



ASM AUTOMATION GROUP BERHAD
(Registration No. 202401033717 (1579565-M))

No. 1, Persiaran Perindustrian Pengkalan 15,
Kawasan Perindustrian Pengkalan, 31500 Lahat, Perak.
Tel : +605 321 7968 Email : ir@arrowsystemsonline.com

ASM AUTOMATION GROUP BERHAD (Registration No. 202401033717 (1579565-M))

Annual Report 2025



ARROW SYSTEMS GROUP

ASM AUTOMATION GROUP BERHAD
(Registration No. 202401033717 (1579565-M))
(Incorporated in Malaysia under the Companies Act 2016)

ENGINEERED FOR YOUR PROCESS
**COMMITTED TO
YOUR GROWTH**

Annual Report 2025

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MISSION

OUR VISION

To be a leading innovator and trusted partner in providing sustainable and advanced food processing and packaging solutions, enabling our customers to excel in quality, efficiency and productivity.

OUR MISSION

- Empowering Excellence**
 Deliver high-performance food machinery and automation solutions tailored to our clients' evolving needs.
- Innovating Sustainably**
 Develop cutting-edge technologies that optimise resources, reduce waste and promote eco-friendly practices.
- Customer-Centric Approach**
 Build enduring relationships through responsive service, quality assurance and comprehensive support.
- Fostering Talent**
 Cultivate a skilled, motivated and innovative team dedicated to exceeding industry standards.



VISION

OUR CORE VALUES



Customer
Success



Excellence
in Quality



Team
Collaboration



Innovation
with Purpose



Integrity and
Accountability



Continuous
Improvement

GROUP STRUCTURE

ASM Automation Group Berhad
[202401033717 (1579565-M)]

100%

Arrow Systems Sdn Bhd
[199401004845 (290524-U)]

ABOUT US

Since 1994, **ASM Automation Group Berhad** (“ASM” or the “Company”) and its subsidiary, Arrow Systems Sdn Bhd (“Arrow Systems”) (collectively known as “ASM Group” or the “Group”) have been involved in the automation machinery solutions industry. We specialise in the design, development, fabrication, installation and commissioning of Front-of-Line (“FOL”) processing and End-of-Line (“EOL”) packaging solutions, primarily serving the food and beverage (“F&B”) manufacturing industry.

Our journey of technical expertise can be traced back to 1996 when we started with the repair, maintenance and modification of our customers’ machineries according to their requirements and business processes. Recognising the rising demand for customised machineries from the requests that we received during the source of our maintenance services, we have then commenced our Design and Development (“D&D”) activities by customising standard automated machineries of F&B manufacturers.

Leveraging on our experience and technical know-how, we successfully introduced our first extrusion machine, namely a wafer stick baking processing line, in 2020, marking our official entry into the development of FOL processing solutions. Subsequent in 2022, we achieved another milestone by introducing our first primary packaging line, signifying our expansion into the EOL packaging solutions.

Over the years, we have grown into an integrated automation machinery solution provider, serving not only the F&B manufacturing industry, but also other industries such as currency notes sorting and packaging, as well as poultry inspection, sorting and packaging. To stay aligned with the evolving industry trends and technological advancements, we have embedded Internet-of-Things (“IoT”) components into our machinery solutions such as customised robotic arms, programmable logic controllers (“PLCs”) with machine learning capabilities, machine vision inspection and IoT enabled sensors.

Fast forward to 2025, ASM marked a significant milestone with its successful listing on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). Looking ahead, we remain dedicated to delivering high-quality automation machinery solutions anchored in integrity and professionalism while continue to drive sustainable growth in line with our strategic goals.



CORPORATE INFORMATION

BOARD OF DIRECTORS

TENGKU FAIZWA BINTI TENGKU RAZIF

Independent Non-Executive
Chairperson

CHAN KOK HENG

Managing Director

LEONG WENG KHIN

Executive Director

KAMALAM A/P KURUP KRISHNAN

Executive Director

DATO' TS DR THIAN BOON CHUNG

Independent Non-Executive
Director

WOO AH KEK

Independent Non-Executive
Director

JOLENE LAI OOI YOKE

Independent Non-Executive
Director

BOARD COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson

Woo Ah Kek

Members

Dato' Ts Dr Thian Boon Chung
Jolene Lai Ooi Yoke

REMUNERATION COMMITTEE

Chairperson

Dato' Ts Dr Thian Boon Chung

Members

Woo Ah Kek
Jolene Lai Ooi Yoke

NOMINATION COMMITTEE

Chairperson

Jolene Lai Ooi Yoke

Members

Dato' Ts Dr Thian Boon Chung
Woo Ah Kek

HEAD OFFICE

No. 1,
Persiaran Perindustrian Pengkalan 15
Kawasan Perindustrian Pengkalan
31500 Lahat, Perak
Tel. : +605-321 7968
Email : ir@arrowssystemsonline.com
Website : http://arrowssystemsonline.com/

REGISTERED OFFICE

Lot 1902, 19th Floor,
Tower 1, Faber Towers
Jalan Desa Bahagia, Taman Desa
58100 Kuala Lumpur
Tel. : +603-7971 7288

COMPANY SECRETARIES

Ng Shu Fern
(MAICSA 7062881)
(SSM PC No. 201908001840)

Tan Yan Ni
(MAICSA 7071933)
(SSM PC No. 202308000465)

PRINCIPAL BANKER

United Overseas Bank (Malaysia) Berhad

AUDITORS

Ecovis Malaysia PLT
[201404001750 (LLP0003185-LCA) &
AF 001825]
D-10-03, Level 10, Exsim Tower
Millerz Square@Old Klang Road
Megan Legasi
No. 357, Jalan Kelang Lama
58000 Kuala Lumpur
Tel. : +603-7986 0066

SPONSOR

M & A Securities Sdn Bhd
[197301001503 (15017-H)]
45 & 47, Levels 3 and 7
The Boulevard
Mid Valley City
Lingkar Syed Putra
59200 Kuala Lumpur
Tel. : +603-2284 2911

SHARE REGISTRAR

Boardroom Share Registrars Sdn
Bhd
[199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor
Tel. : +603-7890 4700
Fax : +603-7890 4670

STOCK EXCHANGE LISTING

ACE Market,
Bursa Malaysia Securities Berhad
Stock Code : 0362
Stock Name : ASM



BOARD OF DIRECTORS



From left to right:

- | | | |
|---|--|--|
| <p>1. Dato' Ts Dr Thian Boon Chung
<i>Independent Non-Executive Director</i></p> | <p>3. Kamalam A/P Kurup Krishnan
<i>Executive Director</i></p> | <p>5. Jolene Lai Ooi Yoke
<i>Independent Non-Executive Director</i></p> |
| <p>2. Chan Kok Heng
<i>Managing Director</i></p> | <p>4. Tengku Faizwa Binti Tengku Razif
<i>Independent Non-Executive Chairperson</i></p> | <p>6. Leong Weng Khin
<i>Executive Director</i></p> |
| | | <p>7. Woo Ah Kek
<i>Independent Non-Executive Director</i></p> |

PROFILE OF BOARD OF DIRECTORS

TENGGU FAIZWA BINTI TENGGU RAZIF

Independent Non-Executive Chairperson



Age : 45



Nationality : Malaysian



Gender : Female

Tengku Faizwa Binti Tengku Razif was appointed to our Board of Directors ("Board") as the Independent Non-Executive Chairperson on 23 August 2024.

She graduated with a Bachelor of Management (Honours) in Marketing from Universiti Sains Malaysia ("USM") in 2002. Upon graduation, she began pursuing her passion in mental literacy development, where she provided team training management in local schools and organised the World Memory Championship in Kuala Lumpur on a freelance basis in 2003. In the subsequent year, she founded The Switch Sdn Bhd, a company specialising in training and consultation of personal development and human resources.

In 2010, she founded Ideaspark Sdn Bhd, a company focused on strategic thinking consultancy and developing training programmes in accelerated learning, memory skills, creativity enhancement and creative entrepreneurship. She was also the Founding President of Malaysia Young Female Entrepreneur Network, a non-government organisation registered in 2010 under the Registrar of Youth Societies, Ministry of Youth and Sports, Malaysia, aimed at encouraging young Malaysian females to pursue entrepreneurship.

Since 2018, she has dedicated her efforts to managing her business entities, namely Scanda Management PLT and Scanda Sky PLT, which are involved in the provision of management services and charter flights for tour packages respectively.

Presently, she is also the Independent Non-Executive Chairperson of Manforce Group Berhad, a company listed on the LEAP Market of Bursa Securities and KGW Group Berhad, a company listed on the ACE Market of Bursa Securities.

She attended all two (2) Board meetings held during financial year ended 31 March 2025 ("FYE 2025").



CHAN KOK HENG

Managing Director



Age : 59



Nationality : Malaysian



Gender : Male

Mr. Chan Kok Heng serves as our Managing Director and is responsible for our Group's overall business strategies, direction and development including developing strategies that contribute to the growth of our business. He was appointed to our Board on 14 August 2024.

Upon completion of his Sijil Tinggi Persekolahan Malaysia in 1987, Mr. Chan started his career path in the subsequent year at South East Asia Paper Product Sdn Bhd (now known as Sea Paper Industries Sdn Bhd) as Marketing Executive where he was responsible for organising and overseeing marketing activities. In 1992, he resigned and joined Tai Thong Sdn Bhd as Marketing Manager where he was responsible to organise marketing activities and lead a team of junior marketing employees.

