distribution.
<u>Subsidiary company of Longhouse Films Sdn. Bhd.</u>				
Longhouse Animation Sdn. Bhd.	49%	49%	Malaysia	Dormant, yet to commence business in motion picture, video and television programme production activities

Summarised financial information of associate companies

	30.9.2025 RM'000	30.6.2024 RM'000
Assets and liabilities:		
Current assets	-	493
Non-current assets	-	61
Current liabilities	-	(3,072)
Non-current liabilities	-	(2,692)
Net liabilities	-	(5,210)
Results		
Net carrying amount	-	(267)

The Group has not recognised losses relating to Longhouse Films Sdn. Bhd. and Longhouse Animation Sdn. Bhd. where their share of losses exceeds the Group's interest in the associate companies. The Group's cumulative share of unrecognised losses at the reporting date was RM245,131 (30.6.2024: RM245,131) of which RM130,915 was the share of the previous year's losses. The Group has no obligation in respect of these losses.

Financial information of associate companies for the financial period ended 30 September 2025 are not available as these companies are under winding-up process.

12. Other investments

	Group 30.9.2025 RM'000	Group 30.6.2024 RM'000	Company 30.9.2025 RM'000	Company 30.6.2024 RM'000
Cost				
Quoted investments:				
- Equity investments at fair value through profit or loss	6,414	5,325	-	-
Unquoted investments:				
- Redeemable convertible preference shares	2,500	2,500	2,500	2,500
	8,914	7,825	2,500	2,500
Less: Accumulated impairment losses				
At 1 July 2024/30 September 2025	(2,500)	(2,500)	(2,500)	(2,500)
Carrying amount	6,414	5,325	-	-

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

12. Other investments (continued)

i The fair value quoted equity investments in a listed public company in Malaysia is determined by reference to the share price quoted on the stock exchange on the reporting date.

ii On 10 June 2020, the Company entered into a share subscription agreement for up to 3,000,000 units of Redeemable Convertible Preference Shares ("RCPS") in an associate company, Longhouse Films Sdn. Bhd., to be subscribed in tranches.

The Company has successfully subscribed 2,500,000 units of RCPS in the previous financial years.

As at 30 June 2023, the RCPS of RM2,500,000 were fully impaired as the associate companies had continuously incurred business losses.

As at 30 September 2025, Longhouse Films Sdn. Bhd. and its subsidiary are currently under the winding-up process, as disclosed in Note 11.

iii The fair value gain/(loss) on the other investments during the financial period/year are as follows:

	Equity investments at FVTPL RM'000	Trust assets at FVTPL RM'000	Total RM'000
Group			
30.9.2025			
Fair value gain	309	-	309
Fair value loss	(75)	-	(75)
	234	-	234
30.6.2024			
Fair value gain	-	719	719
Fair value loss	(2,100)	-	(2,100)
	(2,100)	719	(1,381)

13. Finance lease receivables

The reconciliation between the total gross investment in the lease and the net investment in the lease at the statement of financial position date is as follows:

	Group 30.9.2025 RM'000	Group 30.6.2024 RM'000
(a) Gross investment in finance lease receivables		
Within one year	135	1,351
Between one year and five years	-	203
	135	1,554
Less: Unearned finance income	-	(187)
	135	1,367
(b) Net investment in finance lease receivables		
Within one year	135	1,171
Between one year and five years	-	196
	135	1,367

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

13. Finance lease receivables (continued)

Lease receivables is related to the Advertising Panels Lease Arrangement with a third party. The lease is receivables through 36 fixed monthly instalments of RM112,579. The effective interest charged is 12% per year.

	Group	
	30.9.2025 RM'000	**30.6.2024 RM'000**
Non-current assets		
Finance lease receivables	-	196
Current assets		
Finance lease receivables	135	1,171
Total finance lease receivables		
Finance lease receivables	135	1,367

14. Trade receivables

	Group	
	30.9.2025 RM'000	**30.6.2024 RM'000**
Trade receivables		
Non-current:		
- third parties	2,054	174
Current:		
- third parties	41,023	26,878
- related parties	551	1,389
	43,628	28,441
Less: Allowance for impairment losses	(6,827)	(4,862)
Trade receivables - net	36,801	23,579
Analysed by:		
Non-current	2,054	174
Current	34,747	23,405
	36,801	23,579

<u>Movement in the allowance for impairment losses</u>

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in other operating expenses in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

14. Trade receivables (continued)

The movement in the allowance for impairment losses of trade receivables during the financial period/year are as follows:

Group

30.9.2025	**Lifetime ECL RM**	**Credit impaired RM**	**Total RM**
At beginning of the financial period	-	4,862	4,862
Allowance for impairment losses	-	2,668	2,668
Reversal of allowance for impairment losses	-	(387)	(387)
Written off	-	(316)	(316)
At end of the financial period	-	6,827	6,827
30.6.2024			
At beginning of the financial year	-	3,327	3,327
Allowance for impairment losses	-	1,775	1,775
Reversal of allowance for impairment losses	-	(240)	(240)
At end of the financial year	-	4,862	4,862

The allowance for impairment losses of trade receivables are those trade receivables that are individually impaired. These trade receivables are in significant difficulties and have defaulted on payments. They are not secured by any collateral or credit enhancement.

During the current and previous financial years, the Group managed to collect from some of the trade receivables which have been impaired in previous financial years. As a result, the allowance for impairment losses on trade receivables had been reversed during the financial period.

Based on the Group's historical collection experience, the amount of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amount provided for collection losses is inherent in the net trade receivables.

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

Group

		Allowance for impairment losses		
30.9.2025	**Gross carrying amount RM**	**ECL (Collectively assessed) RM**	**ECL (Individually assessed) RM**	**Net balance RM**
Neither past due nor impaired	33,178	-	(462)	32,716
Past due:				
Less than 3 months	2,703	-	(12)	2,691
Between 3 to 6 months	856	-	(283)	573
More than 6 months	857	-	(36)	821
	37,594	-	(793)	36,801
Credit impaired				
More than 6 months	6,034	-	(6,034)	-
	43,628	-	(6,827)	36,801

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

14. Trade receivables (continued)

Group

30.6.2024	Gross carrying amount RM	Allowance for impairment losses ECL (Collectively assessed) RM	Allowance for impairment losses ECL (Individually assessed) RM	Net balance RM
Neither past due nor impaired	16,905	-	-	16,905
Past due:				
Less than 3 months	5,125	-	(161)	4,964
Between 3 to 6 months	198	-	(2)	196
More than 6 months	1,743	-	(229)	1,514
	23,971	-	(392)	23,579
Credit impaired				
More than 6 months	4,470	-	(4,470)	-
	28,441	-	(4,862)	23,579

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit terms range from 30 to 90 days (30.6.2024: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

15. Inventories

	Group 30.9.2025 RM'000	Group 30.6.2024 RM'000
At cost		
Finished goods	2,075	1,910
<u>Recognised in profit or loss</u>		
Inventories recognised in cost of sales	13,832	11,746
Inventories written off	23	1
Inventories written down	-	29
Reversal of slow-moving inventories	-	(12)
	13,855	11,764

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for the financial period from 1 July 2024 to 30 September 2025

16. Other receivables

	Note	Group 30.9.2025 RM'000	Group Restated 30.6.2024 RM'000	Company 30.9.2025 RM'000	Company 30.6.2024 RM'000
Other receivables					
Non-current:					
- third parties		2,000	2,000	-	-
Current:					
- third parties		16,926	11,964	17	-
- related parties		1	684	35	3
		18,927	14,648	52	3
Deposits		2,963	1,775	2,650	1,500
Prepayments	(a)	1,460	8,687	21	523
Other receivables – gross		23,350	25,110	2,723	2,026
Less: Allowance for impairment losses					
- Other receivables (non-current)		2,000	2,000	-	-
- Other receivables (current)		16,316	776	-	-
- Deposits		1,500	1,500	1,500	1,500
		19,816	4,276	1,500	1,500
Total other receivables - net		3,534	20,834	1,223	526
Financial assets at amortised cost		2,074	12,147	1,202	3

(a) In the previous financial year, included in the prepayments of the Group is an amount of RM7,787,950 paid to an entity for the purpose of gold trading. This transaction paid prior approval from the Board of Directors. However, the transaction was subsequently aborted through a termination and assignment agreement executed on 1 June 2024. The total amount was fully refunded in the current financial period.

(b) The movement in the allowance for impairment losses of other receivables during the financial period/year are as follows:

	Group 30.9.2025 RM'000	Group 30.6.2024 RM'000	Company 30.9.2025 RM'000	Company 30.6.2024 RM'000
At beginning of the year	4,276	4,119	1,500	1,500
Additions	15,583	163	-	-
Reversals of impairment losses	(43)	(6)	-	-
At end of the year	19,816	4,276	1,500	1,500

i During the financial period, the subsidiary, Ikhlas Al Dain Sdn. Bhd., recognised a full impairment loss of RM11,215,289 arising from a historical settlement arrangement in relation to land development rights. The receivable was expected to be realised through a Joint Venture Agreement entered into with a property developer for the development of the land. During the financial period, the Joint Venture Agreement expired on 22 November 2025 without renewal. Following management's reassessment of the recoverability of the receivable and in the absence of sufficient objective evidence supporting its recovery, the receivable was fully impaired during the financial period.

ii During the financial period, the Company disposed of its 51% equity interest in Inbase Partners Limited and its subsidiaries, as disclosed in Note 10. Following the disposal, amounts owing by these subsidiaries totaling RM4,147,621 were assessed as not recoverable. Although a repayment plan had been executed between the parties, management concluded that there was insufficient evidence to support the recoverability of the outstanding balances as the Company no longer has control over these entities. Accordingly, the outstanding amounts were fully impaired during the financial period.

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for the financial period from 1 July 2024 to 30 September 2025

16. Other receivables (continued)

(b) The movement in the allowance for impairment losses of other receivables during the financial period/year are as follows: (continued)

iii During the current and previous financial period/year, the Group managed to collect from some of the other receivables which have been impaired in previous financial years. As a result, the allowance for impairment losses on other receivables had been reversed during the financial period.

17. Amount due from/(to) subsidiary companies

	Company	
	30.9.2025	**30.6.2024**
	RM'000	**RM'000**
Amount due from subsidiary companies	1,808	38,591
Less: Allowance for impairment losses	-	(2,945)
Amount due from subsidiary companies - net	1,808	35,646
Amount due to subsidiary companies	(114)	(320)

The amount due from/(to) subsidiary companies represented non-trade transactions which are unsecured, interest-free and are repayable on demand.

