

MMIS BERHAD
[Registration No.: 201901006068 (1315395-W)]
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2025

Registered office:
Third Floor, No. 77, 79 & 81
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

Principal place of business:
PT 14495, Persiaran Batu Gajah Perdana 4
Kawasan Perindustrian Batu Gajah Perdana
31000 Batu Gajah
Perak Darul Ridzuan

MMIS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2025

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MMIS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

Principal activities

The Company is principally engaged in investment holding. The principal activities of its subsidiary is disclosed in Note 6 to the financial statements.

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

Financial results

	Group RM	Company RM
Profit/(Loss) for the financial year	<u>4,942,974</u>	<u>(73,919)</u>
Attributable to:		
Owners of the Company	<u>4,942,974</u>	<u>(73,919)</u>

Reserves and provisions

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

Dividends

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

Issue of shares and debentures

There was no issuance of shares or debentures during the financial year.

Options granted over unissued shares

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

Directors

The Directors in office during the financial year until the date of this report are:

Loh Chin Soon*
Loh Chin Siang*
Law Woo Hock*

* *Directors of the Company and of its subsidiary*

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

Directors' interests in shares

The interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary) of those who were Directors at the end of the financial year according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 30.6.2025
	At 1.7.2024	Bought	Sold	
Interests in the Company				
Direct interest				
Loh Chin Soon	243,000,000	-	-	243,000,000
Loh Chin Siang	121,500,000	-	-	121,500,000
Law Woo Hock	25,000,000	-	-	25,000,000

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 25 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' remuneration for the Group as set out in Note 25 to the financial statements are RM1,516,872.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose objective 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

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM5,000,000 and RM7,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

Other statutory information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of the business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
 - (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

Other statutory information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances: (Cont'd)
 - (iv) 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.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of Directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary

The details of the subsidiary are disclosed in Note 6 to the financial statements.

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Auditors

The Auditors, TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and the Company as set out in Note 22 to the financial statements are RM50,000 and RM15,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 September 2025.



LOH CHIN SOON

LAW WOO HOCK

IPOH

Registration No.: 201901006068 (1315395-W)

MMIS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 16 to 62 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 September 2025.



LOH CHIN SOON



LAW WOO HOCK

IPOH

Registration No.: 201901006068 (1315395-W)

MMIS BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act 2016

I, Law Woo Hock (MIA Membership No: 7714), being the Director primarily responsible for the financial management of MMIS Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 16 to 62 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed at Ipoh in the)
State of Perak Darul Ridzuan on)
25 September 2025)



LAW WOO HOCK

Before me,



Commissioner for Oaths

No. 6A, Lorong Taman Ipoh 1
Taman Ipoh Selatan,
31400 Ipoh, Perak

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MMIS BERHAD**

[Registration No.: 201901006068 (1315395-W)]
(Incorporated in Malaysia)

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants
Unit E-16-2B,
Level 16, Icon Tower (East)
No.1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur.
Tel : +603 9771 4326
Email: tgsaudit@tgs-tw.com
www.tgs-tw.com

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MMIS Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 62.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and Other Ethical Responsibilities

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MMIS BERHAD (CONT'D)**

[Registration No.: 201901006068 (1315395-W)]
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Report on the audit of the financial statements (Cont'd)

Key audit matters

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

Key audit matters

Revenue recognition

Revenue is dependent on the demand from the main customers for the Group's products which are subject to global economic conditions. We have identified revenue recognition as a key audit matter because the performance of the Group is vulnerable to external factors and is susceptible to external parties expectation and hence, there is a risk that revenue may be misstated.

How we addressed the key audit matters

We assessed the design and implementation of key controls over the recognition of revenue and tested these controls for operating effectiveness.

We checked revenue recognised before and after financial year end on sampling basis to the delivery documents and considered whether the revenue were recognised in the appropriate accounting period.

We compared the revenue recognised to the delivery documents to check the revenue recognised for revenue recognition in the financial year.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MMIS BERHAD (CONT'D)**

[Registration No.: 201901006068 (1315395-W)]
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Report on the audit of the financial statements (Cont'd)

Key audit matters (Cont'd)

Key audit matters

Valuation of trade receivables

MFRS 9 introduces an expected credit loss ("ECL") impairment model, which required the use of significant assumptions about future economic conditions and credit risk of the customers.

The Group has assessed the allowance for impairment loss of trade receivables on an individual basis. We identified the valuation of trade receivables as a key audit matter due to significant judgement and the level of uncertainty involved in assessing customer's specific conditions and credit history.

How we addressed the key audit matters

We assessed the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and estimate the credit loss allowance.

We assessed whether items were correctly categorised in the trade receivables ageing report by comparing individual items therein with sales invoices and other relevant underlying documentation, on a sample basis.

We checked the key parameters and assumptions of the expected credit loss model adopted by the management, including the basis of segmentation of the accounts receivable based on credit risk characteristic of customers and the historical default data in management's estimated loss allowance.

We checked cash receipts from trade receivables subsequent to the reporting date relating to trade receivables balances as at 30 June 2025, on a sample basis.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MMIS BERHAD (CONT'D)**

[Registration No.: 201901006068 (1315395-W)]
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Report on the audit of the financial statements (Cont'd)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MMIS BERHAD (CONT'D)**

[Registration No.: 201901006068 (1315395-W)]
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Report on the audit of the financial statements (Cont'd)

Responsibilities of the Directors for the financial statements (Cont'd)

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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MMIS BERHAD (CONT'D)**

[Registration No.: 201901006068 (1315395-W)]
(Incorporated in Malaysia)

Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MMIS BERHAD (CONT'D)**

[Registration No.: 201901006068 (1315395-W)]
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Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purpose 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 financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MMIS BERHAD (CONT'D)**

[Registration No.: 201901006068 (1315395-W)]
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Other matter

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 purposes. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'TGS'.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

A handwritten signature in black ink, appearing to be 'OOI'.