Prior to his resignation from Tai Thong Sdn Bhd, in 1992, he embarked on his entrepreneurship journey and incorporated Bright Creation Electrical Automation Sdn Bhd. The company was principally involved in the trading of PLCs embedded in packaging machinery in the F&B industry. In 1993, he then resigned from Tai Thong Sdn Bhd and focused on Bright Creation Electrical Automation Sdn Bhd which was subsequently dissolved in 2010.

In 1994, leveraging on his accumulated experience in the F&B manufacturing and packaging machinery industry, he incorporated Arrow Systems. Under his leadership, Arrow Systems commenced D&D activities and successfully developed our first FOL extrusion machinery in 2000. Since then, Arrow Systems has been commercialising our FOL processing solutions and EOL packaging solutions under its own brand, namely "Arrow Systems Sdn Bhd". Over the years, Mr. Chan also spearheaded our Group's overseas business expansion.

He does not hold directorships in any other public companies and listed issuers.

He attended all two (2) Board meetings held during FYE 2025.



PROFILE OF BOARD OF DIRECTORS

cont'd

LEONG WENG KHIN

Executive Director



Age : 56



Nationality : Malaysian



Gender : Male

Mr. Leong Weng Khin was appointed to our Board as an Executive Director on 23 August 2024. He is mainly responsible for overseeing our Group's D&D and technical teams.

Upon obtaining his Diploma in Engineering from Linton Institute of Technology in 1990, Mr. Leong joined Seagate Technology International (Singapore) Pte Ltd as a Technical Support Engineer Technician, where he oversaw the electronic products assembly line and quality control ("QC").

In the following year, he resigned and joined Seal Incorporated Berhad as a Trainee Electronic and Computer Technician where he was responsible for managing the plywood manufacturing machineries. In 1992, he resigned and joined Bright Creation Electrical Automation Sdn Bhd as an Assistant Engineer. He was subsequently promoted to Project Manager in 1993, where he was principally involved in the trading of PLCs used in packaging machinery in the F&B industry.

In 1996, he resigned and joined Arrow Systems as an Assistant Engineer where he was involved in repairing, maintenance and modification of customer's machineries. In the same year, he became a shareholder and director of Arrow Systems, where he assumed his responsibilities in leading and managing the technical team.

Mr. Leong does not hold directorships in any other public companies and listed issuers.

He attended all two (2) Board meetings held during FYE 2025.



KAMALAM A/P KURUP KRISHNAN

Executive Director



Age : 64



Nationality : Malaysian



Gender : Female

Madam Kamalam A/P Kurup Krishnan was appointed to our Board as an Executive Director on 23 August 2024. She is principally responsible for developing as well as executing business development and marketing strategies as well as nurturing customer relationships.

In 1983, she obtained her Certificate in Secretarial Practice - Intermediate, Certificate in English for Business Communications - Intermediate and Certificate in Typewriting - Intermediate - (First Class) from Pitman Examinations Institute (London) from Goon Institution (Perak) Sdn Bhd.

In 1984, she joined Business Girl, an outsource service company as an Administrative Clerk (contract basis) where she was responsible for outsourced data entry and administrative activities. In the same year, she resigned and joined Global Insurance as a Non-motor Claims Clerk where she was responsible to manage insurance claims for non-motor profiles. She left the company in 1985.

In 1999, she joined Arrow Systems as an Administration Clerk where she assisted our Managing Director in managing administrative matters. In 2010, she was promoted to Marketing Manager where she was responsible for leading our marketing team in promoting our automation machinery solutions to customers, cultivating our export markets and fostering business relationships with existing and potential customers. In 2014, she was promoted to Marketing Director and assumed her current responsibilities.

Madam Kamalam does not hold directorships in any other public companies and listed issuers.

She attended all two (2) Board meetings held during FYE 2025.



PROFILE OF BOARD OF DIRECTORS

cont'd

DATO' TS DR THIAN BOON CHUNG

Independent Non-Executive Director



Age : 48



Nationality : Malaysian



Gender : Male

Dato' Ts Dr Thian Boon Chung was appointed to our Board as an Independent Non-Executive Director on 23 August 2024. He is also the chairperson for Remuneration Committee ("RC") and a member of the Audit and Risk Management Committee ("ARMC") and Nomination Committee ("NC").

In 2003, Dato' Ts Dr Thian graduated with a Bachelor of Civil Engineering from Universiti Putra Malaysia. He then obtained a Master of Business Administration ("MBA") from Universiti Utara Malaysia in 2011 and a Doctor of Business Administration from European University Business School, European University, Switzerland in 2013. In 2017, he was conferred Professor of Entrepreneurship of European University Business School, at Jesselton College, Kota Kinabalu.

He has been a member of the Institution of Engineers Malaysia since 2011, Malaysian Institute of Management since 2012 and a Professional Technologist of the Malaysia Board of Technologists since 2020.

Dato' Ts Dr Thian started his career in 2003 as a General Manager of Aun Tong Sdn Bhd. In 2005, he also assumed the role of General Manager of Antong International Sdn Bhd. As a General Manager, he was mainly responsible for the day-to-day operation and management of these companies. He was appointed to the boards of Aun Tong Sdn Bhd and Antong International Sdn Bhd in 2009 and 2010 respectively, the positions of which he still holds to-date, where he is responsible for charting the business growth, direction and development.

Presently, he is an Independent Non-Executive Director of SBH Marine Holdings Berhad, a company listed on the ACE Market of Bursa Securities.

He attended all two (2) Board meetings held during FYE 2025.



WOO AH KEK

Independent Non-Executive Director



Age : 57



Nationality : Malaysian



Gender : Male

Mr. Woo Ah Kek was appointed to our Board as an Independent Non-Executive Director on 23 August 2024. He is also the chairperson for ARMC and a member of the RC and NC.

In 1992, he obtained a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College. He completed his Chartered Association of Certified Accountants ("ACCA") in the same year and was subsequently admitted as a fellow member of the ACCA in 1996. Since then, he is a Chartered Accountant and has been a member of the Malaysian Institute of Accountants ("MIA").

Mr. Woo commenced his career in 1993 as an Audit Assistant with APT Management Services Sdn Bhd. In the same year, he resigned and joined Tan Cheng Hooi & Co as an Audit Senior. In 1994, he left and joined Kassim, Chan and Co. as a Staff Assistant. He resigned from the firm in 1996 as a Senior Staff. Over the years, he was principally involved in statutory audit tasks.

In 1996, he rejoined Tan Cheng Hooi and Co as an Audit Manager, where he was responsible for overseeing the audit department, leading a group of auditors in conducting financial audit, audit planning and financial due diligence. In the subsequent year, he left and joined Keris Properties Sdn Bhd, a company principally involved in property development as an Accountant, where he was responsible for statutory audit tasks.

In 1998, Mr. Woo joined Keris Engineering & Communication Sdn Bhd, a company principally involved in civil engineering works, building construction and property development as an Accountant. In the same year, he resigned from the company and established A.K. Woo and Associates, an audit firm providing statutory audit, tax advisory, management consultancy, company valuation, profit forecast, credit control and advisory and corporate reporting. He continues to assume his position as Managing Partner to-date.

Presently, he is an Independent Non-Executive Director of Kawan Renenergy Berhad, a company listed on the ACE Market of Bursa Securities.

He attended all two (2) Board meetings held during FYE 2025.



PROFILE OF BOARD OF DIRECTORS

cont'd

JOLENE LAI OOI YOKE

Independent Non-Executive Director



Age : 47



Nationality : Malaysian



Gender : Female

Ms. Jolene Lai Ooi Yoke was appointed to our Board as an Independent Non-Executive Director on 23 August 2024. She is also the chairperson for NC and a member of the ARMC and RC.

She graduated with a Bachelor of Finance from the University of Adelaide, Australia in 2000. Upon her graduation, she joined Sunrise Berhad (now known as UEM Sunrise Berhad) as a Management Trainee before assuming the position of Corporate Executive in 2001 and promoted to Senior Executive in corporate finance department in 2005 where she was principally involved in handling corporate and management policies, internal controls, legal and company secretarial matters, preparation of board papers and quarterly announcements, assisted in the implementation of corporate proposals. She resigned from the company in 2007.

In 2008, she joined Fraser & Neave (Malaya) Sdn Bhd, a subsidiary of Fraser & Neave Holdings Bhd as an Assistant Manager of the corporate planning division and promoted to Manager of treasury division in 2010. She was involved in the company's corporate exercises, annual review of bond rating and the preparation of statutory financial reporting to Bank Negara Malaysia, responsible for structuring policies for foreign exchange, hedging and risk management, business continuity plans, periodic reporting as well as leading and supervising the treasury team.

In 2013, Ms. Jolene resigned and joined Westmar Holdings Sdn Bhd, a family business, where she was involved in administration and financial related matters of the company and was appointed as a director in 2022 with similar roles and responsibilities which she maintains to-date. She joined Dynamic Management Sdn Bhd, a subsidiary of IOI Properties Berhad in 2024, as the Manager of corporate finance and treasury division, where she was involved in corporate finance and treasury activities. She subsequently left and join M & A Digital Sdn Bhd, a subsidiary of M&A Equity Holdings Berhad as a Manager in the same year. She is mainly responsible for conducting due diligence and credit assessments on clients for moneylending activities and ensuring compliance of such activities with all applicable legal and regulatory requirements.

Ms. Jolene does not hold directorships in any other public companies and listed issuers.