During the current financial period ended 30 September 2025, the Company has capitalised amount due from subsidiary companies amounting to RM64,631,741 as additional investment contribution to its subsidiary companies (Note 10).

The movement in the allowance for impairment losses of amount due from subsidiary companies during the financial period are as follows:

	Company	
	30.9.2025	**30.6.2024**
	RM'000	**RM'000**
At beginning of the financial period/year	2,945	838
Allowance for impairment losses	-	2,107
Reversal of allowance for impairment losses	(434)	-
Reclassifications (Note 10)	(2,511)	-
At end of the financial period/year	-	2,945

18. Contract assets/(liabilities)

	Group	
	30.9.2025	**30.6.2024**
	RM'000	**RM'000**
Contract assets		
- Current	54	26
Contract liabilities		
- Non-current	(2,048)	-
- Current	(32)	(170)
	(2,080)	(170)

Contract assets represent cost incurred to date on research and development of multimedia video conferencing system, assembling and trading of multimedia video conferencing system and equipment for specific performance obligations which are not satisfied at the reporting date.

The contract liabilities are primarily related to the Group's obligation to transfer goods or services to customers for which the Group has billed the customers for the consideration at the reporting date.

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for the financial period from 1 July 2024 to 30 September 2025

19. Deposits with foreign securities companies, fixed deposits with licensed banks and cash and bank balances

	Group		Company	
		Restated		
	30.9.2025	30.6.2024	30.9.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Deposits with foreign securities companies	43,810	41,550	-	-
Less: Allowance for ECL (MFRS 9)	(1,414)	(1,182)	-	-
	42,396	40,368	-	-
Fixed deposits placed with licensed banks	1,204	-	-	-
Cash in hand and bank balances	5,539	8,371	1,149	537
	6,743	8,371	1,149	537
Less:				
Fixed deposits pledged to licensed banks	(1,204)	-	-	-
Cash and cash equivalents	5,539	8,371	1,149	537

Fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.10% to 3.90% (2024:Nil) per annum. The fixed deposits have maturity periods of 12 months (2024: Nil).

At the end of the reporting period, the fixed deposits amounting RM1,203,600 placed with licensed banks of the Group have been pledged as security for bank guarantees issued in favour of trade creditor.

20. Share capital

	Group and Company			
	30.9.2025	30.6.2024	30.9.2025	30.6.2024
	Units'000	Units'000	RM'000	RM'000
Issued and fully paid ordinary shares				
At beginning of the financial period/year	72,470	1,449,409	110,049	110,049
Issuance of the ordinary shares pursuant to:				
- Warrant C exercised	-	*	-	-
- Right Issue	216,599	-	19,482	-
Share consolidation	-	(1,376,939)	-	*
At end of the financial period/year	289,069	72,470	129,531	110,049

During the financial period, the Company increased its share capital from 72,470,289 ordinary shares amounting to RM110,048,888 to 289,069,106 ordinary shares amounting to RM129,530,874 via the issuance of 216,598,817 new ordinary shares at an issue price of RM0.16 per ordinary share together with 86,639,526 free detachable warrants for a total cash consideration of RM34,655,811 for working capital purposes and an amount of RM679,032 was utilised out of the shares capital for share issuance expenses.

During the previous financial year, the Company increased its share capital from 1,449,409,090 ordinary shares amounting to RM110,048,888 via the issuance of 350 new ordinary shares at an exercise price of RM0.09 per ordinary share for a total cash consideration of RM32 from the exercise of Warrant C.

On 4 April 2024, the Company announced the completion of the consolidation of every twenty (20) existing ordinary shares in the Company into one (1) ordinary share.

The new ordinary shares issued during the current and previous financial period/year ranked pari passu in all respects of the distribution of dividends and repayment of capital with existing ordinary shares.

* *Denotes amount below RM1,000*

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

21. Reserves

	Group and Company			
		Restated		
	30.9.2025 RM'000	30.6.2024 RM'000	30.9.2025 RM'000	30.6.2024 RM'000
Non-distributable:				
Warrants reserve	14,495	-	14,495	-
Foreign translation reserve	(1,930)	4,090	-	-
Accumulated losses	(30,531)	(4,063)	(34,363)	(25,747)
	(17,966)	27	(19,868)	(25,747)

(a) Warrants reserve

Warrants 2024/2027 ("Warrants D")

On 26 July 2024, the Company issued renounceable rights to subscribe for 216,598,817 new ordinary shares at an issue price of RM0.16 per Rights Share on the basis of three (3) Rights Shares for every one (1) existing Consolidated Share held, together with 86,639,526 free detachable Warrants 2024/2027 ("Warrants D") on the basis of two (2) Warrants D for every five (5) Rights Shares subscribed.

The Warrants D were constituted under the Deed Poll D dated 18 June 2024.

The salient features of Warrants D are as follows:

(i) The Warrants D may be exercised at any time commencing on the date of issue of Warrants D on 26 July 2024 but not later than 25 July 2027 at an exercise price of RM0.16 for each new share. Any Warrants D which have not been exercised at the date of maturity, will lapse and cease to be valid for any purpose.

(ii) The Warrants D holders will not have any voting rights in any general meeting of the Company unless the Warrants D are exercised into new ordinary shares and registered prior to the date of the general meeting of the Company.

(iii) Warrants D issued by the Company will expire on 25 July 2027.

(iv) The movement of Warrants 2024/2027 is as follows:

		Number of warrants			
Date of offer	Exercise price RM	As at 1.7.2024 Units	Issued Units	Exercised Units	As at 30.9.2025 Units
Warrants D	0.16	-	86,639,526	-	86,639,526

22. Deferred taxation

	Group	
	30.9.2025 RM'000	30.6.2024 RM'000
Deferred tax liabilities, net		
As beginning of the financial period/year	61	197
Recognised in profit or loss (Note 29)	(61)	(136)
At end of the financial period/year	-	61
Deferred tax liabilities comprise of:		
Excess of capital allowances over corresponding depreciation	-	61
	-	61

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for the financial period from 1 July 2024 to 30 September 2025

23. Trade and other payables

	Group		Company	
	30.9.2025 RM'000	30.6.2024 RM'000	30.9.2025 RM'000	30.6.2024 RM'000
Trade				
Third parties	3,645	6,661	-	-
Non-trade				
Other payables				
- third parties	2,796	11,365	-	17
- related parties	453	942	450	450
Accruals	1,865	951	213	217
Refundable deposits	285	143	-	-
	5,399	13,401	663	684
Total trade and other payables	9,044	20,062	663	684
Total financial liabilities at amortised costs	9,044	20,062	663	684

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 45 days (30.6.2024: 30 to 45 days).

24. Amount due to Directors of the subsidiary company

The amount due to Directors of the subsidiary company represented advance from directors which are unsecured, interest-free and repayable on demand.

25. Revenue

	Group	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
Revenue comprises the following:		
Revenue from contract with customers	33,407	26,720

(a) Disaggregation of revenue from contract with customers

The Group's revenue is disaggregated by principal geographical areas, major product and services line and timing of revenue recognition. This is consistent with the revenue information as disclosed in Note 33 Segment Reporting.

	Group	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
<u>Principal geographical areas</u>		
- Malaysia	32,314	23,985
- Cayman Islands	978	2,451
- Taiwan	115	284
	33,407	26,720

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for the financial period from 1 July 2024 to 30 September 2025

25. Revenue (continued)

(a) Disaggregation of revenue from contract with customers (continued)

	Group	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	**Financial year from 1.7.2023 to 30.6.2024 RM'000**
Major products and services line		
Sales of goods and services	19,227	19,682
Rental income	1,779	148
Profit from debt factoring	6,147	1,735
Fees income from debt factoring	3,910	2,086
Profit from term advance	2,157	2,697
Income from debt leasing	187	372
	33,407	26,720
Timing of revenue recognition		
At point in time	31,628	26,572
At overtime	1,779	148
	33,407	26,720

(b) Revenue from remaining performance obligations

The Group applies the practical expedient in paragraph 121 of MFRS 15 and accordingly, does not disclose information about remaining performance obligations that have original expected durations of one year or less and the Group recognises revenue from the satisfaction of the performance obligation when the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

26. Other income

	Group		Company	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	**Restated Financial year from 1.7.2023 to 30.6.2024 RM'000**	**Financial period from 1.7.2024 to 30.9.2025 RM'000**	**Financial year from 1.7.2023 to 30.6.2024 RM'000**
Income distribution from short-term investments	26	1	5	1
Interest income	448	456	-	-
Fair value gain on:				
- other investments	234	719	-	-
- short-term investments	68	22	68	22
Reversal of slow-moving inventories	-	12	-	-
Realised gain on foreign exchange	5	13	3	-
Unrealised gain on foreign exchange	41	8	-	136
Gain on disposal of subsidiary companies	2,698	-	-	-
Gain on derecognition of lease	8	95	-	-
Gain on disposal of property, plant and equipment	6	-	-	-
Others	40	115	-	-
	3,574	1,441	76	159

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27. Finance costs

	Group	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
Interest expenses on:		
- lease liabilities (Note 7)	108	108
- others	45	196
	153	304

28. Loss before taxation

	Group		Company	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
Loss before taxation is arrived at after charging:				
Auditors' remuneration:				
Auditors of the Company				
- Statutory	360	191	240	110
- Other auditors:				
- Statutory	59	100	-	-
- Non-statutory audit	-	28	-	28
Amortisation of intangible assets	-	2,652	-	-
Depreciation of property, plant and equipment	4,436	3,974	6	4
Depreciation of right of use assets	693	752	-	-
Depreciation of investment properties	476	366	-	-
Directors' remuneration	1,832	1,734	525	420
Employees benefit expenses:				
- Staff costs	12,909	8,742	12	11
- Key management personnel	745	3,361	-	-
Fair value loss on other investments	-	1,381	-	-
Loss on derecognition of the subsidiary company	59	-	-	-
Allowance losses for deposits with foreign securities companies	238	1,176	-	-
Impairment losses on trade receivables	2,668	1,775	-	-
Impairment losses on other receivables	15,583	163	-	-
Impairment losses on investment in subsidiary companies	-	-	1,883	2,867
Impairment losses on amount due from subsidiary companies	-	-	187	2,107
Impairment losses on intangible assets	-	1,913	-	-
Inventories written down	-	29	-	-
Inventories written off	23	1	-	-
Loss on disposal of investment of subsidiaries	-	-	2,587	-
Loss on disposal of property, plant and equipment	-	547	-	3
Interest expenses	153	304	-	-
Property, plant and equipment written off	47	102	-	-
Realised loss on foreign exchange	2	-	-	-
Unrealised loss on foreign exchange	255	213	2,763	-

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for the financial period from 1 July 2024 to 30 September 2025

28. Loss before taxation (continued)

	Group		Company	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
and crediting:				
Gain on derecognition of leases	8	95	-	-
Gain on disposal of subsidiary companies	2,698	-	-	-
Gain on disposal of property, plant and equipment	6	-	-	-
Fair value gain on other investments	234	-	-	-
Income distribution from short-term investments	26	1	5	1
Interest income	448	456	-	-
Realised gain on foreign exchange	5	-	3	-
Reversal of slow-moving inventories	-	12	-	-
Reversal of impairment on amount due from subsidiary companies	-	-	434	-
Reversal of impairment on trade receivables	387	240	-	-
Reversal of impairment on other receivables	43	6	-	-
Unrealised gain on foreign exchange	41	8	-	136

29. Taxation

	Group		Company	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
Malaysian income tax				
- current financial period/year	469	204	-	-
- (over)/underprovision in prior financial years	(43)	58	-	-
	426	262	-	-
Deferred tax (Note 22)				
Relating to origination and reversal of temporary differences				
- current financial period/year	-	(137)	-	-
- (over)/underprovision in prior financial years	(61)	1	-	-
	(61)	(136)	-	-
Tax expense for the current financial period/year	365	126	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (30.6.2024: 24%) of the estimated assessable profit for the year. Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdiction which is at Nil (30.6.2024: 20%).