OOI POH LIM
03087/10/2025 J
Chartered Accountant

KUALA LUMPUR
25 September 2025

MMIS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	56,201,286	43,104,500	-	-
Investment property	5	-	-	-	-
Investment in a subsidiary	6	-	-	14,600,000	14,600,000
		<u>56,201,286</u>	<u>43,104,500</u>	<u>14,600,000</u>	<u>14,600,000</u>
Current assets					
Inventories	7	6,682,517	5,206,713	-	-
Trade receivables	8	9,320,952	3,691,694	-	-
Other receivables	9	350,802	260,911	4,392	4,357
Tax recoverable		96	1,073,656	96	96
Fixed deposits with licensed banks	10	7,585,000	8,331,000	90,000	180,000
Cash and bank balances	11	94,690	3,862,095	11,895	3,066
		<u>24,034,057</u>	<u>22,426,069</u>	<u>106,383</u>	<u>187,519</u>
Total assets		<u><u>80,235,343</u></u>	<u><u>65,530,569</u></u>	<u><u>14,706,383</u></u>	<u><u>14,787,519</u></u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	14,768,002	14,768,002	14,768,002	14,768,002
Merger deficit	13(a)	(8,850,000)	(8,850,000)	-	-
Retained earnings/(Accumulated losses)	13(b)	33,096,391	28,153,417	(77,119)	(3,200)
Total equity		<u><u>39,014,393</u></u>	<u><u>34,071,419</u></u>	<u><u>14,690,883</u></u>	<u><u>14,764,802</u></u>

MMIS BERHAD
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STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND					
LIABILITIES (CONT'D)					
LIABILITIES					
Non-current liabilities					
Lease liabilities	14	161,916	343,008	-	-
Loan and borrowings	15	27,590,683	21,379,942	-	-
Deferred income	16	60,000	90,000	-	-
Deferred tax liabilities	17	2,531,547	2,012,000	-	-
		<u>30,344,146</u>	<u>23,824,950</u>	<u>-</u>	<u>-</u>
Current liabilities					
Lease liabilities	14	188,544	351,343	-	-
Loan and borrowings	15	5,466,783	4,141,856	-	-
Trade payables	18	2,011,529	787,514	-	-
Other payables	19	2,758,815	2,353,487	15,500	22,717
Tax payable		451,133	-	-	-
		<u>10,876,804</u>	<u>7,634,200</u>	<u>15,500</u>	<u>22,717</u>
Total liabilities		<u>41,220,950</u>	<u>31,459,150</u>	<u>15,500</u>	<u>22,717</u>
Total equity and liabilities		<u>80,235,343</u>	<u>65,530,569</u>	<u>14,706,383</u>	<u>14,787,519</u>

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

MMIS BERHAD
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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	20	32,173,779	25,212,268	-	-
Cost of sales		(18,834,811)	(18,229,841)	-	-
Gross profit		13,338,968	6,982,427	-	-
Other income		450,582	985,360	2,916	3,419
Administrative expenses		(5,284,472)	(5,647,858)	(76,835)	(104,887)
Selling and distribution expenses		(367,809)	(456,957)	-	-
Other expenses		(15,352)	(57,434)	-	-
Profit/(Loss) from operation		8,121,917	1,805,538	(73,919)	(101,468)
Finance costs	21	(1,409,358)	(1,266,174)	-	-
Profit/(Loss) before tax	22	6,712,559	539,364	(73,919)	(101,468)
Taxation	23	(1,769,585)	(83,624)	-	(223)
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		<u>4,942,974</u>	<u>455,740</u>	<u>(73,919)</u>	<u>(101,691)</u>
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		<u>4,942,974</u>	<u>455,740</u>	<u>(73,919)</u>	<u>(101,691)</u>
Earnings per share					
Basic and diluted earnings per share (sen)	24	<u>0.82</u>	<u>0.08</u>		

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

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	<u>Non-distributable</u>	<u>Distributable</u>		
	<u>Share</u>	<u>Merger</u>	<u>Retained</u>	<u>Total</u>
	<u>capital</u>	<u>deficit</u>	<u>earnings</u>	<u>equity</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Group				
At 1 July 2023	14,768,002	(8,850,000)	27,697,677	33,615,679
Profit for the financial year, representing total comprehensive income for the financial year	-	-	455,740	455,740
At 30 June 2024	14,768,002	(8,850,000)	28,153,417	34,071,419
At 1 July 2024	14,768,002	(8,850,000)	28,153,417	34,071,419
Profit for the financial year, representing total comprehensive income for the financial year	-	-	4,942,974	4,942,974
At 30 June 2025	14,768,002	(8,850,000)	33,096,391	39,014,393

MMIS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)**

	Share capital RM	<u>Distributable</u> Retained earnings/ (Accumulated losses) RM	Total equity RM
Company			
At 1 July 2023	14,768,002	98,491	14,866,493
Loss for the financial year, representing total comprehensive loss for the financial year	-	(101,691)	(101,691)
At 30 June 2024	14,768,002	(3,200)	14,764,802
At 1 July 2024	14,768,002	(3,200)	14,764,802
Loss for the financial year, representing total comprehensive loss for the financial year	-	(73,919)	(73,919)
At 30 June 2025	14,768,002	(77,119)	14,690,883

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

MMIS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Note	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities				
Profit/(Loss) before tax	6,712,559	539,364	(73,919)	(101,468)
Adjustments for:				
Amortisation of government grant	(30,000)	(30,000)	-	-
Depreciation of investment property	-	10,306	-	-
Depreciation of property, plant and equipment	2,356,227	2,317,169	-	-
Gain on disposal of investment property	-	(581,788)	-	-
Gain on modification of lease contract	(1,652)	(951)	-	-
Gain on termination of lease contract	(1,029)	(2,044)	-	-
Interest expenses	1,409,358	1,266,174	-	-
Interest income	(311,182)	(270,815)	(2,916)	(3,419)
Inventories written off	-	13,812	-	-
Property, plant and equipment written off	-	42,290	-	-
Unrealised loss on foreign exchange	13,869	1,332	-	-
Operating profit/(loss) before working capital changes	10,148,150	3,304,849	(76,835)	(104,887)
Changes in working capital:				
Inventories	(1,475,804)	1,505,435	-	-
Receivables	(5,719,149)	3,400,349	(35)	4,123
Payables	1,629,343	(1,002,449)	(7,217)	10,897
	(5,565,610)	3,903,335	(7,252)	15,020
Cash generated from/(used in) operations	4,582,540	7,208,184	(84,087)	(89,867)
Interest received	307,728	268,291	2,916	3,419
Tax paid	(533,332)	(333,565)	-	(235)
Tax refund	807,987	58,409	-	-
Net cash from/(used in) operating activities	5,164,923	7,201,319	(81,171)	(86,683)