She attended all two (2) Board meetings held during FYE 2025.



Notes: -

(a) None of the Directors: -

- i. have any family relationships with each other and/or any major shareholder of the Company;
- ii. have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiary;
- iii. was convicted of any offences within the past 5 years other than traffic offences, if any; and
- iv. was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during FYE 2025.

KEY SENIOR MANAGEMENT



From left to right:

1. **KAU CHEE KEONG**
Sales Director
2. **TEOH KAH CHING**
Factory Manager
3. **LIM SEE TOW**
Chief Financial Officer ("CFO")
4. **WOO WING HON**
Project Manager



PROFILE OF KEY SENIOR MANAGEMENT



LIM SEE TOW

CFO



Nationality: Malaysian



Age: 50



Gender: Female

Ms. Lim See Tow serves as our Group CFO and is responsible for all accounting and financial matters of our Group. She was appointed to her current position on 15 October 2023.

Ms. Lim graduated with an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia in 1999. She is currently a fellow member of ACCA, a Chartered Accountant and a member of the MIA.

Upon her graduation in 1999, she began her career path as an Audit Assistant in Deloitte KassimChan (now known as Deloitte PLT) where she was involved in the financial audit and left the firm as an Audit Senior.

In 2003, she joined Debut Supreme Capital Sdn Bhd and was transferred to TAP Partners Sdn Bhd in the subsequent year as a Consultant. Over the years, she has held several positions and was involved in the project management for corporate exercises. In 2005, she was seconded to Antah Holdings Berhad as the Head of Finance and Special Project, where she was in charge of the restructuring exercise of the company. She was an Associate Director in TAP Partners Sdn Bhd before she left in 2006.

Upon leaving TAP Partners Sdn Bhd in 2006, Ms. Lim was appointed as the Chief Operating Officer of Clear Water Developments Sdn Bhd. Her responsibilities include overall operations management and planning of property development projects. In 2009, she was promoted as the Chief Executive Officer, retaining her principal responsibilities, and left in 2022.

In 2023, she joined Arrow Systems as our CFO, a position she continues to hold to-date.

Presently, Ms. Lim is also the Independent Non-Executive Director of two (2) companies listed on Main Market of Bursa Securities, namely Mobilia Holdings Berhad and Seng Fong Holdings Berhad and two (2) companies listed on ACE Market of Bursa Securities, namely Yew Lee Pacific Group Berhad and Cloudpoint Technology Berhad.



KAU CHEE KEONG

Sales Director



Nationality: Malaysian



Age: 48



Gender: Male

Mr. Kau Chee Keong was appointed as our Sales Director on 1 May 2018. He is primarily responsible for sales activities of our Group.

He obtained a Diploma in Electro-Mechanical Engineering from the School of Engineering & Commerce of Linton College in 1998.

Upon his graduation, Mr. Kau started his career in Chang Hsin Sdn Bhd as a Moulding Technician where he handled moulding and hydraulic machineries. In 1999, he resigned as a supervisor and joined Trio Paper Mills Sdn Bhd as a Production Technician where he was responsible for handling machineries used for pulping and paper manufacturing. He was subsequently promoted as a QC Technician where he facilitated the ISO:9002 certification of the company.

In 2000, he resigned and joined Easypack Machinery Sdn Bhd as a Sales and Service Executive, where he was involved in sales and marketing, as well as the managing and servicing of machineries of food manufacturing companies.

In 2002, he left and joined Arrow Systems as a Sales Representative where he was responsible for procuring sales and assisting customers with sales enquires. In 2008, he was promoted to Sales Manager where his scope expanded to include managing the sales team. In 2018, he was subsequently promoted to his current position.

PROFILE OF KEY SENIOR MANAGEMENT

cont'd



TEOH KAH CHING

Factory Manager



Nationality: Malaysian



Age: 55



Gender: Male

Mr. Teoh Kah Ching was appointed as our Factory Manager on 21 December 2020 where he is responsible for all our factory operations.

He obtained his Diploma in Technology (Materials Engineering) from Tunku Abdul Rahman College in 1994 and graduated with Master of Science with Merit in Advanced Manufacturing Systems Engineering from Coventry University, United Kingdom in 1995.

In 1996, he commenced his career as a Process Engineer in Carsem (M) Sdn Bhd, a member of Hong Leong Group Malaysia where he was involved in the development and testing of semiconductor devices and electronic component manufacturing processes. In 2004, he was promoted to the Senior Engineer and was tasked to train and supervise a team of technicians.

In 2006, Mr. Teoh joined Welding Industries (Malaysia) Sdn Bhd as a Quality Assurance ("QA") Manager, where he was responsible for ensuring the quality of welding works. In 2007, he was promoted to the Production cum QA/QC Manager, where his roles expanded to overseeing the entire QA of the production works. In 2008, he left and joined Tai Kwong-Yokohama Battery Industries Sdn Bhd as an Assistant Manager where he was responsible in overseeing the production process. Subsequently in 2011, he joined Yokohama Reclamation Sdn Bhd as an Operation Manager where he oversaw the day-to-day factory operations. In 2018, he joined KNL Foundry Sdn Bhd, where he was responsible in overseeing factory operations.

In 2020, he resigned and joined Arrow Systems as a Factory Manager, a position that he continues to hold to-date.



WOO WING HON

Project Manager



Nationality: Malaysian



Age: 35



Gender: Male

Mr. Woo Wing Hon was appointed as our Project Manager on 17 September 2020. He is mainly responsible for the the D&D and project management of the automation machinery solutions of our Group.

He graduated with a Bachelor of Engineering (Mechanical Engineering) with Honours in 2013 and subsequently obtained his Master of Science (Mechanical Engineering) in 2018, both from Universiti Sains Malaysia.

While studying for his Masters, Mr. Woo commenced his career as an Application Engineer at TMS Lite Sdn Bhd in 2016, where he was involved in the development of software applications for machine vision lighting solutions. He resigned from the company later in the same year.

In 2017, he joined Arrow Systems as a Mechanical Design Engineer, where he was responsible for the D&D of hardware and software for our Group's automation machinery solutions. In 2019, he was promoted to the Mechanical Engineer, where he assumed his responsibilities in the D&D activities. In the following year, he was promoted to his current position until to-date.

Notes: -

Saved as disclosed above, none of the Key Senior Management: -

- (a) holds directorships in public companies and listed issuers;
- (b) has family relationship with any Director and/or major shareholder of the Company;
- (c) has conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiary;
- (d) has been convicted of any offences within the past 5 years other than traffic offences, if any; and
- (e) was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during FYE 2025.

FINANCIAL HIGHLIGHTS

FIVE-YEAR FINANCIAL HIGHLIGHTS

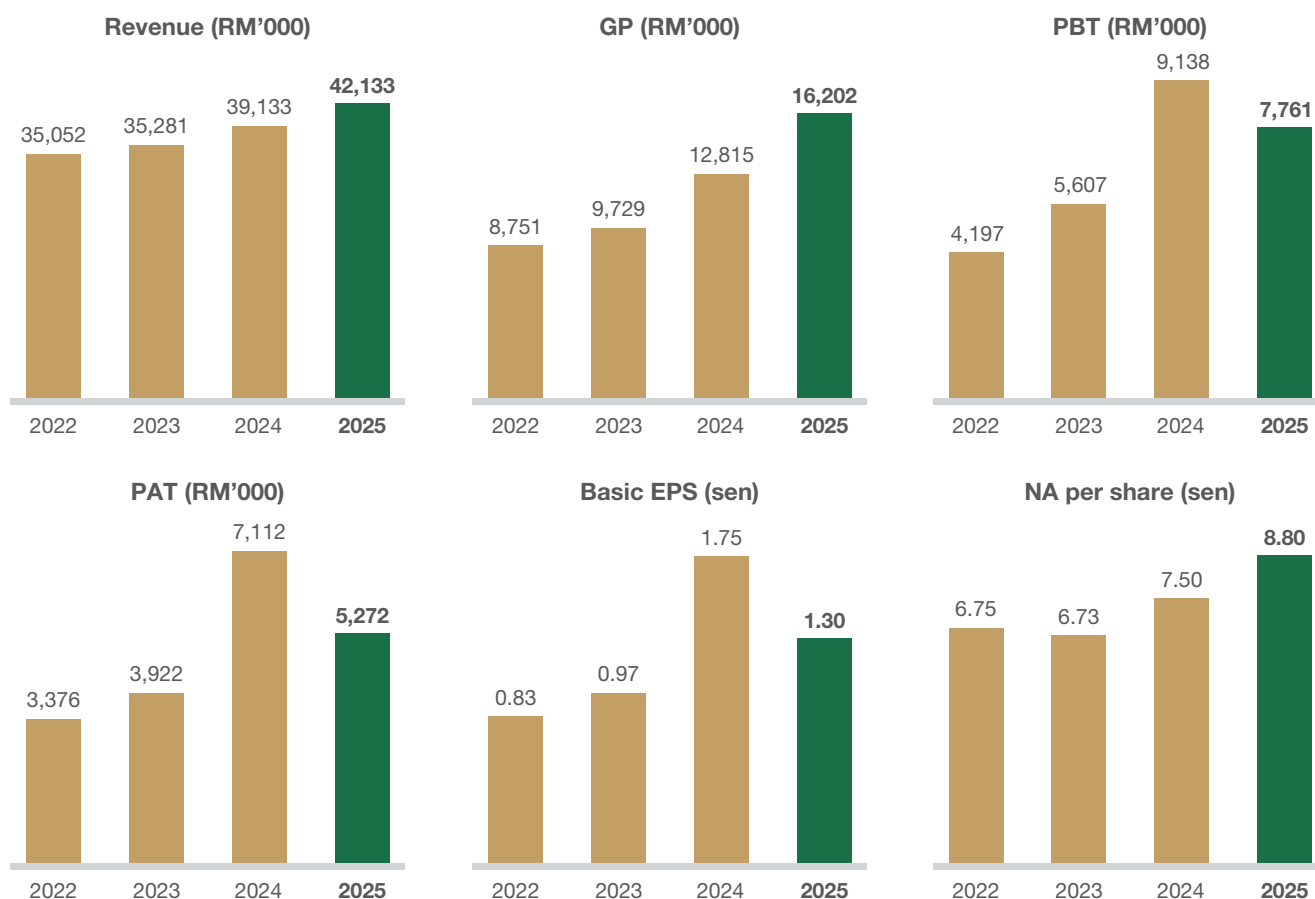
	FYE 2022 ⁽¹⁾ RM'000	FYE 2023 ⁽¹⁾ RM'000	FYE 2024 ⁽¹⁾ RM'000	FYE 2025 RM'000
Revenue	35,052	35,821	39,133	42,133
Gross Profit ("GP")	8,751	9,729	12,815	16,202
Profit Before Tax ("PBT")	4,197	5,607	9,138	7,761
Profit After Tax ("PAT")	3,376	3,922	7,112	5,272
GP margin (%)	25.0	27.2	32.7	38.5
PBT margin (%)	12.0	15.7	23.4	18.4
PAT margin (%)	9.6	10.9	18.2	12.5
Basic earnings per share ("EPS") (sen) ⁽²⁾	0.83	0.97	1.75	1.30
Net Assets ("NA") per share (sen) ⁽²⁾	6.75	6.73	7.50	8.80