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

29. Taxation (continued)

The reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
Loss before taxation	(26,853)	(19,652)	(8,616)	(6,544)
Tax at Malaysian statutory tax rate of 24% (30.6.2024: 24%)	(6,445)	(4,716)	(2,067)	(1,571)
Tax effects of:				
- expenses not deductible for tax purposes	4,255	4,189	1,817	1,608
- income not subject to tax	(810)	(843)	(18)	(38)
- tax rate in foreign jurisdictions	-	(28)	-	-
- deferred tax assets not recognised	3,469	1,466	268	1
(Over)/underprovision of income tax in prior financial years	(43)	57	-	-
(Over)/underprovision of deferred tax in prior financial years	(61)	1	-	-
Tax expense for the financial period/year	365	126	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	30.9.2025 RM'000	30.6.2024 RM'000	30.9.2025 RM'000	30.6.2024 RM'000
Temporary differences:				
- right-of-use assets	765	1,234	-	-
- lease liabilities	(860)	(1,333)	-	-
- other temporary differences	(8,431)	(2,615)	14	10
Unutilised capital allowances	(5,491)	(4,969)	(63)	(52)
Unabsorbed tax losses	(31,175)	(23,056)	(5,533)	(4,423)
	(45,192)	(30,739)	(5,582)	(4,465)
Unrecognised deferred tax assets at 24% (30.6.2024: 24%)	(10,846)	(7,377)	(1,340)	(1,072)

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

29. Taxation (continued)

Unrecognised deferred tax assets (continued)

The unutilised capital allowances can be carried forward indefinitely and unabsorbed tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Pursuant to Section 8 of the Finance Act 2021, the unabsorbed tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The availability of unutilised capital allowances and unabsorbed tax losses for offsetting against future taxable profits of the respective companies within the Group and the Company are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group		Company	
	30.9.2025 RM'000	**30.6.2024 RM'000**	**30.9.2025 RM'000**	**30.6.2024 RM'000**
Utilisation period				
Expired by YA 2028	373	373	-	-
Expired by YA 2029	2,750	2,750	963	963
Expired by YA 2030	1,481	1,481	-	-
Expired by YA 2031	3,248	3,248	-	-
Expired by YA 2032	5,238	5,238	1,106	1,106
Expired by YA 2033	4,644	4,644	1,107	1,107
Expired by YA 2034	5,322	5,322	1,247	1,247
Expired by YA 2035	8,119	-	1,110	-
	31,175	23,056	5,533	4,423

30. Staff costs

	Group		Company	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	**Restated Financial year from 1.7.2023 to 30.6.2024 RM'000**	**Financial period from 1.7.2024 to 30.9.2025 RM'000**	**Financial year from 1.7.2023 to 30.6.2024 RM'000**
Staff costs (excluding Directors and key management personnel)				
Salaries, wages and bonus	11,718	7,988	12	11
Defined contribution plan	1,020	667	-	-
Social security contributions	113	62	-	-
Other employee benefits	58	25	-	-
	12,909	8,742	12	11

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

30. Staff costs (continued)

The details of Directors' remuneration and other key management personnel during the financial period/year are as follows:

	Group		Company	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
<u>Executive Directors:</u>				
Fees	283	227	-	-
Salaries and other emoluments	651	789	-	-
Defined contribution plan	74	53	-	-
Social security contributions	2	1	-	-
Others	116	10	-	-
	1,126	1,080	-	-
<u>Non-executive Directors:</u>				
Fees	698	648	518	414
Others	8	6	7	6
	706	654	525	420
Total Directors' remuneration	1,832	1,734	525	420
<u>Other key management personnel:</u>				
Salaries and other emoluments	658	2,980	-	-
Defined contribution plan	79	354	-	-
Social security contributions	2	13	-	-
Others	6	14	-	-
	745	3,361	-	-

31. Loss per share

(a) Basic loss per ordinary share

The basic loss per share amount is calculated by dividing the loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial period.

	Group	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000
Loss attributable to owners of the Company (RM)	(26,448)	(16,188)
Weighted average number of ordinary shares	277,220	1,118,342
Basic loss per ordinary share (sen)	(9.54)	(1.45)

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

31. Loss per share (continued)

(b) Diluted loss per ordinary share

Diluted loss per share is calculated by dividing the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of Warrants into ordinary shares.

	Group	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000
Loss attributable to owners of the Company (RM)	(26,448)	(16,188)
Weighted average number of ordinary shares on issue and issuable	277,220	1,118,342
Diluted loss per ordinary share (sen)^	(9.54)	(1.45)

^ The diluted loss per share for the current and previous financial period/year is equal to the basic loss per share as the conversion of potential ordinary shares would decrease loss per share from continuing operations. Thus, the potential effect of the conversion of warrants would be anti-dilutive.

32. Significant related party transactions

(a) Identities of related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiary companies and fellow subsidiary companies);
- has an interest in the entity that gives its significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v);
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity; or
(viii) the party which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

Related parties of the Group include:

i. Direct and indirect subsidiary companies as disclosed in Note 10 to the financial statements;
ii. Key management personnel, which comprises persons (including the directors of the Group) having authority and responsibility for planning, deciding and controlling the activities of the Group directly or indirectly; and
iii. Entities in which certain directors, who are also the substantial shareholders of the parent, have substantial shareholding interests.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

32. Significant related party transactions (continued)

(b) Transactions with related parties

	Group		Company	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	**Financial year from 1.7.2023 to 30.6.2024 RM'000**	**Financial period from 1.7.2024 to 30.9.2025 RM'000**	**Financial year from 1.7.2023 to 30.6.2024 RM'000**
Transactions with Directors' related companies:				
- Sales	2,620	2,107	-	-
- Rental of office	(56)	(148)	-	-
Transactions with a Director:				
- Sales	-	8	-	-
Transactions with subsidiary companies:				
- Advances to/(repayment from)	-	-	22,813	(3,057)
- Payment on behalf	-	-	6,322	2,952
- Services rendered by	-	-	(264)	(105)

(c) Compensation of key management personnel and Directors

The key management personnel comprised Executive and Non-Executive Directors of the Group and of the Company whose remuneration are disclosed in Note 30.

The Directors of the Company are of the opinion that the related party transactions have been entered into the normal course of business, on an arm's length basis and established, on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

33. Segment reporting

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

(a) ICT and Fintech
(b) Factoring; and
(c) Trading

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, is measured differently from operating profit or loss in the consolidated financial statements.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

33. Segment reporting (continued)

	ICT and fintech RM	Factoring RM	Trading RM	Others RM	Total segments RM	Eliminations RM	Total RM
Group							
Financial period from 1.7.2024 to 30.9.2025							
Revenue							
External revenue	12,436	12,425	8,672	1,683	35,216	(1,809)	33,407
Results							
Segment results	(2,100)	(10,934)	(6,253)	(14,972)	(34,259)	7,406	(26,853)
Loss for the financial period	(2,100)	(11,189)	(6,253)	(15,082)	(34,624)	7,406	(27,218)
Other information							
Segment assets	9,134	38,585	48,672	164,565	260,956	(137,809)	123,147
Segment liabilities	10,106	5,862	4,637	21,459	42,064	(29,687)	12,377
Depreciation on property, plant and equipment	243	1,932	301	1,967	4,443	(7)	4,436
Depreciation on investment properties	-	-	-	476	476	-	476
Depreciation on right of use assets	69	52	194	378	693	-	693
Fair value gain on other investments	-	-	-	(234)	(234)	-	(234)
Allowance for impairment losses on trade receivables	1,934	642	125	289	2,990	(322)	2,668
Allowance for impairment losses on other receivables	2,580	11,215	1,911	187	15,893	(310)	15,583
Allowance for impairment losses on deposits with foreign securities companies	-	-	-	238	238	-	238
Income distribution from short-term investments	-	(21)	-	(5)	(26)	-	(26)
Interest income	(5)	-	-	(443)	(448)	-	(448)
Interest expense	8	10	49	109	176	(23)	153
Inventories written off	-	-	23	-	23	-	23
Gain on disposal of property, plant and equipment	(6)	-	1	(1)	(6)	-	(6)
Loss/(gain) on disposal of subsidiary companies	-	-	-	2,587	2,587	(5,285)	(2,698)
Property, plant and equipment written off	-	-	47	-	47	-	47
Reversal of impairment losses on trade receivables	(279)	(102)	(21)	(6)	(408)	21	(387)
Reversal of impairment losses on other receivables	(43)	-	-	-	(43)	-	(43)
Loss on derecognition of a subsidiary company	-	-	-	-	-	59	59