MMIS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

		Group		Company	
	Note	2025	2024	2025	2024
		RM	RM	RM	RM
Cash flows from investing activities					
Acquisitions of property, plant and equipment	A	(5,376,118)	(2,437,328)	-	-
Proceed from disposal of investment property		-	1,616,937	-	-
Net cash used in investing activities		<u>(5,376,118)</u>	<u>(820,391)</u>	<u>-</u>	<u>-</u>
Cash flows from financing activities					
Interest paid		(1,409,358)	(1,266,174)	-	-
Interest received		3,454	2,524	-	-
(Placement)/Withdrawal of fixed deposits pledged with a licensed bank		-	(151,000)	-	-
Drawdown of bankers' acceptances		1,870,257	1,465,411	-	-
Repayments of lease liabilities	B	(353,367)	(768,210)	-	-
Repayments of bankers' acceptances		(1,479,848)	(1,555,843)	-	-
Repayments of revolving credit		(577,117)	(598,317)	-	-
Repayments of term loans		(2,661,287)	(2,769,290)	-	-
Net cash used in financing activities		<u>(4,607,266)</u>	<u>(5,640,899)</u>	<u>-</u>	<u>-</u>
Net cash (decrease)/increase in cash and cash equivalents		(4,818,461)	740,029	(81,171)	(86,683)
Effects of exchange translation difference		(13,869)	(136)	-	-
Cash and cash equivalents at beginning of the financial year		<u>11,204,538</u>	<u>10,464,645</u>	<u>183,066</u>	<u>269,749</u>
Cash and cash equivalents at end of the financial year		<u><u>6,372,208</u></u>	<u><u>11,204,538</u></u>	<u><u>101,895</u></u>	<u><u>183,066</u></u>

MMIS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONT'D)

		Group		Company	
	Note	2025	2024	2025	2024
		RM	RM	RM	RM
Cash and cash equivalents at end of the financial year comprises:					
Cash and bank balances	11	94,690	3,862,095	11,895	3,066
Fixed deposits with licensed banks	10	7,585,000	8,331,000	90,000	180,000
Bank overdraft	15	(1,156,482)	(837,557)	-	-
		<u>6,523,208</u>	<u>11,355,538</u>	<u>101,895</u>	<u>183,066</u>
Less: Fixed deposits pledged with a licensed bank	10	(151,000)	(151,000)	-	-
		<u>6,372,208</u>	<u>11,204,538</u>	<u>101,895</u>	<u>183,066</u>

NOTES TO STATEMENTS OF CASH FLOWS

		Group		Company	
	Note	2025	2024	2025	2024
		RM	RM	RM	RM
A. Acquisitions of property, plant and equipment					
Total additions	4	15,519,559	8,804,767	-	-
Acquisition through lease arrangements		(78,703)	(116,137)	-	-
Acquisition through term loan		(10,064,738)	(6,251,302)	-	-
Total cash payment		<u>5,376,118</u>	<u>2,437,328</u>	<u>-</u>	<u>-</u>
B. Cash outflows for leases as a lessee					
<u>Included in net cash from/ (used in) operating activities:</u>					
Payment relating to short-term leases	22	<u>6,880</u>	<u>6,720</u>	<u>-</u>	<u>-</u>
<u>Included in net cash used in financing activities:</u>					
Payment of lease liabilities		353,367	768,210	-	-
Payment on interest of lease liabilities		24,496	66,457	-	-
		<u>377,863</u>	<u>834,667</u>	<u>-</u>	<u>-</u>
		<u>384,743</u>	<u>841,387</u>	<u>-</u>	<u>-</u>

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

MMIS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025

1. Corporate information

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

The principal place of business of the Company is located at PT 14495, Persiaran Batu Gajah Perdana 4, Kawasan Perindustrian Batu Gajah Perdana, 31000 Batu Gajah, Perak Darul Ridzuan.

The registered office of the Company is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in investment holding. The principal activities of its subsidiary is disclosed in Note 6 to the financial statements.

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

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the 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 financial statements.

Adoption of amended standards

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

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

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of amended standards (Cont'd)

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

Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements
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The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

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

		Effective dates for financial periods <u>beginning on or after</u>
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company: (Cont'd)

		Effective dates for financial periods <u>beginning on or after</u>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial applications of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and property, plant and equipment

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

2. Basis of preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements: (Cont'd)

Classification between investment properties and property, plant and equipment (Cont'd)

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

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

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

Satisfaction of performance obligations in relation to contracts with customers

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

The Group recognises revenue over time in the following circumstances:

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

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

2. Basis of preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements: (Cont'd)

Determining the lease term of contracts with renewal and termination options - Group as lessee

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

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate 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 or to terminate.

The Group includes the renewal period as part of the lease term for leases of hostel with non-cancellable period included as part of the lease term as these are reasonably certain to include extension options in new leases to provide operational flexibility. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets.

2. Basis of preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories.

Determination of transaction prices

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

Discount rate used in leases

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

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. **Material accounting policies**

The Group and the Company applied the material accounting policies set out below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

(a) **Basis of consolidation**

(i) **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing whether the Group has power over another entity. Subsidiaries are fully consolidated from the date that control commences until the date control ceases.

Business combinations under common control are accounted for using the merger method, where the results of entities or businesses under common control are accounted for as if the combination had been effected throughout the current and previous financial periods. The assets, liabilities and reserves of these entities are recorded at their pre-combination carrying amounts or existing carrying amounts are accounted for from the perspective of the common shareholder. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of combination that would otherwise be done under the acquisition method. No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reserve on acquisition arising from common control.