Note: -

⁽¹⁾ Financial data for FYE 2022 – FYE 2024 as disclosed in the IPO Prospectus.

⁽²⁾ Calculated based on our Company's share capital of 406,421,000 ordinary shares as at 31 March 2025, before the IPO. The number of ordinary shares used in the comparative figures have been restated to reflect the enlarged number of shares.

FINANCIAL PERFORMANCE AT A GLANCE



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

ASM Group stands as a prominent player in the industrial automation industry, providing automation machinery solutions and complementary solutions, primarily for the F&B manufacturing industry. We specialise in developing customised FOL processing solutions and EOL packaging solutions tailored to meet our customers' specific requirements.

Our expertise lies in providing end-to-end automation machinery solutions, from initial design and development, through fabrication and installation, to final testing and commissioning. As part of the Group's strategy in delivering all-inclusive solutions, we also provide complementary solutions support to our existing and new customers.

With a robust 31-years track record, we have positioned ourselves as one of the regional F&B manufacturing and packaging automation machinery solutions provider by leveraging on our technical capabilities to secure sales from local and overseas customers. Currently, the Group's key business activities include: -

Segments	Business Activities
Automation machinery solutions	D&D, fabrication, installation, testing and commissioning of: - <ul style="list-style-type: none"> • FOL processing solutions • EOL packaging solutions
Complementary solutions	<ul style="list-style-type: none"> • Modification and upgrading services • Maintenance services • Supply of spare parts and components

LISTING OF THE GROUP

The year of 2025 marked a defining chapter for ASM Group, highlighted by our successful listing on the ACE Market of Bursa Securities on 2 July 2025. The Group has successfully raised RM21.82 million through the initial public offering ("IPO"), which are earmarked to be utilised as follows: -

Details of Utilisation of Proceeds	RM'000	%
Acquisition of land and construction of a new factory	11,400	52.2
Purchase of machines and purchase of equipment and components for the assembly of demonstration machineries	2,300	10.5
D&D activities	2,000	9.2
Working capital	1,918	8.8
Estimated listing expenses	4,200	19.3
Total	21,818	100.0

To accommodate our business expansion, we have allocated RM11.40 million or 52.2% of our IPO proceeds for the acquisition of land and construction of a new factory. We intend to acquire a new land of approximately 70,000 square feet ("sq. ft."), located within the proximity of our existing factories in Lahat, Perak to facilitate the construction of a larger factory with a gross built-up area of approximately 50,000 sq. ft., aimed at resolving workflow constraints caused by space limitations in our current facilities which are insufficient when we received multiple orders at the same time. The new factory will also provide the Group with a dedicated space to showcase our technical capabilities by demonstrating ready-made machineries to our potential customers.

We have allocated RM2.30 million or 10.5% of our IPO proceeds for the purchase of machinery for operational use, as well as major equipment and components that will form parts of the demonstration machineries.

Additionally, RM2.00 million or 9.2% of our IPO proceeds has been allocated to enhance our D&D activities, which include development cost for new automation machinery solutions and expansion of our D&D team.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FINANCIAL PERFORMANCE REVIEW

Summary of Statement of Comprehensive Income

	FYE 2025	FYE 2024	Variance	
	RM'000	RM'000	RM'000	%
Revenue	42,133	39,133	3,000	7.7
GP	16,202	12,815	3,387	26.4
PBT	7,761	9,138	(1,377)	(15.1)
PAT	5,272	7,112	(1,840)	(25.9)

Key Financial Ratios

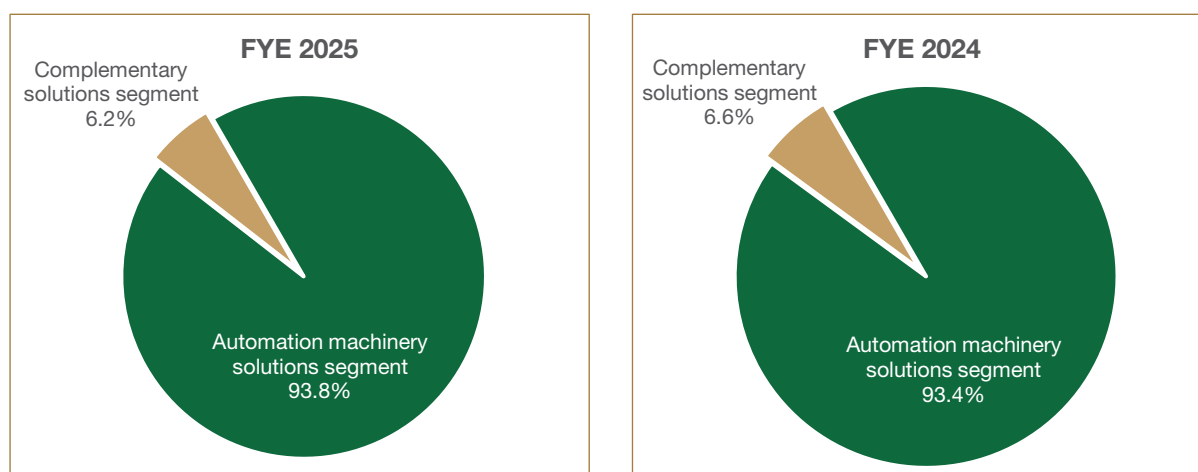
GP Margin (%)	38.5	32.7	5.8
PBT Margin (%)	18.4	23.4	(5.0)
PAT Margin (%)	12.5	18.2	(5.7)

Revenue

The Group's revenue increased to RM42.13 million in FYE 2025 from RM39.13 million in FYE 2024, representing a growth of RM3.00 million or 7.7%. This increase was primarily driven by higher number of automation machinery solutions delivered, which increased from 97 units in FYE 2024 to 131 units in FYE 2025. During FYE 2025, we continued to secure more orders from both local and overseas customers as they seek to automate their production processes to enhance output and improve cost efficiency by reducing reliance on manual labour.

Our revenue contributions by business segments for FYE 2025 and FYE 2024 are as follows: -

Revenue by Business Segments



The automation machinery solutions segment remained as our main revenue contributor, generating RM39.54 million or 93.8% of total revenue in FYE 2025, compared to RM36.55 million or 93.4% in FYE 2024. The remaining revenue was contributed by the complementary solutions segment, which remained fairly consistent at approximately RM2.59 million, representing 6.2% in FYE 2025 and 6.6% in FYE 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

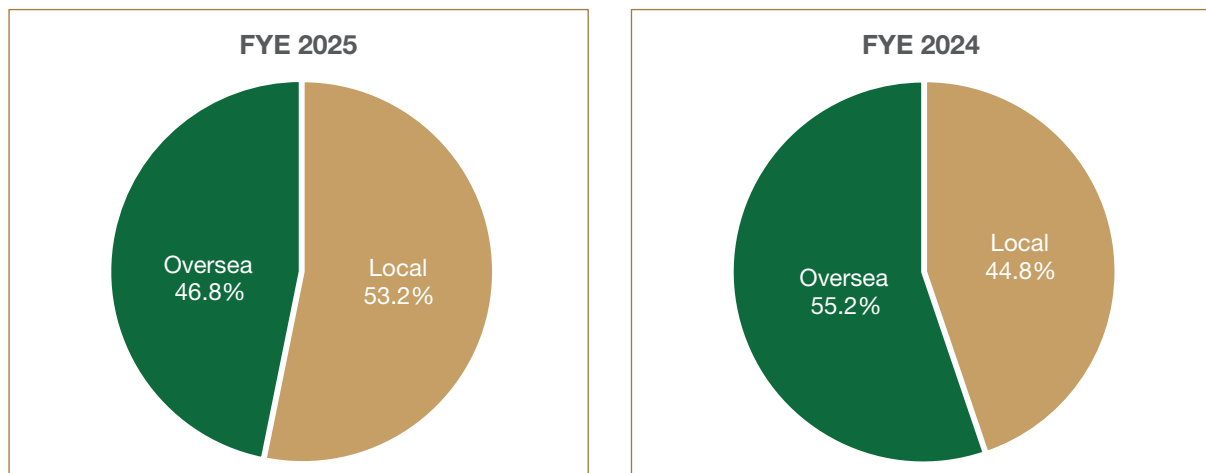
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FINANCIAL PERFORMANCE REVIEW (CONT'D)

Revenue (cont'd)

Our revenue contributions by geographical locations for FYE 2025 and FYE 2024 are as follows: -

Revenue by Geographical Location of Customers



In term of revenue by geographical location, revenue contribution from local customers increased to 53.2% in FYE 2025 from 44.8% in FYE 2024. Meanwhile, revenue from overseas customers accounted for 46.8% in FYE 2025, a decreased of 8.4% from FYE 2024. Our revenue distribution between local and overseas customers varies from year to year, reflecting fluctuations in customer's demand during each financial year.