* *Denotes amount below RM1,000*

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

33. Segment reporting (continued)

	ICT and fintech RM	Factoring RM	Trading RM	Others RM	Total segments RM	Eliminations RM	Total RM
Group							
Financial year from 1.7.2023 to 30.6.2024 (restated)							
Revenue							
External revenue	15,094	7,184	5,453	1,330	29,061	(2,341)	26,720
Results							
Segment results	(11,784)	(220)	(2,646)	(12,675)	(27,325)	7,673	(19,652)
Loss for the financial year	(11,786)	(291)	(2,664)	(12,710)	(27,451)	7,673	(19,778)
Other information							
Segment assets	45,546	36,936	53,709	167,190	303,381	(173,568)	129,813
Segment liabilities	29,017	32,092	56,702	43,302	161,113	(139,264)	21,849
Amortisation of intangible assets	2,652	-	-	-	2,652	-	2,652
Depreciation on property, plant and equipment	723	1,514	183	1,556	3,976	(2)	3,974
Depreciation on investment properties	-	-	-	366	366	-	366
Depreciation on right of use assets	313	-	136	303	752	-	752
Fair value (gain)/loss on other investments	(719)	-	-	2,100	1,381	-	1,381
Fair value loss on short-term investments	-	-	-	22	22	-	22
Allowance for impairment losses on trade receivables	1,205	536	43	16	1,800	(25)	1,775
Allowance for impairment losses on other receivables	163	-	-	-	163	-	163
Allowance for impairment losses on deposits with foreign securities companies	-	-	-	1,176	1,176	-	1,176
Income distribution from short-term investments	-	-	-	(1)	(1)	-	(1)
Interest income	(20)	-	(8)	(428)	(456)	-	(456)
Interest expense	13	-	343	268	624	(320)	304
Inventories written down	-	-	29	-	29	-	29
Inventories written off	-	-	1	-	1	-	1
Loss on disposal of property, plant and equipment	546	1	-	4	551	(4)	547
Property, plant and equipment written off	*	-	102	-	102	-	102
Reversal of impairment losses on trade receivables	(179)	(52)	-	(9)	(240)	-	(240)
Reversal of impairment losses on other receivables	(6)	-	-	-	(6)	-	(6)
Reversal of slow moving inventories	-	-	(12)	-	(12)	-	(12)

* *Denotes amount below RM1,000*

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

33. Segment reporting (continued)

(a) Geographical information

i. Revenue information based on geographical location of customers are as follows:

	Group	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Financial year from 1.7.2023 to 30.6.2024 RM'000
Malaysia	32,314	23,985
Cayman Islands	978	2,451
Taiwan	115	284
	33,407	26,720

ii. Non-current assets based on where the assets of core businesses and geographical locations of the key operating companies, excluding financial instruments defined under MFRS 9, are as follows:

	Group	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000
Malaysia	24,967	27,987
Hong Kong	20	41
	24,987	28,028

(b) Information about major customer

There is no significant concentration of credit risk in the Group's trade receivables at the end of the reporting year.

34. Financial risk management policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks.

The Group and the Company are exposed to financial risk arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk, foreign currency risk and liquidity and cash flow risk.

The main areas of the financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activities are set out as follows:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

The excess funds of the Group and of the Company are invested in bank deposits and other short-term instruments. The Group and the Company manage their liquidity risks by placing such excess funds on short term maturities to match its cash flow needs. As at 30 September 2025, there were no significant funds placed in short term instruments.

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Company also reviews its debt portfolio to ensure favourable rates are obtained.

As at 30 September 2025, the Group and the Company do not account sensitivity analysis for floating rate financial liabilities as they did not have exposure to interest rate risk from floating rate borrowings.

34. Financial risk management policies (continued)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables. Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institutions.

The Group assessed ECL for trade receivables based on two different approaches, namely collective assessment and individual debtor assessment.

i. Collective assessment

To measure the expected credit losses under the collective assessment, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and number of days past due. The expected loss rates are developed based on the historical credit loss rates. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified (i) internal credit rating and (ii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation to be the most relevant factors, and accordingly, adjust the historical loss rates based on expected changes in these factors.

ii. Individual debtor assessment

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assesses the lifetime ECL while taking into consideration as follows:

- PD – Probability of default
  (The likelihood that the borrower cannot pay during the contractual period)
- LGD – Loss given default
  (Percentage of contractual cash flows that will not be collected if default happens)
- EAD – Exposure at default
  (Outstanding amount that is exposed to default risk)

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data of each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly, adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

1. Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis through the review of receivables ageing. The maximum exposure to credit risk is disclosed in Note 14, representing the carrying amount of the trade receivables recognised on the statements of financial position.

2. Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the subsidiary companies regularly. The maximum exposure to credit risk is represented by their carrying amount in the statements of financial position.

As at the end of the reporting date, the Company did not recognise any loss allowance for impairment for advances to subsidiary companies.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

34. Financial risk management policies (continued)

(b) Credit risk (continued)

3. Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date, with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportive forward-looking information.

The maximum exposure to credit risk is disclosed in Note 16 to the financial statements, representing the carrying amount of the other receivables recognised on the statements of financial position.

4. Finance lease receivables

The credit risk associated with finance lease receivables is mitigated by way of obtaining security over the lease equipment. At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount recognised in the statements of financial position.

As at the end of the reporting date, the Group did not recognise any loss allowance for impairment for lease receivables.

5. Deposits with foreign securities companies, fixed deposits with licensed banks and cash and bank balances

Credit risk relating to cash and bank balances is considered minimal as these balances are placed with licensed financial institutions. However, deposits with foreign securities companies are exposed to higher credit risk due to counterparty risk. Accordingly, the Group applies a more conservative expected credit loss ("ECL") assessment to such balances in accordance with MFRS 9 as disclosed in Note 19.

(c) Foreign currency risk

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in statements of other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

34. Financial risk management policies (continued)

(c) Foreign currency risk (continued)

The Group and the Company are not significantly exposed to foreign currency risk as the majority of the Group's and the Company's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD") and New Taiwan Dollar ("TWD").

Foreign currency exposures in transactional currencies other than functional currencies are kept to an acceptable level. The Group and the Company have not entered into any derivative financial instruments such as forward foreign exchange contracts.

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

	USD RM'000	TWD RM'000	Others RM'000	Total RM'000
Group				
30.9.2025				
Cash and bank balances	1,213	76	4	1,293
Deposits with foreign securities companies	42,396	-	-	42,396
Trade receivables	464	58	-	522
Other receivables	593	416	5	1,014
Trade payables	-	(43)	(56)	(99)
Other payables	(5,462)	(43)	(29)	(5,534)
	39,204	464	(76)	39,592
30.6.2024 (Restated)				
Cash and bank balances	381	56	465	902
Deposits with foreign securities companies	40,368	-	-	40,368
Trade receivables	501	53	-	554
Other receivables	9,990	46	241	10,277
Trade payables	-	-	(63)	(63)
Other payables	(424)	(258)	(49)	(731)
	50,816	(103)	594	51,307

Sensitivity analysis

The following table demonstrates the sensitivity analysis of the Group's pre-tax profit to a reasonably possible change in the USD, TWD and others exchange rates against the respective functional currencies of the Group, with all other variables held constant.

	Group Impact on total equity and profit for the period/year	
	Financial period from 1.7.2024 to 30.9.2025 RM'000	Restated Financial year from 1.7.2023 to 30.6.2024 RM'000
USD		
- strengthened by 1% (30.6.2024: 1%)	298	386
- weakened by 1% (30.6.2024: 1%)	(298)	(386)
TWD		
- strengthened by 1% (30.6.2024: 1%)	4	(1)
- weakened by 1% (30.6.2024: 1%)	(4)	1
Others		
- strengthened by 1% (30.6.2024: 1%)	(1)	5
- weakened by 1% (30.6.2024: 1%)	1	(5)

34. Financial risk management policies (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on undiscounted contractual cash flows.

				Maturity		
	Contractual interest rate %	Carrying amount RM'000	Contractual undiscounted cash flow RM'000	Less than 1 year RM'000	Between 2 and 5 years RM'000	More than 5 years RM'000
Group						
30.9.2025						
Trade payables	-	3,645	3,645	3,645	-	-
Other payables	-	5,399	5,399	5,399	-	-
Lease liabilities	5.90 – 6.82	1,199	1,271	656	615	-
		10,243	10,315	9,700	615	-
30.6.2024						
Trade payables	-	6,661	6,661	6,661	-	-
Other payables	-	13,401	13,401	13,401	-	-
Lease liabilities	5.90 – 6.82	1,488	1,629	528	1,101	-
Amount due to Directors of the subsidiary company	-	3	3	3	-	-
		21,553	21,694	20,593	1,101	-

				Maturity		
	Contractual interest rate %	Carrying amount RM'000	Contractual undiscounted cash flow RM'000	Less than 1 year RM'000	Between 2 and 5 years RM'000	More than 5 years RM'000
Company						
30.9.2025						
Other payables	-	663	663	663	-	-
Amount due to subsidiary companies	-	114	114	114	-	-
		777	777	777	-	-
30.6.2024						
Other payables	-	684	684	684	-	-
Amount due to subsidiary companies	-	320	320	320	-	-
		1,004	1,004	1,004	-	-

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

34. Financial risk management policies (continued)

(e) Classification of financial instruments

	Group	Group	Company	Company
		Restated		
	30.9.2025	30.6.2024	30.9.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Equity investments	6,414	5,325	-	-
At amortised costs				
Finance lease receivables	135	1,367	-	-
Trade receivables	36,801	23,579	-	-
Other receivables	2,074	12,147	1,202	3
Amount due from subsidiary companies	-	-	1,808	35,646
Deposits with foreign securities companies	42,396	40,368	-	-
Cash and bank balances	6,743	8,371	1,149	537
	88,149	85,832	4,159	36,186
Financial liabilities				
At amortised costs				
Trade payables	3,645	6,661	-	-
Other payables	5,399	13,401	663	684
Amount due to Directors of the subsidiary company	-	3	-	-
Amount due to subsidiary companies	-	-	114	320
Lease liabilities	1,199	1,488	-	-
	10,243	21,553	777	1,004

(f) Fair value of financial instruments

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and by the Company.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

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

Level 3: Unobservable inputs for the asset or liability.

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

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

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

34. Financial risk management policies (continued)

(f) Fair value of financial instruments (continued)

The carrying amounts of cash and cash equivalents, short-term receivables and payables approximate fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value.