Acquisition-related costs are expensed in profit or loss as incurred.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated. Unrealised losses are eliminated only if there is no indication of impairment.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

3. Material accounting policies (Cont'd)

(b) Property, plant and equipment

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

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance cost recognised in profit or loss as incurred.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Leasehold land	Over the remaining lease period
Factory building	2%, or over the lease term, if shorter
Plant and machinery	6.67% - 20%
Motor vehicles	10% - 20%
Office equipment	10% - 30%
Furniture and fittings	10%
Electrical installation	10%
Renovation	10%
Hostel	Over the lease term

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

3. Material accounting policies (Cont'd)

(c) Leases

(i) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition exemption

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

(iii) Depreciation

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

Leasehold land	Over the remaining lease period
Factory building	2%, or over the lease term, if shorter
Plant and machinery	6.67% - 20%
Motor vehicles	10% - 20%
Hostels	Over the lease term

(d) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost, including transaction cost, less any accumulated depreciation and impairment loss.

Investment property is depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rate is:

Leasehold land	Over the remaining lease period
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

3. Material accounting policies (Cont'd)

(d) Investment property (Cont'd)

Investment property is derecognised upon disposal, with the resulting gains and losses recognised in the profit or loss.

(e) Inventories

Raw material, semi-finished goods and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and machine tools comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis. Cost of finished goods and semi-finished goods consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out basis.

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

(f) Borrowing costs

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred and reported in finance costs.

(g) Financial instruments

At the reporting date, the Group and the Company carry only financial assets at amortised cost on their statements of financial position. The Group's financial assets at amortised cost include trade receivables, other receivables, fixed deposits with licensed banks, and cash and bank balances. The Company's financial assets at amortised cost include other receivables, fixed deposits with licensed banks, and cash and bank balances.

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on their statements of financial position. The Group's financial liabilities at amortised cost include loan and borrowings, trade payables and other payables. The Company's financial liabilities at amortised cost include other payables.

3. Material accounting policies (Cont'd)

(h) Revenue recognition

(i) Revenue from contracts with customers

(a) Revenue from contracts

The Group recognises revenue from contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from contracts is measured at the transaction price agreed under the contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the contract i.e. based on the level of completion of the physical proportion of contract work to date, certified by customers.

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. progress billing). The Group previously has recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

(b) Sale of goods

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes. Under the Group's standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue are recognised for those product expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return, so consequently recognises a right to returned goods asset and a corresponding adjustment to the cost of inventories recognised in profit or loss. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

3. Material accounting policies (Cont'd)

(h) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(b) Sale of goods (Cont'd)

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 30 to 60 days, which is consistent with market practice.

(ii) Interest income

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

4. Property, plant and equipment

Group	Leasehold land RM	Factory building RM	Plant and machinery RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Renovation RM	Hostels RM	Capital work-in-progress RM	Total RM
Cost											
At 1 July 2023	12,212,499	4,609,142	21,298,652	2,900,241	675,098	168,874	153,926	666,191	236,862	2,135,769	45,057,254
Additions	-	-	409,636	1,050	37,152	8,307	-	6,596	116,137	8,225,889	8,804,767
Written off	-	-	-	(540)	-	-	-	(11,000)	-	(32,445)	(43,985)
Termination of lease contract	-	-	-	-	-	-	-	-	(67,345)	-	(67,345)
Modification of lease contract	-	-	-	-	-	-	-	-	(1,775)	-	(1,775)
At 30 June 2024	12,212,499	4,609,142	21,708,288	2,900,751	712,250	177,181	153,926	661,787	283,879	10,329,213	53,748,916
Additions	-	-	156,899	-	76,776	11,420	-	-	78,703	15,195,761	15,519,559
Termination of lease contract	-	-	-	-	-	-	-	-	(99,956)	-	(99,956)
Modification of lease contract	-	-	-	-	-	-	-	-	(3,322)	-	(3,322)
At 30 June 2025	12,212,499	4,609,142	21,865,187	2,900,751	789,026	188,601	153,926	661,787	259,304	25,524,974	69,165,197

4. Property, plant and equipment (Cont'd)

Group	Leasehold land RM	Factory building RM	Plant and machinery RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Renovation RM	Hostels RM	Capital work-in-progress RM	Total RM
Accumulated depreciation											
At 1 July 2023	389,691	441,635	5,761,769	1,194,247	263,362	56,934	92,779	109,049	47,021	-	8,356,487
Charge for the financial year	369,238	92,183	1,288,243	290,863	106,419	17,109	14,330	66,784	72,000	-	2,317,169
Written off	-	-	-	(45)	-	-	-	(1,650)	-	-	(1,695)
Termination of lease contract	-	-	-	-	-	-	-	-	(26,657)	-	(26,657)
Modification of lease contract	-	-	-	-	-	-	-	-	(888)	-	(888)
At 30 June 2024	758,929	533,818	7,050,012	1,485,065	369,781	74,043	107,109	174,183	91,476	-	10,644,416
Charge for the financial year	369,238	92,183	1,316,299	290,746	108,132	17,824	14,396	66,179	81,230	-	2,356,227
Termination of lease contract	-	-	-	-	-	-	-	-	(35,079)	-	(35,079)
Modification of lease contract	-	-	-	-	-	-	-	-	(1,653)	-	(1,653)
At 30 June 2025	1,128,167	626,001	8,366,311	1,775,811	477,913	91,867	121,505	240,362	135,974	-	12,963,911
Carrying amount											
At 30 June 2025	11,084,332	3,983,141	13,498,876	1,124,940	311,113	96,734	32,421	421,425	123,330	25,524,974	56,201,286
At 30 June 2024	11,453,570	4,075,324	14,658,276	1,415,686	342,469	103,138	46,817	487,604	192,403	10,329,213	43,104,500

4. Property, plant and equipment (Cont'd)

(a) Assets pledged as securities to financial institutions

Included in the net carrying amount of property, plant and equipment are assets pledged as securities for bank borrowings as follows:

	Group	
	2025	2024
	RM	RM
Leasehold land	11,084,332	11,453,570
Factory building	3,983,141	4,075,324
Plant and machinery	10,467,163	11,076,605
	<u>25,534,636</u>	<u>26,605,499</u>