GP and GP Margin

In line with the growth in our total revenue, the Group's GP increased by RM3.39 million or 26.4% from RM12.82 million in FYE 2024 to RM16.20 million in FYE 2025. Our GP margin also increase by 5.8% from 32.7% in FYE 2024 to 38.5% in FYE 2025.

This improvement was mainly attributable to the decrease in cost of sales, driven by lower material purchase costs due to the specific mix of components required for the machinery produced. Additionally, commission expenses also decreased as more sales orders were secured through repeat business from existing customers, without the involvement of sales representatives or third-party introducers.

PBT, PAT, PBT Margin and PAT Margin

Despite the increase in both revenue and GP, our PBT decreased by RM1.38 million or 15.1% from RM9.14 million in FYE 2024 to RM7.76 million in FYE 2025. The decrease in PBT was primarily attributable to higher one-off professional fee of RM1.70 million incurred in relation to our listing exercise as well as an increase in net foreign exchange loss by RM1.30 million arising from the weakening of United States Dollar ("USD"), as our sales to overseas customers are mainly denominated in USD.

Net of taxation, the Group recorded PAT of RM5.27 million in FYE 2025, representing a decrease of RM1.84 million or 25.9%, compared to RM7.11 million in FYE 2024. Accordingly, our overall PBT and PAT margins stood at 18.4% and 12.5% respectively in FYE 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FINANCIAL POSITION AND LIQUIDITY REVIEW

Statement of Financial Position Summary

	31.03.2025	31.03.2024	Variance	
	RM'000	RM'000	RM'000	%
Assets				
Non-current Assets	4,940	5,013	(73)	(1.5)
Current Assets	43,940	41,116	2,824	6.9
Total Assets	48,880	46,129	2,751	6.0
Liabilities				
Non-current Liabilities	748	1,219	(472)	(38.7)
Current Liabilities	12,378	14,428	(2,050)	(14.2)
Total Liabilities	13,126	15,647	(2,522)	(16.1)
NA	35,754	30,482	5,273	17.3
NA per share (sen) ⁽¹⁾	8.80	7.50	1.30	17.3
Current Ratio (times)	3.55	2.85	0.70	24.6
Gearing Ratio (times)	0.07	0.07	-	-

Note: -

⁽¹⁾ Calculated based on our Company's enlarged share capital of 406,421,000 shares before the IPO. The number of ordinary shares used in the comparative figures have been restated to reflect the enlarged number of shares.

The Group's total assets increased by RM2.75 million or 6.0% from RM46.13 million as at 31 March 2024 to RM48.88 million in 31 March 2025. The increase was mainly due to higher trade receivables balances by RM6.99 million, in line with higher revenue recognised during the financial year. However, the overall increase was partially offset by the decrease in other receivables by RM2.19 million, mainly due to repayments from our directors as well as a reduction in inventories by RM1.75 million, mainly due to the reduction of finish goods arising from the delivery of completed automation machinery solutions to our customers.

The Group's total liabilities decreased by RM2.52 million or 16.1% from RM15.65 million as at 31 March 2024 to RM13.13 million as at 31 March 2025. The decrease was mainly due to lower other payables and contract liabilities by RM4.50 million collectively, following the settlement of dividend payable as well as the recognition of revenue upon delivery and commissioning of automation machinery solutions at our customer's factory. Nevertheless, the overall decrease was partially offset by an increase in tax payable by RM0.81 million and higher bank borrowings of RM0.65 million arising from the additional drawdown of short-term trade financing for material purchases.

Overall, the Group concluded the financial year with a stronger financial position, boasting in improved current ratio of 3.55 times and a low gearing ratio of 0.07 times as at 31 March 2025. Furthermore, the Group attained an improved NA position RM35.75 million as at 31 March 2025, translating to a NA per share of 8.80 sen.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FINANCIAL POSITION AND LIQUIDITY REVIEW (CONT'D)

Statement of Cash Flow Summary

	FYE 2025 RM'000	FYE 2024 RM'000
Net cash generated from operating activities	2,992	4,874
Net cash used in investing activities	(403)	(107)
Net cash used in financing activities	(2,453)	(2,736)
Net increase in cash and cash equivalents ("CCE")	136	2,031
Effect of exchange rate changes on CCE	(582)	451
CCE at the beginning of the financial year	13,616	11,134
CCE at the end of the financial year	13,170	13,616

In FYE 2025, the Group generated a positive operating cash flow of RM2.99 million, a decrease of RM1.88 million as compared to RM4.87 million in FYE 2024. The reduction in our operating cash flow is primarily due to changes in working capital, particularly arising from the increase in trade receivables and trade payables balances in line with the overall increase in revenue as well as the decrease in contract liabilities due to the increase in number of automation machinery solutions delivered and commissioned during FYE 2025.

The Group's net cash used in investing activities of RM0.40 million in FYE 2025 was mainly attributed to the renovation of our factory located in Butterworth as well as purchases of computers, motor vehicles and office equipment.

The Group reported a net cash used in financing activities of RM2.45 million in FYE 2025, mainly due to dividend paid of RM4.00 million. This outflow was partially offset by repayments from directors amounting to RM1.46 million and net drawdown of bank borrowings by RM0.55 million.

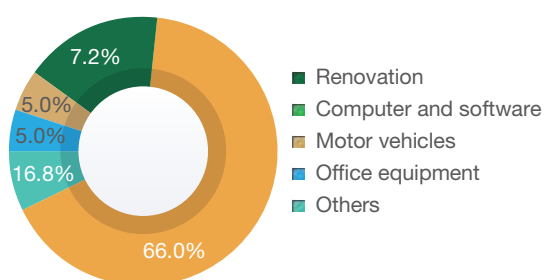
CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

As at 31 March 2025, the Company's share capital stood at RM35.75 million, comprising of 406,421,000 ordinary shares with a NA per share of 8.80 sen.

The Group finances its operations through cash generated from operations, available cash and bank balances, credit extended by suppliers as well as banking facilities provided by financial institutions. Our banking facilities include bank overdrafts, short-term trade financing, term loans and finance leases.

During FYE 2025, the Group has invested a total of RM0.40 million in capital expenditure, which consists of the following: -

Capital Expenditure	RM'000
Renovation	266
Computer and software	68
Motor vehicles	20
Office equipment	20
Others (Plant and machinery, Tools and equipment, and Furniture and fittings)	29
Total	403



Save as disclosed in the utilisation of proceeds from the IPO, there is no material capital commitments for capital expenditure, which upon become enforceable, may have a material effect on the Group's financial position.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

ANTICIPATED OR KNOWN RISKS

Dependence on Customers' Production and Investment Plans as well as F&B Manufacturing Industry's Demand

The Group's performance is closely tied to the growth and dynamics of the F&B manufacturing and packaging industry, to which we supply automation machinery solution on as-need basis. Fluctuations in demand for F&B products, driven by economic conditions or shifts in consumer spending, may influence our customers' willingness to invest in automation machinery. As such, our sales are subject to our customers' capital budget allocated for the expansion of new production lines or replacement of their existing machinery.

In response to this risk, we have established strong working relationships with a broad base of customers located across multiple countries. Moreover, we remain proactive in expanding our customer base from different industry to secure more business opportunities and become less susceptible to unfavourable market conditions.

Dependence on Outsourced Manufacturer

Certain customised equipment and components of our automation machinery solutions are outsourced to third party manufacturers. Hence, any major disruption or cessation of services from these outsourced manufacturers may affect the Group's production and delivery schedule.

To address this risk, we have cultivated a strong and long-term relationship with our outsourced manufacturers over the years. We continuously monitor the production progress of the equipment and components outsourced to ensure timely delivery. As we retain the technical know-how of our automation machinery solutions, we are able to produce the equipment and components in-house when required.

Exposed to Changes in Technology and Competition from Other Industry Players

The rapid development of technology prompts swift changes in the market demand and preference of automation machinery solutions. The requirements for machineries are affected by technological developments, evolving industry standards, changes in customer behavior and new product introduction. Our products and solutions, particularly the automation machinery solutions, may potentially be rendered obsolete due to the emergence of new technology. In addition, we are operating in a highly competitive environment, contending with both established and emerging local and international competitors which may be capable of offering similar or more advance automation machinery solutions to the market.