	Financial instruments that are carried at fair value			
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Group				
30.9.2025				
Financial assets				
Equity investments	6,414	-	-	6,414
	6,414	-	-	6,414
30.6.2024				
Financial assets				
Equity investments	5,325	-	-	5,325
	5,325	-	-	5,325

The table below analyses financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Group				
30.9.2025				
Financial assets				
Finance lease receivables	-	-	135	135
Trade receivables	-	-	36,801	36,801
	-	-	36,936	36,936
Financial liabilities				
Lease liabilities	-	-	1,199	1,199
	-	-	1,199	1,199
30.6.2024				
Financial assets				
Finance lease receivables	-	-	1,367	1,367
Trade receivables	-	-	23,579	23,579
	-	-	24,946	24,946
Financial liabilities				
Lease liabilities	-	-	1,488	1,488
	-	-	1,488	1,488

34. Financial risk management policies (continued)

(f) Fair value of financial instruments (continued)

Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial period (30.6.2024: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

Amount due from/(to) subsidiary companies, amount due to directors of the subsidiary company, trade receivables, finance lease receivables and lease liabilities

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested in the Directors.

35. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial period ended 30 September 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's debts include total liabilities less cash and cash equivalents.

	Group		**Company**	
	30.9.2025 RM'000	**30.6.2024 RM'000**	**30.9.2025 RM'000**	**30.6.2024 RM'000**
Total liabilities	12,377	21,849	777	1,004
Less: Cash and bank balances	(6,743)	(8,371)	(1,149)	(537)
Net debt/(cash)	5,634	13,478	(372)	467
Equity attributable to owners of the Company	111,565	110,076	109,663	84,302
Capital and net debt	117,199	123,554	109,291	84,769
Gearing ratio	0.05	0.11	-*	0.01

* The Group and the Company are in a cash positive position. Therefore, gearing ratio does not apply.

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

36. Comparative figures

(a) The comparative figures are derived from financial statements audited by a firm of chartered accountants other than Nexia SSY PLT.

(b) Prior year adjustments

The following comparative figures have been restated as a result of:

(i) Depreciation undertaken up for investment properties in prior years.
(ii) Land development rights were reclassified to other receivables as the underlying arrangement did not confer enforceable rights or control over a present economic resource and therefore did not meet the definition of land development rights held under non-current asset.
(iii) The recognition of impairment losses on expected credit losses in respect of deposits with foreign securities companies in the prior financial year and reclassification of deposits with foreign securities companies as non cash and cash equivalent.

Reconciliation of equity and statement of financial position as at 1 July 2023.

Group	As stated previously RM'000	Prior year adjustments RM'000	As restated RM'000
Non-current asset			
Land development rights	11,215	(11,215)	-
Investment properties	18,423	(669)	17,754
Current asset			
Other receivables	3,254	11,215	14,469
Equity			
Accumulated losses	(32,004)	(669)	(32,673)

Reconciliation of equity and statement of financial position as at 30 June 2024.

Group	As stated previously RM'000	Prior year adjustments RM'000	As restated RM'000
Non-current asset			
Land development rights	11,215	(11,215)	-
Investment properties	18,426	(925)	17,501
Current asset			
Other receivables	9,619	11,215	20,834
Deposits with foreign securities companies	-	40,368	40,368
Fixed deposits with licensed banks, cash and bank balances	49,921	(41,550)	8,371
Equity			
Foreign translation reserve	4,096	(6)	4,090
Accumulated losses	(1,962)	(2,101)	(4,063)

Notes to the Financial Statements

for the financial period from 1 July 2024 to 30 September 2025

36. Comparative figures (continued)

(b) Prior year adjustment (continued)

Reconciliation of statement of comprehensive income for the financial year ended 30 June 2024.

Group	As stated previously RM'000	Prior year adjustments RM'000	As restated RM'000
Other income	1,687	(246)	1,441
Net impairment losses on trade and other receivables, amount due from subsidiary companies and deposits with foreign securities companies	(1,692)	(1,176)	(2,868)
Other operating expenses	(5,321)	(10)	(5,331)
Loss for the financial year	(18,346)	(1,432)	(19,778)
Other comprehensive income, net of tax	512	(6)	506
Total comprehensive loss	(17,834)	(1,438)	(19,272)

Reconciliation of statement of cash flows for the financial year ended 30 June 2024.

Group	As stated previously RM'000	Prior year adjustments RM'000	As restated RM'000
Loss before taxation	(18,220)	(1,432)	(19,652)
Adjustment for:			
Depreciation of investment properties	110	256	366
Allowance for impairment losses on deposits with foreign securities companies	-	1,176	1,176
Net additional placement with foreign securities companies	-	(13,127)	(13,127)
Interest received	456	(428)	28
Effect of changes in exchange rates on cash and cash equivalents	510	(344)	166
Cash and cash equivalents at beginning of the financial period/year	60,883	(27,651)	33,232

(c) During the current financial period, the Company changed its financial period from 30 June to 30 September. Accordingly, the comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the related notes are for twelve months from 1 July 2023 to 30 June 2024 and are therefore not comparable.

37. Subsequent events

(a) On 27 March 2026, the Company entered into a Share Sale Agreement for the disposal of its entire equity interest in Pacifica Direct Sdn. Bhd. to NetX Holdings Berhad for a consideration of RM10.00.

(b) On 25 March 2026, the Board of Directors approved the proposed acquisition of an office unit by the Company's wholly owned subsidiary, Mlabs Properties Sdn. Bhd., for a total purchase consideration of RM4.2 million.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sik Eek and Ong Tee Kein, being two of the Directors of Mlabs Systems Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 80 to 145 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 30 September 2025 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 1 July 2026.

TAN SIK EEK
Director

ONG TEE KEIN
Director

STATUTORY DECLARATION

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

I, Hui Kiat Bin, being the Officer primarily responsible for the financial management of Mlabs Systems Berhad do solemnly and sincerely declare that the accompanying financial statements set out on pages 80 to 145 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
HUI KIAT BIN)
at Petaling Jaya in the state of)
Selangor Darul Ehsan)
on 1 July 2026.)

Hui Kiat Bin
Officer

Before me,

NG SAY HUNG (B 185)
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MLABS SYSTEMS BERHAD

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Mlabs Systems Berhad ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position as at 30 September 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including the material accounting policy information, as set out on pages 80 to 145.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

As disclosed in Note 2 to the financial statements, the Group maintained deposits placed with foreign securities companies amounting to approximately RM43.8 million as at 30 September 2025, held as part of the Group's treasury and investment management activities.

During the course of our audit, we encountered limitations in obtaining sufficient appropriate audit evidence with respect to the following financial statement assertions in relation to these deposits and connected transactions:

- Completeness and occurrence: certain primary supporting documentation relating to subsequent acquisition of quoted equity securities (including contract notes) was unavailable; and

- Measurement and valuation: arising from the foregoing, we were unable to fully determine whether the amounts recorded in relation to these deposits and the connected transactions and the subsequent investment acquisition required adjustments.

Subsequent to the financial period end, management undertook a progressive redemption of these deposits in multiple tranches between January 2026 and April 2026. The redemption proceeds were represented as having been utilised primarily to acquire quoted equity securities, transacted through SFGHK Limited (a broker based in Hong Kong), with the underlying shares registered through a nominee arrangement with M&A Nominee (Tempatan) Sdn. Bhd. pending transfer to the Group's direct Central Depository System ("CDS") account. These transactions were announced by the Company via Bursa Malaysia.

We performed extended audit procedures up to the date of this report, including:

- reviewing redemption schedules and supporting documentation provided by management;
- obtaining independent confirmation directly from the Group's bank, which confirmed inward telegraphic transfer credits and outgoing payment records consistent with management's representations;
- tracing fund flows through bank statements independently confirmed by the bank;
- obtaining independent confirmation directly from M&A Nominee (Tempatan) Sdn. Bhd., which confirmed that the relevant quoted equity securities are held in nominee form for SFGHK Limited for the account of the Group;
- reviewing broker statements and related records;
- reviewing publicly available Bursa Malaysia announcements;
- reviewing board papers and management memoranda relating to treasury management and the utilisation of redeemed proceeds; and
- performing procedures to assess whether SFGHK Limited is a related party of the Group, including consideration of publicly available information and any beneficial ownership declarations.

Independent Auditors' Report

to the members of Mlabs Systems Berhad

Basis for Qualified Opinion (continued)

Notwithstanding the procedures described above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves in full as to the substance, completeness and appropriateness of all aspects of the transactions and arrangements. Specifically, the following limitation remains unresolved:

- certain primary supporting documentation, including contract notes relating to the portfolio shareholding acquisition transactions, was unavailable.

Accordingly, we were unable to determine whether any adjustments to the financial statements might be necessary in respect of the related balances, transactions and disclosures.

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. 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. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communication in our report.

1. Impairment of Trade Receivables

Key audit matter

Refer to Note 3 - Summary of Material Accounting Policies, Note 5 - Significant Accounting Judgements, Estimates and Assumptions and Note 14 - Trade Receivables.

Trade receivables of RM36.801 million are significant to the Group as these represent approximately 29% of the Group's total assets.

The key risk is the recoverability of the trade receivables which requires management's judgement and estimation in determining the adequacy of the impairment losses associated with the trade receivables.

How we address this key audit matter

Our audit procedures included, among others:

- Reviewed the receivables aging analysis and tested the reliability thereof;
- Evaluated subsequent year end receipts and recoverability of outstanding trade receivables;
- Made inquiries of management pertaining to the recoverability of significant and overdue debts;
- Evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made;
- Evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 Financial Instruments; and
- Reviewed the adequacy of disclosure in the financial statements.

Independent Auditors' Report

to the members of Mlabs Systems Berhad

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and 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. As described in the *Basis for Qualified Opinion* section above, certain primary supporting documentation relating to the subsequent acquisition of quoted equity securities was unavailable. Notwithstanding, we are unable to conclude whether or not the *Other Information* is materially misstated for the same reason with respect to the amounts or other items in the *Basis for Qualified Opinion* affected by this matter.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- 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.

Independent Auditors' Report

to the members of Mlabs Systems Berhad

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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: (continued)

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 period 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:

(a) the subsidiary companies of which we have not acted as auditors, are disclosed in Note 10 to the financial statements.

(b) in our opinion, we have not obtained all the information and explanations that we required.

Other Matters

(a) The financial statements of Mlabs Systems Berhad for the financial year ended 30 June 2024 were audited by another auditor, who has expressed an unmodified opinion on those statements on 30 October 2024.