Included in the net carrying amount of property, plant and equipment are assets pledged as securities for the related lease liabilities as follows:

	Group	
	2025	2024
	RM	RM
Plant and machinery	-	317,695
Motor vehicles	470,818	857,073
	<u>470,818</u>	<u>1,174,768</u>

(b) Included in the net carrying amount of property, plant and equipment are ROU assets as follows:

	Group	
	2025	2024
	RM	RM
Leasehold land	11,084,332	11,453,570
Factory building	3,983,141	4,075,324
Plant and machinery	-	317,695
Motor vehicles	470,818	857,073
Hostels	123,330	192,403
	<u>15,661,621</u>	<u>16,896,065</u>

(c) Additions to the ROU assets are as follows:

	Group	
	2025	2024
	RM	RM
Hostels	<u>78,703</u>	<u>116,137</u>

4. **Property, plant and equipment (Cont'd)**

(d) Depreciation charge of ROU assets are as follows:

	Group	
	2025	2024
	RM	RM
Leasehold land	369,238	369,238
Factory building	92,183	92,183
Plant and machinery	-	35,299
Motor vehicles	80,366	145,028
Hostels	81,230	72,000
	<u>623,017</u>	<u>713,748</u>

5. **Investment property**

	Leasehold land RM
Group	
Cost	
At 1 July 2023	1,126,745
Disposal	<u>(1,126,745)</u>
At 30 June 2024/30 June 2025	<u>-</u>
Accumulated depreciation	
At 1 July 2023	81,290
Charge for the financial year	10,306
Disposal	<u>(91,596)</u>
At 30 June 2024/30 June 2025	<u>-</u>
Carrying amount	
At 30 June 2025/30 June 2024	<u>-</u>

6. **Investment in a subsidiary**

	Company	
	2025	2024
	RM	RM
Unquoted shares, at cost		
In Malaysia	<u>14,600,000</u>	<u>14,600,000</u>

6. **Investment in a subsidiary (Cont'd)**

Details of the subsidiary are as follows:

	Place of business / Country of incorporation	Effective interest		Principal activities
		2025 %	2024 %	
Direct holding:				
Multi Mould Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing, marketing and sales of precision parts and fabrication of metal and sheet metal

7. **Inventories**

	Group	
	2025 RM	2024 RM
Raw materials	1,406,340	1,016,268
Semi-finished goods	2,294,996	1,406,476
Finished goods	2,571,380	2,603,588
Machine tools	336,410	180,381
Goods-in-transit	73,391	-
	<u>6,682,517</u>	<u>5,206,713</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	6,626,734	5,580,056
Inventories written off	-	13,812
	<u>-</u>	<u>13,812</u>

The inventories written off in the previous financial year due to goods in transit being obsolete.

8. **Trade receivables**

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2024: 30 to 60 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

8. Trade receivables (Cont'd)

The following table provide information about the exposure to credit risk and allowance for expected credit losses ("ECLs") for trade receivables:

	Gross amount RM	ECLs RM	Net amount RM
Group			
2025			
Not past due	6,268,246	-	6,268,246
Past due:			
Less than 30 days	2,421,788	-	2,421,788
31 to 60 days	320,493	-	320,493
61 to 90 days	113,000	-	113,000
More than 90 days	197,425	-	197,425
	<u>9,320,952</u>	<u>-</u>	<u>9,320,952</u>
2024			
Not past due	2,884,887	-	2,884,887
Past due:			
Less than 30 days	800,807	-	800,807
31 to 60 days	6,000	-	6,000
	<u>3,691,694</u>	<u>-</u>	<u>3,691,694</u>

The foreign currency profile of trade receivables is as follows:

	2025 RM	2024 RM
United States Dollar ("USD")	<u>-</u>	<u>91,066</u>

9. Other receivables

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-trade receivables	13,435	8,033	-	-
Deposits	32,732	32,727	-	-
Prepayments	304,635	220,151	4,392	4,357
	<u>350,802</u>	<u>260,911</u>	<u>4,392</u>	<u>4,357</u>

Non-trade receivables are unsecured, non-interest bearing and repayable on demand.

10. Fixed deposits with licensed banks

Fixed deposits with licensed banks of the Group amounting to RM151,000 (2024: RM151,000) are pledged as security for bank facility granted to the Group.

The effective interest rates and maturities of fixed deposits of the Group and of the Company as at the end of the reporting period ranged from 2.30% to 3.85% (2024: 2.50% to 3.40%) per annum and 1 to 3 months (2024: 1 month).

11. Cash and bank balances

The foreign currency profile of cash and bank balances is as follows:

	2025	2024
	RM	RM
USD	<u>22,537</u>	<u>70,187</u>

12. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	2025	2024	2025	2024
	Units	Units	RM	RM
Issued and fully paid:				
At 1 July/30 June	<u>600,000,000</u>	<u>600,000,000</u>	<u>14,768,002</u>	<u>14,768,002</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

13. Reserves

(a) Merger deficit

The merger deficit represents the difference between the nominal value of shares issued by the Company and the nominal value of shares of a subsidiary acquired under the merger method of accounting.

(b) Retained earnings

The entire retained earnings of the Group and of the Company are available for distribution as single-tier dividends.

14. Lease liabilities

	Group	
	2025	2024
	RM	RM
Non-current	161,916	343,008
Current	188,544	351,343
	<u>350,460</u>	<u>694,351</u>

The maturity analysis of lease liabilities of the Group the end of the reporting period:

	Group	
	2025	2024
	RM	RM
Within 1 year	197,894	372,044
Between 1 - 5 years	165,584	355,322
	<u>363,478</u>	<u>727,366</u>
Less: Future finance charges	(13,018)	(33,015)
Present value of lease liabilities	<u>350,460</u>	<u>694,351</u>

The Group leases properties, motor vehicles and machineries. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities ranged from 2.27% to 2.74% (2024: 1.75% to 2.27%) per annum.