To sustain our competitiveness and relevance, we rely on our D&D activities, which serve as a critical foundation for innovation and adaptability in response to evolving market conditions. D&D activities are conducted collaboratively with our customers to ensure a deep understanding of the required F&B manufacturing processes.

Fluctuation in Foreign Exchange Rate

The Group is exposed to foreign exchange risk arising from overseas sales and purchases, which are primarily denominated in USD, Chinese Yuan ("CNY") and Philippine Peso ("PHP"). Hence, significant fluctuation in exchange rate may present a direct challenge to our financial performance.

To mitigate this risk, we adopt a natural hedging strategy by matching our foreign currency payables with receivables denominated in the same currency. In addition, we also maintain a standby foreign exchange forward contract to further support our foreign currency risk mitigation efforts.

FUTURE PROSPECT AND OUTLOOK

The prospects and outlook of the F&B automation machinery solutions industry in Malaysia is positive premised on the increasing demand for F&B snack foods among consumers, new F&B snack product innovation that require customised machinery as well as industry trends relating to the increasing adoption of automation machinery with technologies such as Industrial IoT, robots and Artificial Intelligence ("AI") which will enable F&B companies to improve production efficiencies and reduce reliance on manual labour.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FUTURE PROSPECT AND OUTLOOK (CONT'D)

Over the years, the Malaysian F&B automation machinery solutions sector has demonstrated a robust expansion, growing from RM0.80 billion in 2019 to RM1.70 billion in 2023, reflecting a 20.7% compound annual growth rate ("CAGR"). Moving forward, the industry is projected to expand further at a CAGR of 22.8%, achieving RM3.70 billion by 2027. This growth is expected to be driven by several factors, including the rising demand for processed F&B products, the transformation of operational processes through automation, the shift towards smart factories, the potential demand for automation machinery from other end-user industries, ongoing technological advancements, the adoption of Industry 4.0 and government initiatives aimed at promoting automation adoption among micro, small and medium enterprises ("MSMEs").

In 2024, Malaysia's economy grew by 5.1% attributable to continued expansion in domestic demand and a rebound in exports. The Economic Outlook 2025 by the Ministry of Finance Malaysia further projects economic growth between 4.5% and 5.5% in 2025. This positive economic forecast is expected to further support domestic consumption and industrial growth, including demand for automation machinery solutions in the F&B sector.

In addition, during Budget 2024, the Government of Malaysia demonstrated their commitment to intensify efforts to encourage MSMEs to increase their level of competitiveness through the transition of business models via automation and digitalisation. Under this initiative, RM900.0 million loan fund under Bank Negara Malaysia was provided to encourage SME companies to increase business productivity through automation and digitisation. Such incentives are also expected to have a positive impact to the overall local demand for automation machinery solutions.

Regionally, consumer spending on snack products in Asia Pacific has also been encouraging, rising from USD154.1 billion in 2019 to USD162.6 billion in 2024. In particular, countries such as Vietnam, India, and the Philippines have demonstrated consistent growth, with CAGRs ranging from 2.2% to 5.5% during 2019 and 2024.

Over the years, the Group has established a strong presence in both local and international markets including these high-growth countries. The Group is well-positioned to leverage these favourable trends to market our customised, end-to-end automation machinery solutions which are designed to enhance productivity, ensure quality control, and increase operational agility amidst evolving consumer preferences and mounting cost pressures.

In tandem with our business expansion plans, the Group intends to utilise the proceeds arising from our IPO for the following purposes: -

- (i) construct a larger factory to mitigate current space limitations and streamlining our fabrication and assembly processes;
- (ii) improve operational efficiencies through the purchase of new machines which are more advanced as they have higher degree of automation than the existing machines that we presently use in our business operations;
- (iii) enhance our customer engagement by assembling demonstration units at our facilities, allowing potential clients to better understand the capabilities and applications of our automation machinery solutions in real-world scenarios; and
- (iv) Intensify our D&D efforts, focusing on developing and customising automation machinery solutions that can support our customers in adapting to changes in consumer preferences as well as evaluating ways to incorporate new technologies such as robotics, IoT, AI and machine learning in our automation machinery solutions.

Looking ahead, we remain optimistic about the Group's long-term prospects, underpinned by the favourable market outlook and the growth opportunities arising from industry trends and government support. We are committed to optimising our operations, fostering sustainable growth and delivering long-term value to our stakeholders.

DIVIDENDS

There was no dividend declared in FYE 2025 as the Group focuses on strengthening its business operation to support long-term growth. Currently, the Group does not have a formal dividend policy in place. While we intend to pay dividends to our shareholders in the future, any declaration of interim dividends or recommendation of final dividends is at the discretion of the Board and subject to various factors, including operating results, financial performance, capital expenditure requirements, business expansion plans and any other factors deemed relevant by the Board.

SUSTAINABILITY STATEMENT

Following our successful listing on the ACE Market on 2 July 2025, ASM Group reaffirms its growing commitment to sustainability, a journey that began well before this important milestone. With our newly public listed status, we are more determined than ever to integrate sustainability into every aspect of our business. As we move forward, we will continue delivering smart, future-focused solutions that help our customers navigate today's challenges while building a more sustainable tomorrow.

We build not only machines but also systems that enable our customers to operate smarter, reduce waste, improve product uniformity and quality, optimise space utilisation and streamline operations. Our automation machinery solutions support various industries that are integral to our daily life, such as F&B production, currency notes sorting and packaging, as well as poultry inspection, sorting and packaging, across Malaysia and overseas markets.



SUSTAINABILITY STATEMENT

cont'd

From conceptualisation and customisation to responsible sourcing and digital integration, we are actively reshaping what responsible manufacturing looks like by embedding sustainability into our daily operations whenever feasible. As we scale up our business, we also remain committed to strengthening our governance practices to uphold integrity and accountability across all aspects of our business.

To this end, the Board is pleased to present our maiden Sustainability Statement for the FYE 2025, which outlines our efforts and progress in addressing sustainability-related risks and opportunities within the context of Economic, Environment, Social and Governance (“EESG”).



SCOPE AND REPORTING PERIOD

This Sustainability Statement highlights the ASM Group’s sustainability initiatives, efforts and progress for the period from 1 April 2024 to 31 March 2025, unless stated otherwise.

REPORTING FRAMEWORK AND STANDARDS

This Sustainability Statement was prepared based on all available internal information with reference to Bursa Securities’ ACE Market Listing Requirements (“AMLR”) relating to sustainability statement and its Sustainability Reporting Guide 3rd edition. In addition, the United Nations Sustainable Development Goals (“UNSDG”) was also referred to as a guideline in mapping our material sustainability matters and formulating our Group’s sustainability strategies.

MATERIAL MATTERS ASSESSMENT

In conjunction with our first year of listing in 2025, we undertook an assessment to identify and evaluate key material sustainability matters that are most significant to our Group and stakeholders within the EESG contexts. Further details can be found in the Material Matters Assessment section of this Sustainability Statement.

FEEDBACK

We value all stakeholders’ feedback on this Sustainability Statement and any other relevant sustainability matters, as it helps us to continuously improve our sustainability measures and reporting standards. Relevant feedbacks and comments can be directed to our email at ir@arrowssystemsonline.com.

SUSTAINABILITY STATEMENT

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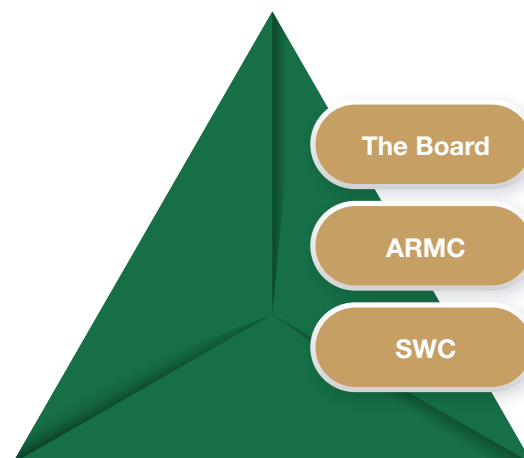
SUSTAINABILITY IN ASM

In line with our commitment to long-term value creation and responsible business practices, we have formalised and adopted a Sustainability Policy during FYE 2025. This policy serves as a guiding framework that embeds sustainability considerations across our operations, business strategies and decision-making processes. It is structured across various focus areas, including EESG, supply chain as well as innovation and technology.



To support an effective implementation of this policy, we have established a governance framework that promotes robust oversight and clear accountability across all sustainability-related matters within our Group. Central to our sustainability governance structure is the leadership of our Board, who holds the ultimate responsibility for our Group's sustainability direction and management. To ensure an effective discharge of responsibilities, the ARMC has been delegated with the oversight role to ensure that our Group's key decisions and resources are properly made and allocated in line with our sustainability objectives.

At the operational level, the Sustainability Working Committee ("SWC") plays a pivotal role in implementing sustainability initiatives into our day-to-day operations. The SWC is also tasked to monitor and track the relevant sustainability progress and performance, and report the same to the ARMC periodically in order to facilitate informed decision-making at the higher level.



STAKEHOLDER ENGAGEMENT

Stakeholders are individuals or groups who are affected by, or can affect, our business operations and performance. In our pursuit of effective sustainability management, we recognise that continuous and meaningful engagement with stakeholders enables us to better understand their needs and expectations, thereby aligning our EESG efforts with the stakeholder priorities and broader market dynamics.