(b) This report is made solely to the Members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Nexia SSY PLT
201906000679 (LLP0019490-LCA) & AF 002009
Chartered Accountants

Bavany a/p Chellappan
No. 03138/09/2027 J
Chartered Accountant

Shah Alam
1 July 2026

LIST OF PROPERTIES

Location	Description/ Existing use	Built-up area	Tenure	Net book value as at 30.09.2025 (RM'000)	Date of acquisition
43-2, Storey 43, Geran 70444, Lot 230, Section 58, Bandar Kuala Lumpur	Private Residence/ Investment Property	228 Square Metres	Freehold	6,195	24 September 2018
G04, Mont Kiara Damai, Jalan Kiara 2, Mont' Kiara, Kuala Lumpur	2 storey annexed building	283 Square Meters	Freehold	4,339	6 September 2021
41547, No. PT 6093, Mukim Sg. Buloh, Daerah Kuala Lumpur	4 storey shop lot	160 Square Meters	Freehold	4,905	17 September 2021
Block D-G-9 & Block D-1-9 Residensi Bandar Razak, No.1, Jalan Razak Mansion, Sungai Besi, Kuala Lumpur	2 storey shop lot	259 Square Meters	Leasehold	2,220	17 April 2019
Unit A708 Block A Phileo Damansara II, Petaling Jaya, Selangor	1 unit office	227 Square Meters	Freehold	750	2 January 2025 ** By way of debt settlement*
Unit A1007 Block A Phileo Damansara II, Petaling Jaya, Selangor	1 unit office	227 Square Meters	Freehold	750	2 January 2025 ** By way of debt settlement*

ANALYSIS OF SHAREHOLDINGS
AS AT 29 JUNE 2026

SHARE CAPITAL

Total Number of Issued Shares	:	289,069,106
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Holders	Total Holdings	% of Holdings
Less than 100	1,215	36,967	0.01
100 - 1,000	1,602	662,673	0.23
1,001 - 10,000	1,454	6,004,033	2.08
10,001 - 100,000	787	26,844,245	9.29
100,001 to less than 5% of issued shares	243	236,770,188	81.91
5% and above of issued shares	1	18,751,000	6.48
Total	**5,302**	**289,069,106**	**100.00**

SUBSTANTIAL SHAREHOLDERS
(as per the Register of Substantial Shareholders)

	No. of Shares			
Name	Direct Interest	%	Indirect Interest	%
Tang Ah Mooi	18,751,000	6.49	-	-

DIRECTORS' SHAREHOLDINGS
(as per the Register of Substantial Shareholders)

	No. of Shares			
Name	Direct Interest	%	Indirect Interest	%
General Tan Sri Dato' Sri Hj. Suleiman bin Mahmud RMAF (Rtd)	-	-	-	-
Professor Emeritus Dr. Sureswaran Ramadass	1,675	*Negligible*	191	*Negligible*
Mejar Dato' Ismail bin Ahmad (R)	-	-	-	-
Ong Tee Kein	41,805	0.01	-	-
Tan Sik Eek	35,000	0.01	-	-
Chuah Hoon Hong	-	-	-	-
Karina binti Idris Ahmad Shah	-	-	-	-

Note:

* *Deemed interested through shares held directly by spouse.*

Analysis of Shareholdings
As At 29 June 2026

LIST OF TOP 30 HOLDERS
(Without Aggregating Securities from Different Securities Accounts Belonging to the same Registered Holder)

NO.	NAME	HOLDINGS	%
1.	Tang Ah Mooi	18,751,000	6.49
2.	Affin Hwang Nominees (Tempatan) Sdn Bhd Exempt An For SFGHK Limited (Account Client)	14,000,000	4.84
3.	Fintec Global Limited	13,500,000	4.67
4.	Botanical Distribution Sdn Bhd	13,010,000	4.50
5.	Fast Assets Sdn. Bhd.	12,500,000	4.32
6.	Supernova International Sdn. Bhd.	12,500,000	4.32
7.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Koo Kien Yoon	12,000,000	4.15
8.	UOBM Nominees (Asing) Sdn Bhd Exempt An For SFGHK Limited	11,411,512	3.95
9.	AE Equity Sdn. Bhd.	10,451,500	3.62
10.	Tan Song Eng	9,800,000	3.39
11.	Lim Poh Fong	8,633,460	2.99
12.	Affin Hwang Nominees (Asing) Sdn Bhd Exempt An For Lazarus Securities Pty Ltd	7,588,488	2.63
13.	Ooi Phuay Gim	7,107,653	2.46
14.	Attractive Holdings Sdn. Bhd.	6,591,600	2.28
15.	Affin Hwang Nominees (Asing) Sdn Bhd Exempt An For SFGHK Limited (Account Client)	4,232,700	1.46
16.	Hong Tek Huat	4,215,300	1.46
17.	Tye Lim Huat	4,201,000	1.45
18.	Ng Choon Hua	3,400,005	1.18
19.	Ong Teong Yew	3,290,100	1.14
20.	Teo Tiew	1,821,860	0.63
21.	Dan Yoke Pyng	1,704,800	0.59
22.	Wong Ah Yong	1,700,840	0.59
23.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Wai Yuan (8077425)	1,600,000	0.55
24.	Tang Kuan Eng	1,400,000	0.48
25.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	1,400,000	0.48
26.	Kenanga Nominees (Tempatan) Sdn Bhd Chin Kiam Hsung	1,330,000	0.46
27.	Lam Ah Choi	1,313,820	0.45
28.	Su How Giong	1,250,000	0.43
29.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Kim Guan (CCTS)	1,206,000	0.42
30.	Lai Hing Keat	1,200,000	0.42
	Total	**193,111,638**	**66.80**

ANALYSIS OF WARRANT HOLDINGS - WARRANT D

AS AT 29 JUNE 2026

WARRANTS D 2024/2027

Total Number of Warrants Issued	:	86,639,526
Exercise Price of Warrants	:	RM 0.16
Exercise Period of Warrants	:	26 July 2024 to 25 July 2027
Exercise Rights	:	Each warrants entitles the holders to subscribe for one new ordinary share in the Company

DISTRIBUTION OF WARRANT D HOLDINGS

Size of holding	No. of Holders	Total Holdings	% of Holdings
Less than 100	17	846	0.00
100 - 1,000	27	11,522	0.01
1,001 - 10,000	138	650,616	0.75
10,001 - 100,000	154	5,621,048	6.49
100,001 to less than 5% of issued warrants	71	29,039,908	33.52
5% and above of issued warrants	7	51,315,586	59.23
Total	**414**	**86,639,526**	**100.00**

DIRECTORS' WARRANT D HOLDINGS
(as per the Register of Directors' Warrant holdings)

	No. of Warrant D			
Name	Direct Interest	%	Indirect Interest	%
General Tan Sri Dato' Sri Hj. Suleiman bin Mahmud RMAF (Rtd)	-	-	-	-
Professor Emeritus Dr. Sureswaran Ramadass	-	-	-	-
Mejar Dato' Ismail bin Ahmad (R)	-	-	-	-
Ong Tee Kein	-	-	-	-
Tan Sik Eek	-	-	-	-
Chuah Hoon Hong	-	-	-	-
Karina binti Idris Ahmad Shah	-	-	-	-

Analysis of Warrant Holdings - Warrant D

As at 29 June 2026

LIST OF TOP 30 WARRANT D HOLDERS
(Without Aggregating Securities from Different Securities Accounts Belonging to the same Registered Holder)

NO.	NAME	HOLDINGS	%
1.	Affin Hwang Nominees (Asing) Sdn Bhd Exempt An For Lazarus Securities Pty Ltd	13,176,000	15.21
2.	Lim Poh Fong	10,635,248	12.28
3.	Tang Ah Mooi	7,500,338	8.66
4.	Botanical Distribution Sdn Bhd	5,204,000	6.01
5.	Fast Assets Sdn. Bhd.	5,000,000	5.77
6.	Supernova International Sdn. Bhd.	5,000,000	5.77
7.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Koo Kien Yoon	4,800,000	5.54
8.	Yu Kian Hong	1,800,000	2.08
9.	Hong Tek Huat	1,686,120	1.95
10.	Tye Lim Huat	1,680,400	1.94
11.	Neoh Guan Kie	1,500,000	1.73
12.	Leow Ho Keng	1,400,000	1.61
13.	Ng Choon Hua	1,250,000	1.44
14.	Maybank Nominees (Tempatan) Sdn Bhd Leow Hong Siang	1,071,700	1.24
15.	Sak Mee Yen	899,000	1.04
16.	Lim Mei Keng	896,000	1.03
17.	Tan Sui Lan	740,600	0.85
18.	Koon Yii Xuan	725,000	0.84
19.	Dan Yoke Pyng	671,440	0.77
20.	Au Shiun Chour	600,000	0.69
21.	Lim Kok Beng	600,000	0.69
22.	Tan Hou Bu	600,000	0.69
23.	Wong Ah Yong	588,400	0.68
24.	Chong Yong Lin	572,000	0.66
25.	Teo Tiew	528,718	0.61
26.	Ooi Seong Guan	500,000	0.58
27.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Chong Pa	400,000	0.46
28.	Kenanga Nominees (Tempatan) Sdn Bhd Chin Kiam Hsung	372,000	0.43
29.	Lam Ah Choi	364,146	0.42
30.	Teoh Hin Heng	345,000	0.40
	Total	**71,106,110**	**82.07**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First (21st) Annual General Meeting of Mlabs Systems Berhad ("**Mlabs**" or "**the Company**") will be conducted on a hybrid mode at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("**Meeting Venue**") and virtually by way of electronic means via online meeting platform at https://bit.ly/MLABS-AGM ("**Online Platform**") on Wednesday, 5 August 2026 at 10.30 a.m. or any adjournment thereof, for the purpose of transacting the following businesses:

AGENDA

1.	To receive the Audited Financial Statements for the financial period ended 30 September 2025, together with the Directors' and Auditors' Reports thereon.	**Please refer to Explanatory Note 1**
2.	To approve and ratify the additional payment of Directors' fees amounting to RM90,000.00, being in excess of the previously approved amount of RM600,000.00 for the period commencing from 5 December 2024 until the conclusion of the 21st Annual General Meeting of the Company.	**Ordinary Resolution 1**
3.	To approve the payment of Directors' fees of up to RM600,000.00 from 5 August 2026 until the next Annual General Meeting of the Company.	**Ordinary Resolution 2**
4.	To approve the payment of Directors' benefits (excluding Directors' fees) of up to RM50,000.00 to the Non-Executive Directors with effect from 5 August 2026 until the next Annual General Meeting of the Company.	**Ordinary Resolution 3**
5.	To re-elect the following Directors who retire pursuant to Clause 115 of the Company's Constitution:	
	(a) Ong Tee Kein	**Ordinary Resolution 4**
	(b) Professor Emeritus Dr. Sureswaran Ramadass	**Ordinary Resolution 5**
6.	To re-appoint Messrs Nexia SSY PLT as External Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**

SPECIAL BUSINESSES :

To consider and, if thought fit, to pass the following Resolutions:

7. **Proposed Retention of Professor Emeritus Dr. Sureswaran Ramadass as Independent Non-Executive Director** — **Ordinary Resolution 7**

"THAT Professor Emeritus Dr. Sureswaran Ramadass, who will have served as an Independent Non-Executive Director of the Company for a cumulative term of 9 years by 30 August 2026, be retained as an Independent Non-Executive Director of the Company and continue to hold office until the conclusion of the next Annual General Meeting of the Company."

8. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** — **Ordinary Resolution 8**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("**the Act**") and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

Notice of Annual General Meeting

AND THAT pursuant to Section 85 of the Act to be read together with Clause 70 of the Constitution of the Company, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders and empower the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing members to maintain their relative voting and distribution right and such new shares shall rank pari passu in all respects with the existing class of ordinary shares."

9. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

CHONG VOON WAH (SSM PC No. 202008001343) (MAICSA 7055003)
THAI KIAN YAU (SSM PC No. 202008001515) (MIA 36921)
Company Secretaries

Kuala Lumpur
3 July 2026

Notes:

1. *The Twenty-First (21st) Annual General Meeting ("**AGM**") of the Company will be held on a hybrid mode whereby Member(s), proxy(ies), corporate representative(s) or attorney(s) will have an option, either:*

   *(a) To attend physically in person at the Meeting Venue ("**Physical Attendance**"); OR*
   *(b) To attend virtually using the Remote Participation and Voting ("**RPV**") facilities which are available on the online meeting platform at https://bit.ly/MLABS-AGM ("**Virtual Attendance**").*

2. *Only depositors whose names appear in the Record of Depositors as at 28 July 2026 shall be regarded as members and entitled to participate, speak and vote at the AGM.*

3. *A member entitled to participate and vote at the meeting is entitled to appoint a proxy to participate and vote in his stead. A proxy need not be a member of the Company, and a member may appoint any person to be his proxy. A proxy appointed to participate and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the member to speak at the meeting.*

4. *A member shall be entitled to appoint more than two (2) proxies to participate and vote at the AGM. Where a member appoints more than two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.*

5. *Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

6. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

7. *The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited at the Poll Administrator's office of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via e-mail at ir@shareworks.com.my not less than 48 hours before the time appointed for holding the AGM or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.*

8. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out above will be put to a vote by way of poll.*

9. *The AGM will be held on a hybrid mode, the members who wish to attend virtually are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*

Notice of Annual General Meeting

EXPLANATORY NOTES

1. Audited Financial Statements for the Financial Period Ended 30 September 2025

Agenda No. 1 is meant for discussion only, as Section 340(1) (a) of the Companies Act 2016 provides that the audited financial statements are to be laid in the general meeting and do not require the formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1: Additional Payment of Directors' fees

At the Twentieth (20th) Annual General Meeting ("**AG**M") held on 5 December 2024, the shareholders approved the payment of Directors' fees of up to RM600,000.00 for the period commencing from 5 December 2024 up to the next AGM of the Company ("**Approved Mandate**").

As at the date of this Notice, the total Directors' fees paid and/or payable to the Directors up to 5 August 2026 amount to RM690,000.00, representing an excess of RM90,000.00 over the Approved Mandate.

The additional payment of Directors' fees was primarily attributable to the change in the Company's financial year end from 30 June 2025 to 30 September 2025, as well as the delay in convening the Company's 2026 AGM, which resulted in the Directors continuing to discharge their duties and responsibilities over an extended period, thereby giving rise to the additional Directors' fees. This Ordinary Resolution 1 is therefore proposed to seek shareholders' approval to ratify the additional payment of Directors' fees of RM90,000.00.

3. Ordinary Resolutions 2 & 3: Proposed Payment of Directors' Fees and Proposed Payment of Directors' Benefits to Non-Executive Directors

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Twenty-First (21st) AGM on the Directors' fees and benefits in 2 separate resolutions as below:

- Ordinary Resolution 2 on payment of Directors' fees from 5 August 2026 until the next AGM.
- Ordinary Resolution 3 on payment of Director's benefits (excluding Directors' fees) from 5 August 2026 until the next AGM.

The Directors' benefits payable to the Directors essentially include meeting allowance for Board/Board Committee meetings attended/to be attended for the period from 5 August 2026 until the conclusion of the next AGM and are estimated not to exceed RM50,000.00. The Board will seek shareholders' approval at the next AGM in the event that the amount of the Directors' benefits is insufficient due to an increase in Board/Board Committee meetings and an increase in Board size.

Details of the Directors' fees and benefits received by each Director for the financial period ended 30 September 2025 are disclosed in the Corporate Governance Overview Statement of the Company's Annual Report 2025.

4. Ordinary Resolutions 4 to 5: Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to the provisions of the Company's Constitution at the forthcoming AGM of the Company and are being eligible, have offered themselves for re-election in accordance with the Company's Constitution:

(i) Ong Tee Kein (Clause 115); and
(ii) Professor Emeritus Dr. Sureswaran Ramadass (Clause 115).

*(collectively referred to as "**Retiring Directors**")*

Notice of Annual General Meeting

EXPLANATORY NOTES (CONTINUED)

4. Ordinary Resolutions 4 to 5: Re-election of Directors (continued)

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the AGM, the Board, through its Nominating Committee ("**NC**"), had assessed the Retiring Directors and considered the following:

(a) The Directors' performance and contribution;
(b) The Directors' skills, experience and strengths in qualities; and
(c) The Directors' ability to act in the best interest of the Company in decision-making.

The Board of Directors, through the NC, had deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the Retiring Directors who had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Committees meetings) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

Further, the NC has considered and affirmed, and the Board has endorsed that Professor Emeritus Dr. Sureswaran Ramadass, who is seeking re-election at the forthcoming AGM of the Company comply with the independence criteria as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and remained independent in exercising his judgment and in carrying out his duties as Independent Non-Executive Director of the Company.

5. Ordinary Resolution 6: Re-appointment of External Auditors

The Board, through the Audit and Risk Management Committee, had conducted an assessment on the suitability, objectivity and independence of Messrs Nexia SSY PLT in respect of the financial period ended 30 September 2025. The Board was satisfied with the performance of Messrs Nexia SSY PLT and recommended the re-appointment of Messrs Nexia SSY PLT as External Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company in accordance with Section 271 of the Companies Act 2016.

6. Ordinary Resolution 7: Proposed Retention of Independent Non-Executive Director

The proposed Ordinary Resolution 7, if passed, will allow Professor Emeritus Dr. Sureswaran Ramadass to be retained and continue to act as an Independent Non-Executive Director of the Company.

The Board, through the NC, has determined that Professor Emeritus Dr. Sureswaran Ramadass' vast and diverse range of experiences has brought the right mix of skills to the Board. As Director, he continues to bring independent and objective judgements to Board deliberations and the decision-making process as a whole. The Board, therefore, endorsed the NC's recommendation for him to be retained as Independent Director, subject to the shareholders' approval through a two-tier voting process at the forthcoming AGM of the Company

The key justifications for Professor Emeritus Dr. Sureswaran Ramadass' continuance as Independent Non-Executive Director are as follows:

(a) he fulfills the criteria under the definition of Independent Director as stated in the Listing Requirements and, therefore, is able to bring independent and objective judgment to the Board as a whole;
(b) his experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contributions and competence;
(c) he has been with the Company for a certain period and therefore understands the Company's business operations, which enables him to contribute actively and effectively during deliberations or discussions at Board and Committee meetings;
(d) he continues to be scrupulously independent in his thinking and his effectiveness as a constructive challenger of the Executive Director and Management; and
(e) he has not entered into any related party transactions with the Group.

Notice of Annual General Meeting

EXPLANATORY NOTES (CONTINUED)

7. Ordinary Resolution 8: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 8, if passed, is a renewal of the general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company ("**General Mandate**"). This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), workings capital and/or acquisitions.

Pursuant to Section 85(1) of the Companies Act 2016, read together with Clause 70 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company:

Section 85(1) of the Companies Act 2016 states:

Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.

Clause 70 of the Company's Constitution provides as follows:

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.

In order for the Board to issue any new shares free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 8, if passed, will exclude your pre-emptive rights over all new shares in the Company to be issued under the General Mandate.

As at the date of this Notice, the Company has not issued any new shares pursuant to the General Mandate granted to the Directors at the Twentieth (20^{th}) Annual General Meeting held on 5 December 2024, and the said General Mandate will lapse at the conclusion of the forthcoming AGM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29 (2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at the date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at the Twenty-First (21st) Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for the issue of securities in accordance with Rule 6.04 (3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 8 as stated in the Notice of the Twenty-First (21st) Annual General Meeting of the Company for the details.

ADMINISTRATIVE GUIDE

Date & Time	**5 August 2026 at 10.30 a.m**
Meeting Venue ***(“Physical Attendance”)***	**Level 4.1, 4th Floor, Menara Lien Hoe** **No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort** **47410 Petaling Jaya, Selangor**
Online Meeting Platform ***(“Virtual Attendance”)***	**https://bit.ly/MLABS-AGM**

Hybrid Meeting

1. The Twenty-First (21st) Annual General Meeting (“**AGM**”) will be held on a hybrid mode whereby member(s), proxy(ies), corporate representative(s) or attorney(s) will have an option, either:

   i. To attend physically in person at the Meeting Venue (“**Physical Attendance**”); OR

   ii. To attend virtually using the Remote Participation and Voting (“**RPV**”) facilities which are available on the online meeting platform at https://bit.ly/MLABS-AGM (“**Virtual Attendance**”).

2. Shareholders are **strongly encouraged** to take advantage of the RPV facilities to participate and vote remotely at the AGM. With the RPV facilities, you may exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors (“**Board**”) and/or management of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the AGM. Details of the RPV Facilities are set out below.

Registration for Physical Attendance

3. Registration will commence at 9:00 a.m. (or if earlier as may be determined by the Company) and will end at a time as directed by the Chairman of the Meeting.

4. Please present your original National Registration Identify Card (NRIC) or passport (for Non-Malaysian) to the registration personnel at the registration counter for verification.

5. Upon verification, you are required to sign the Attendance List and will be given a wristband for entry to the meeting venue. There will be no replacement of wristband in the event if you lose or misplace the wristband.

6. Registration must be done in person. No person is allowed to register on behalf of another person.

7. The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

Registration for Virtual Attendance

8. The AGM will be held on a hybrid mode. The registration is mandatory for Shareholders who wish to attend the AGM virtually. Please click the following link to register: https://bit.ly/MLABS-AGM.