15. Loan and borrowings

	Group	
	2025	2024
	RM	RM
Secured		
Bankers' acceptance	390,409	-
Bank overdraft	1,156,482	837,557
Revolving credit	492,558	1,069,675
Term loans	<u>31,018,017</u>	<u>23,614,566</u>
	<u>33,057,466</u>	<u>25,521,798</u>
Non-current		
Revolving credit	-	367,176
Term loans	<u>27,590,683</u>	<u>21,012,766</u>
	<u>27,590,683</u>	<u>21,379,942</u>

15. **Loan and borrowings (Cont'd)**

	Group	
	2025	2024
	RM	RM
Current		
Bankers' acceptance	390,409	-
Bank overdraft	1,156,482	837,557
Revolving credit	492,558	702,499
Term loans	3,427,334	2,601,800
	<u>5,466,783</u>	<u>4,141,856</u>
	<u>33,057,466</u>	<u>25,521,798</u>

The loan and borrowings are secured by the following:

- (a) First party legal charge over the land and buildings, and machinery of the Group as disclosed in Note 4 the financial statements;
- (b) Pledged of fixed deposits of the Group as disclosed in Note 10 to the financial statements; and
- (c) Corporate guarantee by the Company.

Term loan I is repayable by 240 monthly instalments commencing from November 2019.

Term loan II is repayable by 180 monthly instalments commencing from September 2018.

Term loan III is repayable by 180 monthly instalments commencing from October 2021.

Term loan IV is repayable by 60 monthly instalments commencing from February 2021.

Term loan V is repayable by 60 monthly instalments commencing from February 2023.

Term loan VI is repayable by 60 monthly instalments commencing from March 2023.

Term loan VII is repayable by 120 monthly instalments commencing from December 2022.

Term loan VIII is repayable by 60 monthly instalments commencing from January 2024.

Term loan IX is repayable by 60 monthly instalments commencing from September 2025.

Term loan X is repayable by 180 monthly instalments commencing from June 2025.

15. Loan and borrowings (Cont'd)

Bankers' acceptance facilities are repayable within 30 to 44 (2024: Nil) days.

Bank overdraft facilities are repayable on demand.

Revolving credit is repayable by quarterly instalments commencing from April 2022.

The average effective rates per annum are as follows:

	Group	
	2025	2024
	%	%
Bankers' acceptance	3.31 - 3.62	-
Bank overdraft	6.65	6.65
Revolving credit	7.15	7.15
Term loans	4.50 - 7.15	4.50 - 7.15

16. Deferred income

	Group	
	2025	2024
	RM	RM
Government grant		
At 1 July	90,000	120,000
Amortised during the financial year	(30,000)	(30,000)
At 30 June	60,000	90,000

The Group received a government grant in year 2018 which was conditional upon the purchase of a specific machinery. The grant was granted up to 50% of the total machinery cost and the Group commenced the usage of the machinery in year 2018. The grant is being amortised over the useful life of the machinery. The amortisation of the grant is recognised as other income in profit or loss.

17. Deferred tax liabilities

	Group	
	2025	2024
	RM	RM
At 1 July	2,012,000	1,996,000
Recognised in profit or loss	519,547	16,000
At 30 June	2,531,547	2,012,000

17. Deferred tax liabilities (Cont'd)

The net deferred tax liabilities/(assets) shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2025	2024
	RM	RM
Deferred tax liabilities	2,531,547	2,470,000
Deferred tax assets	-	(458,000)
	<u>2,531,547</u>	<u>2,012,000</u>

The components and movements of deferred tax liabilities and assets at the end of the reporting date prior to offsetting are as follows:

	Group	
	2025	2024
	RM	RM
Deferred tax liabilities		
Accelerated capital allowances		
At 1 July	2,470,000	2,289,000
Recognised in profit or loss	61,547	226,000
Over provision in prior financial years	-	(45,000)
At 30 June	<u>2,531,547</u>	<u>2,470,000</u>
Deferred tax assets		
Unutilised reinvestment allowances		
At 1 July	(458,000)	(293,000)
Recognised in profit or loss	458,000	(165,000)
At 30 June	<u>-</u>	<u>(458,000)</u>

18. Trade payables

The normal trade credit terms granted to the Group ranged from cash term to 90 days (2024: cash term to 90 days) depending on the term of the contracts.

19. Other payables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-trade payables	1,787,414	1,544,925	-	-
Accruals	971,401	808,562	15,500	22,717
	<u>2,758,815</u>	<u>2,353,487</u>	<u>15,500</u>	<u>22,717</u>

Included in non-trade payable of the Group is an amount of RM1,585,483 (2024: RM1,501,473) related to purchase of property, plant and equipment.

20. Revenue

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue from contracts with customers:				
Manufacturing of precision engineering parts	27,380,196	22,700,250	-	-
Processing and enhancement of materials provided by customers	<u>4,793,583</u>	<u>2,512,018</u>	<u>-</u>	<u>-</u>
	<u>32,173,779</u>	<u>25,212,268</u>	<u>-</u>	<u>-</u>
Timing of revenue recognition:				
At a point in time	27,380,196	22,700,250	-	-
Over time	<u>4,793,583</u>	<u>2,512,018</u>	<u>-</u>	<u>-</u>
	<u>32,173,779</u>	<u>25,212,268</u>	<u>-</u>	<u>-</u>
Geographical market:				
Malaysia	32,152,503	25,054,309	-	-
Singapore	<u>21,276</u>	<u>157,959</u>	<u>-</u>	<u>-</u>
	<u>32,173,779</u>	<u>25,212,268</u>	<u>-</u>	<u>-</u>

21. Finance costs

	Group	
	2025 RM	2024 RM
Interest expenses on:		
- Revolving credit	54,157	94,682
- Term loans	1,316,881	1,089,834
- Bankers' acceptance	7,842	8,510
- Bank overdraft	5,982	6,691
- Lease liabilities	24,496	66,457
	<u>1,409,358</u>	<u>1,266,174</u>