By fostering transparent communication and encouraging continuous feedback, we ensure that our sustainability strategies reflect shared priorities and contribute to long-term value creation. This ongoing dialogue also empowers us to proactively address emerging issues, build trust and strengthen our resilience in this evolving business landscape.

SUSTAINABILITY STATEMENT

cont'd

STAKEHOLDER ENGAGEMENT (CONT'D)

During FYE 2025, we have identified seven (7) key stakeholder groups, along with their respective engagement approaches and channels, as summarised below: -

Stakeholders	Areas of Interest or Concern	Engagement Approaches
 Shareholders/ Investors	<ul style="list-style-type: none"> Financial and operational performance Investment risk and returns Corporate governance and risk management Business outlook and future plans Dividend policy 	<ul style="list-style-type: none"> Prospectus disclosure and launching event Investor briefing sessions Annual and quarterly reports General meetings Company website Announcements made on Bursa Securities website
 Employees	<ul style="list-style-type: none"> Employee well-beings Career growth and opportunities Competitive remuneration and benefits Safe and conducive workplace Training and upskilling opportunities 	<ul style="list-style-type: none"> Performance appraisal Open communication Training and development programmes Company activities and events
 Customers	<ul style="list-style-type: none"> Quality products and services Innovative solutions Competitive pricing Post commissioning support 	<ul style="list-style-type: none"> Meetings and site visits Email and phone communications Company website Customer satisfaction survey
 Suppliers	<ul style="list-style-type: none"> Sustainable business relationships Fair and transparent procurement procedures Credit terms and payments 	<ul style="list-style-type: none"> Meetings and site visits Email and phone communications Supplier evaluation
 Government/ Authorities	<ul style="list-style-type: none"> Regulatory compliance Corporate governance Legal requirement 	<ul style="list-style-type: none"> Dialogues and seminars Announcements made on Bursa Securities website Compliance reports
 Media/Analyst	<ul style="list-style-type: none"> Financial and operational performance Business strategies and future plans Corporate governance 	<ul style="list-style-type: none"> Prospectus disclosure and launching event Investor briefing sessions Annual and quarterly report General meetings Company website Announcements made on Bursa Securities website
 Community	<ul style="list-style-type: none"> Local employment creation Local economic support Environmental initiatives Community well-being 	<ul style="list-style-type: none"> Company website Job and internship opportunities Community outreach programmes

SUSTAINABILITY STATEMENT

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MATERIAL MATTERS ASSESSMENT

Material Matters Assessment Process

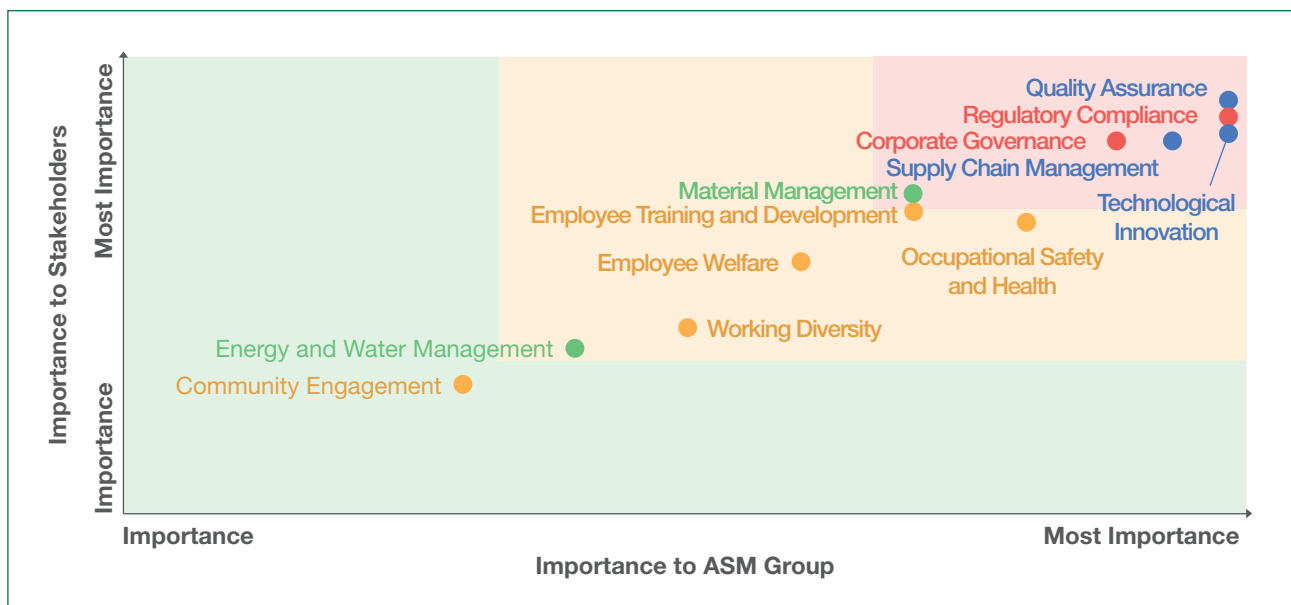
A well-defined sustainability strategy begins with understanding what matters the most. In this regard, material matters assessment allows us to identify, prioritise and respond to sustainability matters that are most relevant to our business and stakeholders.

Building on insights gathered from our stakeholders' needs and expectations, we adopted the following 3-step approach to conduct our maiden material matters assessment during FYE 2025: -



Material Matters Matrix

The outcome of the assessment is reflected in our Material Matters Matrix, which maps each matter based on its level of importance to our Group and stakeholders. Based on our first material matters assessment conducted, we have identified and ranked twelve (12) sustainability matters that are most relevant to our Group and various stakeholders, scaling from "Important" to "Most Important", as illustrated in the Material Matters Matrix below: -



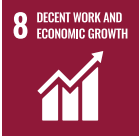





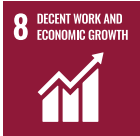


SUSTAINABILITY STATEMENT

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MATERIAL MATTERS ASSESSMENT (CONT'D)

Sustainability Strategies

In response to the material matters identified, we have formulated strategic initiatives that address the relevant risks and opportunities while supporting our Group's long-term and responsible growth. To ensure that our efforts contribute meaningfully to global priorities, we have also aligned our strategies with the UNSDGs, a global call for action to address pressing global challenges and foster a more inclusive, resilient and sustainable future. During FYE 2025, we have identified and mapped our material matters and sustainability strategies as summarised in the table below: -

	Material Matters	Sustainability Strategies	UNSDGs
Economic	<ul style="list-style-type: none"> Quality Assurance Technological Innovation Supply Chain Management 	<ul style="list-style-type: none"> To implement strict quality control measures throughout our production process. To explore and adopt innovative technologies for improving the efficiency, quality and functionality of our products. To maintain strong relationships with reliable suppliers, while supporting the local suppliers, whenever possible. 	
Environment	<ul style="list-style-type: none"> Material Management Energy and Water Management 	<ul style="list-style-type: none"> To implement responsible material management practices and source efficiently, covering the entire lifecycle from consumption to disposal. To prioritise waste reduction through the principles of reduce, reuse and recycle. To continuously practice energy and water conservation initiatives. 	  
Social	<ul style="list-style-type: none"> Occupational Safety and Health ("OSH") Workforce Diversity Training and Development Employee Welfare Community Engagement 	<ul style="list-style-type: none"> To foster a safe, healthy and conducive workplace that attracts, retains and motivates the right talents. To support employees in their personal and career growth. To strengthen employee welfare and engagement through appropriate benefits, effective grievance mechanisms and meaningful company events and activities. To enrich our local community through community outreach programmes. 	   
Governance	<ul style="list-style-type: none"> Regulatory Compliance Corporate Governance 	<ul style="list-style-type: none"> To ensure full compliance with all applicable laws and regulations while upholding the highest standards to ethical business conducts at all times. 	

SUSTAINABILITY STATEMENT

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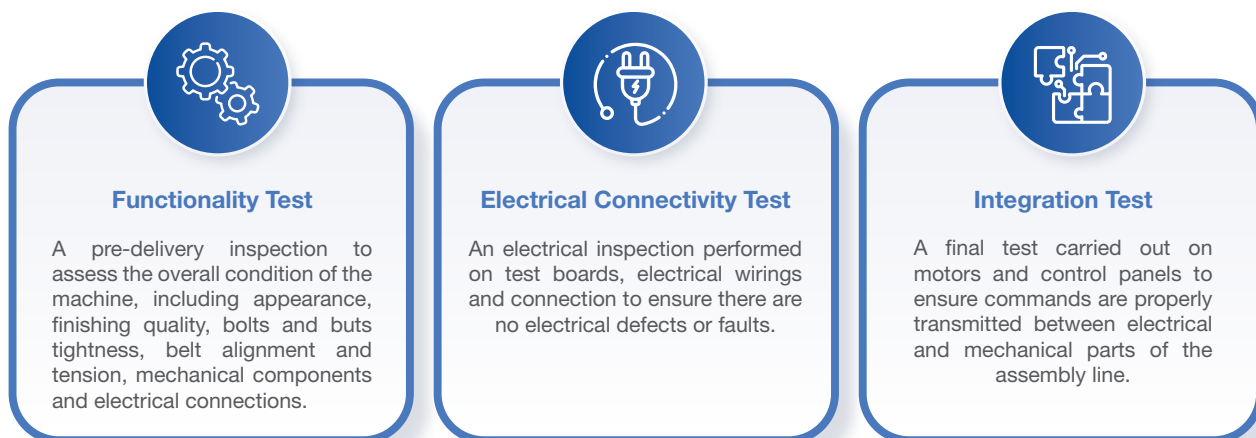
ECONOMIC

QUALITY ASSURANCE

As part of our commitment to business sustainability, we truly understand that quality is not simply a control measure but a continuous pursuit that shapes our reputation, enhances customer satisfaction and supports long-term resilience. To reinforce this commitment, we have put in place a Quality Policy that sets out our principles and obligations in delivering products and services that consistently meet and exceed customer expectations.