9. The Shareholders are required to register in order to participate in the AGM virtually. The registration will be open from **10.30 a.m.** on **3 July 2026**.

   Upon submission of your registration, you will receive an email to notify you that your registration has been received and is pending verification.

10. After verification of your registration against the General Meeting Record of Depositors of the Company, the system will send you an email to notify you if your registration is approved or rejected after **29 July 2026**.

11. Should your registration be rejected, you can contact the Company’s Share Registrar or the Company for clarification.

12. The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Please follow the tutorial guide posted on https://bit.ly/MLABS-AGM.

Administrative Guide

Other Information for Physical Attendance at the Meeting Venue

13. All attendees at the meeting venue must be fully vaccinated or medically fit to attend without any transmissible health condition. Although the wearing of a face mask in an enclosed area is now optional, you are encouraged to wear your face mask throughout the meeting session.

14. In the event that you are unwell or display symptoms of illness, the Company also reserve the right to reject entrance of any attendee who does not meet the foregoing health standard operating procedures.

15. Parking bays are available at Menara Lien Hoe. Kindly use Touch 'n Go (with a minimum RM 20.00 card balance), debit or credit card to enter the parking bay as it is a cashless payment system.

16. All attendees are required to register with the security personnel at the lobby of the building before they can gain access to the 4th Floor for the AGM.

General Meeting Records of Depositors

17. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors of the Company as at **28 July 2026** shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Individual Members

18. Individual members are strongly encouraged to take advantage of RPV facilities to participate and vote remotely at the AGM. Please refer to the details as set out under RPV facilities for information.

19. If an individual member is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Corporate Members

20. Corporate members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the AGM using the RPV facilities. Corporate members who wish to participate and vote remotely at the AGM must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than **4 August 2026** at **10.30 a.m.**:

    i. Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
    ii. Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
    iii. Corporate Representative's or proxy's email address and mobile phone number.

21. If a Corporate member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the AGM, it is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Nominee Company Members

22. The beneficiaries of the shares under a Nominee Company's CDS account ("**Nominee Company member(s)**") are also strongly advised to participate and vote remotely at the AGM using RPV Facilities. Nominee Company members who wish to participate and vote remotely at the AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the AGM. Nominee Company must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than **4 August 2026 at 10.30 a.m**.:

    i. Form of Proxy under the seal of the Nominee Company;
    ii. Copy of the proxy's MyKad (front and back)/Passport; and
    iii. Proxy's email address and mobile phone number.

23. If a Nominee Company member is unable to attend the AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Administrative Guide

Proxy

24. If a member is unable to attend the AGM, he/she may appoint a proxy or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

25. If an individual member has submitted his/her Proxy Form prior to the AGM and subsequently decides to personally participate in the AGM either physically at the Main Venue or via RPV facilities, the individual member must contact the Company's Share Registrar or the Company, whose contact details are set out in No. 30 below, to revoke the appointment of his/her proxy no later than **4 August 2026 at 10.30 a.m.**

Poll Voting

26. The voting at the AGM will be conducted by way of poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks Sdn. Bhd. as the Poll Administrator to conduct the poll by way of electronic voting and SharePolls Sdn. Bhd. as the Scrutineers to verify the poll results. Upon completion of the voting session for the AGM, the Scrutineers will verify and announce the poll results, followed by the Chairman's declaration of whether the resolutions are duly passed.

RPV Facilities

27. Please refer to the following information on RPV facilities for live streaming and remote voting at the AGM:

Procedures		**Action**
Before AGM		
1.	Register as a participant in the Virtual AGM	• Using your computer, access the website at https://bit.ly/MLABS-AGM . Click on the **Register** button to register for the AGM session. • If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click **Register** and enter your email, followed by **Next** to fill in your details to register for the AGM session. • Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. • The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Refer to the tutorial guide posted on the same page for assistance.
2.	Submit your online registration	• Shareholders who wish to participate and vote remotely at the AGM via RPV facilities are required to register prior to the meeting. The registration will open from **10.30 a.m. on 3 July 2026.** • Clicking on the link mentioned in item 1 will redirect you to the AGM event page. Click on the **Register** link for the online registration form. • Complete your particulars in the registration page. Your name **MUST** match your CDS account name (not applicable for Proxy). • Insert your CDS account number(s) and indicate the number of shares you hold. • Read and agree to the Terms & Conditions and confirm the Declarations. • Please ensure all information given is accurate before you click **Submit** to register your remote participation. Failure to do so will result in your registration being rejected. Email Notification to Shareholders • The system will send an email to notify you that your registration for remote participation has been received and will be verified. • After verification of your registration against the General Meeting Record of Depositors of the Company as at **28 July 2026** the system will send you an email to notify you if your registration is approved or rejected after **29 July 2026**. • If your registration is rejected, you can contact the Company's Poll Administrator for clarification or to appeal.

Administrative Guide

RPV Facilities (continued)

22. Please refer to the following information on RPV facilities for live streaming and remote voting at the AGM: (Continued)

Procedures		Action
On the day of the AGM		
3.	Attending Virtual AGM	• Two reminder emails will be sent to your inbox. First is one day before the AGM, while the second will be sent 1 hour before the AGM session. • Click **Join Event** in the reminder email to participate in the RPV. • Please ensure you have downloaded and installed the Cisco WebEx Meetings application before attending the AGM.
4.	Participate with live video	• You will be given a short brief about the system. • Your microphone is muted throughout the whole session. • If you have any questions for the Chairman/Board, you may use the Q&A under the "Slido" panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions received throughout the session which were not answered during the AGM will be replied later to your registered email. • The session will be recorded. • Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	• The Chairman will announce the commencement of the voting session and the duration allowed at the AGM. • The list of resolutions for voting will appear on the right-hand side of your computer screen under the "Slido" panel. You are required to fill in your full MyKad(NRIC)/Passport number and indicate your votes for the resolutions within the given stipulated time frame. • Click on the Submit button when you have completed. • Votes cannot be changed once it is submitted. • Note that your vote will be deemed invalid if the MyKad(IC)/Passport number is incorrect or invalid.
6.	End of remote participation	• Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

No Recording or Photography

28. Strictly NO recording or photography of the proceedings of the AGM is allowed.

No Gifts, E-Vouchers or Food Vouchers

29. There will be no distribution of gifts, e-vouchers or food vouchers to the Members or Proxy(ies)/Corporate Representative(s) who participate in the AGM.

Enquiry

30. If you have any enquiries prior to the meeting, please contact the following officers during office hours [from 9.00 a.m. to 5.30 p.m. (Monday to Friday)]:

For Registration, logging in and system related:
InsHub Sdn. Bhd.

Name : Ms. Eris / Ms. Ameera / Ms. Yongqi
Telephone No. : +603-7688 1013
Email : vgm@mlabs.com

For Form of Proxy:
ShareWorks Sdn. Bhd.

Name : Mr. Khor/Mr. Chan
Telephone No. : +603-6201 1120
Email : ir@shareworks.com.my

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CDS Account No.
No. of Shares held

MLABS SYSTEMS BERHAD
Registration No. 200401014724 (653227-V)
(Incorporated in Malaysia
under the Companies Act, 1965)

PROXY FORM

*I/We ______________________________ NRIC. No. / Registration No.: ______________
(Please Use Block Capitals)

of ____
(Address)

Contact No. ____________________ Email Address ____________________

being a member/members of **MLABS SYSTEMS BERHAD** hereby appoint

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address : Contact No. : Email Address :			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address : Contact No. : Email Address :			

of failing *him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-First (21st) Annual General Meeting of the Company to be conducted on a hybrid mode at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("**Meeting Venue**") and virtually by way of electronic means via online meeting platform at https://bit.ly/MLABS-AGM ("**Online Platform**") on Wednesday, 5 August 2026 at 10.30 a.m. or at any adjournment thereof, and to vote as indicated below:

Item	Agenda	Resolutions	FOR	AGAINST
1.	To approve and ratify the additional payment of Directors' fees	Ordinary Resolution 1		
2.	To approve the payment of Directors' fees	Ordinary Resolution 2		
3.	To approve the payment of Directors' benefits	Ordinary Resolution 3		
4.	To re-elect Ong Tee Kein as Director	Ordinary Resolution 4		
5.	To re-elect Professor Emeritus Dr. Sureswaran Ramadass as Director	Ordinary Resolution 5		
6.	To re-appoint Messrs Nexia SSY PLT as External Auditors	Ordinary Resolution 6		
7.	To retain Professor Emeritus Dr. Sureswaran Ramadass as Independent Non-Executive Director	Ordinary Resolution 7		
8.	To approve the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 8		

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this ______________________

____
Signature*
Member
(if shareholder is a corporation, this form should be executed under seal)

Notes:

1. *The Twenty-First (21st) Annual General Meeting ("**AGM**") of the Company will be held on a hybrid mode whereby Member(s), proxy(ies), corporate representative(s) or attorney(s) will have an option, either:*
   (a) *To attend physically in person at the Meeting Venue ("**Physical Attendance**"); OR*
   (b) *To attend virtually using the Remote Participation and Voting ("**RPV**") facilities which are available on the online meeting platform at https://bit.ly/MLABS-AGM ("**Virtual Attendance**").*
2. *Only depositors whose names appear in the Record of Depositors as at 28 July 2026 shall be regarded as members and entitled to participate, speak and vote at the AGM.*
3. *A member entitled to participate and vote at the meeting is entitled to appoint a proxy to participate and vote in his stead. A proxy need not be a member of the Company, and a member may appoint any person to be his proxy. A proxy appointed to participate and vote at a meeting of a company shall be entitled to vote on any question at any general meeting and have the same rights as the member to speak at the meeting.*
4. *A member shall be entitled to appoint more than two (2) proxies to participate and vote at the AGM. Where a member appoints more than two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.*
5. *Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
6. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
7. *The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited at the Poll Administrator's office of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via e-mail at ir@shareworks.com.my not less than 48 hours before the time appointed for holding the AGM or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.*
8. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out above will be put to a vote by way of poll.*
9. *The AGM will be held on a hybrid mode, the members who wish to attend virtually are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*

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AFFIX
STAMP

MLABS SYSTEMS BERHAD
Registration No. 200401014724 (653227-V)

c/o ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur
Malaysia

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www.mlabs.com

MLABS SYSTEMS BERHAD

Company Registration No. 200401014724 (653227-V)

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47410 Petaling Jaya, Selangor, Malaysia.

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