22. Profit/(Loss) before tax

Profit/(Loss) before tax is derived after charging/(crediting) amongst other, the following items:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration	50,000	40,000	15,000	10,000
Amortisation of government grant	(30,000)	(30,000)	-	-
Depreciation of investment property	-	10,306	-	-
Depreciation of property, plant and equipment	2,356,227	2,317,169	-	-
Gain on disposal of investment property	-	(581,788)	-	-
Gain on termination of lease contract	(1,029)	(2,044)	-	-
Gain on modification of lease contract	(1,652)	(951)	-	-
Interest income from cash and bank balances	(23,705)	(83,611)	-	-
Interest income from fixed deposits with licensed banks				
- Pledged	(3,454)	(2,524)	-	-
- Short-term deposits	(284,023)	(184,680)	(2,916)	(3,419)
Inventories written off	-	13,812	-	-

22. Profit/(Loss) before tax (Cont'd)

Profit/(Loss) before tax is derived after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Lease expenses relating to:				
- Short-term lease (a)	6,880	6,720	-	-
Property, plant and equipment written off	-	42,290	-	-
Realised loss/(gain) on foreign exchange	1,483	(9)	-	-
Unrealised loss on foreign exchange	13,869	1,332	-	-
	<u>13,869</u>	<u>1,332</u>	<u>-</u>	<u>-</u>

- (a) The Group leases various properties with contract terms of not more than one year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

23. Taxation

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Current tax				
Current financial year provision	1,244,966	67,832	-	-
Under/(Over) provision in prior financial year	5,072	(208)	-	223
	<u>1,250,038</u>	<u>67,624</u>	<u>-</u>	<u>223</u>

23. Taxation (Cont'd)

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Deferred tax				
Origination and reversal of temporary differences	519,547	61,000	-	-
Over provision in prior financial year	-	(45,000)	-	-
	<u>519,547</u>	<u>16,000</u>	<u>-</u>	<u>-</u>
	<u>1,769,585</u>	<u>83,624</u>	<u>-</u>	<u>223</u>

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit/(Loss) before tax	<u>6,712,559</u>	<u>539,364</u>	<u>(73,919)</u>	<u>(101,468)</u>
At Malaysian statutory tax rate of 24% (2024: 24%)	1,611,014	129,448	(17,741)	(24,352)
Expenses not deductible for tax purposes	183,935	246,665	17,741	24,352
Income not subject to tax	(7,843)	(146,829)	-	-
Utilisation of reinvestment allowance	(22,593)	(100,452)	-	-
Under/(Over) provision of current tax in prior financial year	5,072	(208)	-	223
Over provision of deferred tax in prior financial year	-	(45,000)	-	-
	<u>1,769,585</u>	<u>83,624</u>	<u>-</u>	<u>223</u>

23. Taxation (Cont'd)

The Group has unutilised reinvestment allowance of RMNil (2024: RM1,838,643) available for carry forward, to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

24. Earnings per share

(a) Basic earnings per share

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

	Group	
	2025	2024
	RM	RM
Profit attributable to owners of the Company	<u>4,942,974</u>	<u>455,740</u>
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 1 July	<u>600,000,000</u>	<u>600,000,000</u>
Weighted average number of ordinary shares at 30 June	<u>600,000,000</u>	<u>600,000,000</u>
Basic earnings per ordinary shares (in sen)	<u>0.82</u>	<u>0.08</u>

(b) Diluted earnings per share

Diluted earnings per ordinary share equals basic earnings per ordinary share because there is no potentially dilutive instruments in existence as at the end of each reporting period.

25. Staff costs

	Group	
	2025	2024
	RM	RM
Salaries, wages and other emoluments	9,825,232	9,641,287
Defined contribution plans	779,412	819,711
Social security contributions	125,462	109,694
	<u>10,730,106</u>	<u>10,570,692</u>

25. Staff costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group during the financial year as below:

	Group	
	2025	2024
	RM	RM
Executive Directors		
Salaries and other emoluments	1,330,450	1,345,450
Defined contribution plans	127,204	160,254
Social security contributions	3,524	3,538
Estimated money value of benefits-in-kind	55,694	69,850
	<u>1,516,872</u>	<u>1,579,092</u>

26. Reconciliation of liabilities arising from financing activities

The table below show the details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	At			Modification	Termination	At
	1.7.2024	Drawdown	Repayment	of lease	of lease	30.6.2025
	RM	RM	RM	RM	RM	RM
Group						
Lease liabilities	694,351	78,703	(353,367)	(3,321)	(65,906)	350,460
Bankers' acceptance	-	1,870,257	(1,479,848)	-	-	390,409
Revolving credit	1,069,675	-	(577,117)	-	-	492,558
Term loans	<u>23,614,566</u>	<u>10,064,738</u>	<u>(2,661,287)</u>	<u>-</u>	<u>-</u>	<u>31,018,017</u>

	At			Modification	Termination	At
	1.7.2023	Drawdown	Repayment	of lease	of lease	30.6.2024
	RM	RM	RM	RM	RM	RM
Group						
Lease liabilities	1,390,994	116,137	(768,210)	(1,838)	(42,732)	694,351
Bankers' acceptance	90,432	1,465,411	(1,555,843)	-	-	-
Revolving credit	1,667,992	-	(598,317)	-	-	1,069,675
Term loans	<u>20,132,554</u>	<u>6,251,302</u>	<u>(2,769,290)</u>	<u>-</u>	<u>-</u>	<u>23,614,566</u>

27. Related party disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group or the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, there is no related party transactions of the Company during the financial year.

(c) Compensation of key management personnel

The compensation of key management personnel is same as the Directors' remuneration as disclosed in Note 25 to the financial statements.

28. Capital commitment

	Group	
	2025	2024
	RM	RM
Authorised and contracted for:		
- Property, plant and equipment	<u>3,489,585</u>	<u>14,086,405</u>

29. Segment information

Segmental information is not presented as the Group is primarily engaged in the manufacturing and sales of precision parts and fabrication of metal and sheet metal in Malaysia.

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

29. Segment information (Cont'd)

Major customers

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

	Group	
	2025	2024
	RM	RM
- Customer A	19,939,433	15,099,060
- Customer B	7,684,774	6,338,674
	<u>27,624,207</u>	<u>21,437,734</u>

30. Financial instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis at amortised cost.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group	
	2025	2024
	RM	RM
At amortised cost		
Financial assets		
Trade receivables	9,320,952	3,691,694
Other receivables	46,167	40,760
Fixed deposits with licensed banks	7,585,000	8,331,000
Cash and bank balances	94,690	3,862,095
	<u>17,046,809</u>	<u>15,925,549</u>
At amortised cost		
Financial liabilities		
Loan and borrowings	33,057,466	25,521,798
Trade payables	2,011,529	787,514
Other payables	2,758,815	2,353,487
	<u>37,827,810</u>	<u>28,662,799</u>

30. Financial instruments (Cont'd)**(a) Classification of financial instruments (Cont'd)**

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Company	
	2025	2024
	RM	RM
At amortised cost		
Financial assets		
Fixed deposits with licensed banks	90,000	180,000
Cash and bank balances	11,895	3,066
	<u>101,895</u>	<u>183,066</u>
At amortised cost		
Financial liability		
Other payables	15,500	22,717

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligations. The Group's exposure to credit risk arises principally from their trade receivables, other receivables, fixed deposits with licensed banks, and cash and bank balances. The Company's exposure to credit risk arises principally from fixed deposits with licensed banks and bank balances. There are no significant changes as compared to previous financial year.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

30. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies

(i) Credit risk (Cont'd)

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk, except for financial guarantees provided to bank for banking facilities.

There are no significant changes as compared to previous financial year.

As at the end of the financial year, the Group had 2 (2024: 2) major customers that owed the Group more than 10% and accounted for approximately 82% (2024: 88%) of all the receivables outstanding.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

30. Financial instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2025					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Loan and borrowings	6,830,729	14,905,218	20,898,368	42,634,315	33,057,466
Lease liabilities	197,894	165,584	-	363,478	350,460
Trade payables	2,011,529	-	-	2,011,529	2,011,529
Other payables	2,758,815	-	-	2,758,815	2,758,815
	<u>11,798,967</u>	<u>15,070,802</u>	<u>20,898,368</u>	<u>47,768,137</u>	<u>38,178,270</u>
2024					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Loan and borrowings	5,092,717	17,911,722	8,277,121	31,281,560	25,521,798
Lease liabilities	372,044	355,322	-	727,366	694,351
Trade payables	787,514	-	-	787,514	787,514
Other payables	2,353,487	-	-	2,353,487	2,353,487
	<u>8,605,762</u>	<u>18,267,044</u>	<u>8,277,121</u>	<u>35,149,927</u>	<u>29,357,150</u>
Company					
2025					
<u>Non-derivative financial liabilities</u>					
Other payables			15,500	15,500	15,500
Financial guarantees*			33,057,466	-	33,057,466
2024					
<u>Non-derivative financial liabilities</u>					
Other payables			22,717	22,717	22,717
Financial guarantees*			25,521,798	-	25,521,798

* Based on the maximum amount that can be called for under the financial guarantee contract

30. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The Company provides financial guarantee to banks in respect of credit facilities granted to certain subsidiaries. At end of the financial year, there was no indication that the subsidiaries would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Group. The currency giving rise to this risk is primarily USD.

The carrying amount of the Group's foreign currency denominated financial asset at the end of the reporting period is as follows:

	Denominated in USD	
	2025	2024
	RM	RM
Group		
Trade receivables	-	91,066
Bank balances	22,537	70,187
	<u>22,537</u>	<u>161,253</u>

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the USD exchange rate against RM, with all other variables held constant.

	Effect on profit before tax	
	2025	2024
	RM	RM
Group		
Effect on profit/equity		
Strengthened by 1% (2024: 1%)	225	1,613
Weakened by 1% (2024: 1%)	<u>(225)</u>	<u>(1,613)</u>

30. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Exposures to foreign exchange rate vary during the financial year depending on the volume of overseas transaction. Nonetheless, the analysis above considered to be representative of the Group's exposures to foreign currency risk.

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowing are exposed to a risk of change in its fair value due to changes in interest rates. The Group's and the Company's variable rate borrowing are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of their deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amount as at the end of the reporting period was:

	Group	
	2025	2024
	RM	RM
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	7,585,000	8,331,000
Financial liabilities		
Lease liabilities	(350,460)	(694,351)
Bankers' acceptance	(390,409)	-
Net financial asset	6,844,131	7,636,649

30. Financial instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risks (Cont'd)****(b) Interest rate risk (Cont'd)**

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amount as at the end of the reporting period was: (Cont'd)

	Group	
	2025	2024
	RM	RM
Floating rate instruments		
Financial liabilities		
Bank overdraft	(1,156,482)	(837,557)
Revolving credit	(492,558)	(1,069,675)
Term loans	(31,018,017)	(23,614,566)
	<u>(32,667,057)</u>	<u>(25,521,798)</u>

	Company	
	2025	2024
	RM	RM
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	<u>90,000</u>	<u>180,000</u>

Interest rate risk sensitivity analysisFair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before tax by RM326,671 (2024: RM255,218), arising mainly as a result of higher/lower interest expenses on floating rate loan and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

30. Financial instruments (Cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate loans approximate their fair value as the loans will be re-priced to market interest rate on or near reporting date.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

(i) Policy on transfer between levels

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

There were no transfers between levels during the current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

31. Contingent liabilities

	Company	
	2025	2024
	RM	RM
Secured		
Corporate guarantee extended to financial institution in respect of subsidiary's banking facilities	33,057,466	25,521,798

32. Capital management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Lease liabilities	350,460	694,351	-	-
Loan and borrowings	33,057,466	25,521,798	-	-
Less: Fixed deposits with licensed banks	(7,585,000)	(8,331,000)	(90,000)	(180,000)
Less: Cash and bank balances	(94,690)	(3,862,095)	(11,895)	(3,066)
Net debt/(cash)	<u>25,728,236</u>	<u>14,023,054</u>	<u>(101,895)</u>	<u>(183,066)</u>
Total equity	<u>39,014,393</u>	<u>34,071,419</u>	<u>14,690,883</u>	<u>14,764,802</u>
Gearing ratio (times)	<u>0.66</u>	<u>0.41</u>	<u>N/A</u>	<u>N/A</u>

N/A - The gearing ratio is not applicable as the Company has sufficient cash and cash equivalents to settle the liabilities as at the end of the financial year.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

33. Date of authorisation for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 September 2025.