Driven by our quality slogan, “Quality, Reliability, Total Commitment”, we place great emphasis on maintaining stringent quality assurance and control processes throughout our operations. One of the key elements of these processes is the Factory Acceptance Test, which ensures that all assembled machinery undergoes a series of inspections and tests prior to delivery, installation and commissioning at our customer’s site.

To ensure the reliability, safety and performance of our products, our Factory Acceptance Test includes: -



Our focus on quality is further evidenced by our ISO 9001:2015 certification, which we have obtained since 2016 under the scope of “manufacturing of food processing equipment and related products”.

In addition to delivering quality products, our dedicated technical team also provides timely and reliable assistance after product delivery. This includes machine installation, user training and technical troubleshooting to ensure that our customers are well-supported throughout the operational use of our automation machinery solutions.

Customer satisfaction remains a key indicator of our quality performance. Based on our customer assessment conducted during FYE 2025, we received majority ratings of “Good” and “Excellent” across key criteria, including product quality, service, delivery, communication and complaint handling. Additionally, we are pleased to report that no customer complaints were recorded during the financial year.

TECHNOLOGICAL INNOVATION

At the heart of our growth strategy lies a strong commitment to technological innovation. To this end, we actively invest in advanced technologies and digital tools that enhance the efficiency and functionality of our products, enabling us to deliver greater value to our customers.

With UNSDG Target 8.2 in mind, we have been integrating the following technologies into our FOL processing solutions and EOL packaging solutions since 2022: -



SUSTAINABILITY STATEMENT

cont'd

ECONOMIC (CONT'D)

TECHNOLOGICAL INNOVATION (CONT'D)



PLCs and Software with Artificial Intelligence (“AI”) and Machinery Learning Technology

Our automation machinery solutions are equipped with PLCs to automate the entire processing and packaging lines. These PLCs also collect real-time operational data and, when integrated with machine learning capabilities, can support predictive maintenance by detecting potential malfunction or breakdown in advance, allowing timely intervention to prevent operational disruptions.



IoT Technology

Our automation machinery solutions are equipped with sensors that can detect operating parameters such as temperature, pressure, liquid or solid levels, and weight. Through IoT applications, our solutions provide customers with real time monitoring, machinery performance analysis and data analytics. This enables them to make informed decision, optimise operational efficiency and gain deeper visibility across their manufacturing processes.



Robotics Technology

We deploy robotics technology in our automation machinery solutions to automate tasks such as pick-and-place, robotic cleaning, packing and palletising, to enhance operational productivity and workplace safety.

Our in-house D&D team is the key driver of our Group’s technological innovation, integrating advanced technologies into our automation machinery solutions to meet the evolving market trends and customer demands. Moving forward, we intend to further enhance our IoT solutions and robotics technology through in-house engineering and development, focusing on rigorous prototype testing, data analytics and refinement of our solutions.

SUPPLY CHAIN MANAGEMENT

In today’s fast-evolving business landscape, we recognise that effective supply chain management is important to support our long-term growth and operational resilience. Here in ASM, we are dedicated to build and maintain a reliable, effective and efficient supply chain that underpins operational excellence, ensures product quality and enhances customer satisfaction.

In this aspect, we adopt a proactive approach to supplier selection and evaluation. Our suppliers are evaluated annually based on several criteria, including quality and availability, as well as lead time for delivery. We also maintain good and long-term business relationships with our suppliers, where some of them have been partnering with us for nearly two (2) decades as at FYE 2025, reflecting the deep trust and mutual reliability cultivated over the years.

For the FYE 2025, we are pleased to report that all our suppliers have met our stringent requirements. Throughout the year, we maintained a stable and uninterrupted supply chain, demonstrating the strength of our supplier network and the effectiveness of our supply chain management practices.

Meanwhile, in support of UNSDG Target 8.1, we strive to source materials and services locally to promote sustainable economic growth within our local community. However, given the specific requirements for the machineries we develop, majority of our materials are sourced from overseas due to the limited availability in Malaysia. Nevertheless, for materials which are widely available locally, we prioritise procurement from our local suppliers, wherever possible.



SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT

MATERIAL MANAGEMENT

We recognise that responsible and efficient use of resources is a key to reducing environmental impact while supporting operational and business sustainability. In line with UNSDG Target 12.5, we actively optimise material usage, minimise waste and embed resource-conscious practices across our operations to contribute to a circular economy and create long-term value through sustainable industrial practices.

In our fabrication activities, we prioritise the use of stainless steel and iron due to their high durability and longevity. These raw materials are not only robust but also support the development of long-lasting automation machinery. By ensuring that our products are built to endure the rigours of industrial use, we help reduce the need for frequent replacements, aligning with our commitment to environmental sustainability and efficient resource utilisation.

In addition, as part of our responsible waste management approach, we actively reuse stainless steel and iron scraps generated from our product cuts, whenever feasible. Instead of discarding these materials, we repurpose them into components in our production cycle, thereby minimising material wastage and maximising resource efficiency. Any remaining stainless steel and iron waste, including debris and by-products from our production processes that cannot be reused, are redirected to scrap buyers in line with our 3R principles: Reduce, Reuse and Recycle.

Aligned with UNSDG Target 12.4, we also carry out bi-annual scheduled waste disposal to properly manage our scheduled waste such as waste oil, empty containers and waste rags in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005.

During the FYE 2025, our Group generated approximately 150kg of solid waste, all classified as scheduled waste and was disposed of in accordance with Department of Environment guidelines. We are also pleased to report that for FYE 2025, we fully complied with all relevant environmental laws and regulations, resulting in no fines or penalties from regulatory authorities for environmental non-compliance.



ENERGY AND WATER MANAGEMENT

Energy plays a critical role in our daily operations, with electricity being the primary form consumed, complemented by other sources such as fuel used in logistics and transportation. In FYE 2025, our electricity consumption was recorded at 161,181 kWh. In line with UNSDG Target 12.2, we proactively implemented the following energy conservation practices across our operations during the financial year as part of our commitment to responsible energy use and environmental stewardship: -

- Installing light-emitting diode ("LED") lighting across most of our production and office areas to improve lighting efficiency;
- Maximising the use of natural sunlight in certain production areas to reduce reliance on artificial lighting;
- Transitioning to the use of electric forklifts in our daily operations to reduce fuel consumption and promote cleaner energy use; and
- Encouraging online meetings to replace physical meetings, wherever possible, and promoting carpooling among employees to minimise our carbon footprint from transportation.

With UNSDG Target 7.2 in mind, we are also exploring the integration of solar energy at our premises to complement or replace existing energy sources. This initiative reflects our long-term vision of adopting cleaner and renewable energy alternatives, contributing to reduced carbon emissions and enhanced energy efficiency in our business operations moving forward.



SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (CONT'D)

ENERGY AND WATER MANAGEMENT (CONT'D)

Aside from energy management, we remain equally focused on optimising water resources through responsible consumption practices. In FYE 2025, our total water consumption was recorded at 134 m³. While our water usage remains relatively modest, we are committed to managing this essential resource responsibly in alignment with UNSDG Target 6.4. In this regard, our water-saving initiatives include raising awareness to employees on the importance of water conservation and conducting routine inspections to detect and repair any leakages promptly. These efforts aimed to minimise water wastage and ensure sustainable use of water resources for our future generations.

Both our energy and water management are monitored by our Factory Manager and General Affairs Officer, who are responsible to keep track on the relevant consumption and report regularly to the SWC. This structured governance ensures an efficient oversight of our resource consumption, allowing us to minimise waste and optimise operational efficiency in line with best environmental practices.



SOCIAL

OCCUPATIONAL SAFETY AND HEALTH

Employees are our Group's greatest assets and we place the utmost emphasis on safeguarding their health and safety. In line with UNSDG Target 8.8, we have put in place an OSH Policy, outlining our approach and expectations for maintaining a safe and healthy workplace: -

- Providing and maintaining a safe, healthy and high-quality working environment;
- Ensuring all employees receive relevant information, directives, training and supervision to carry out tasks safely and properly;
- Identifying and complying with the Occupational Safety and Health Act 1994 and the approved industrial codes of practices;
- Promoting adherence to OSH procedures, rules and guidelines among employees; and
- Improving the Group's performance through effective safety management.

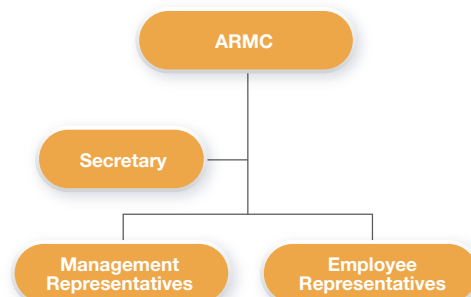


Guided by the OSH Policy, we have also developed a set of OSH objectives, which serve as specific targets and goals to be achieved through active participation and compliance by all our employees, as follows: -

- To ensure safety and health at the workplace are fully managed and implemented;
- To strive for zero life loss at work;
- To prevent any workplace injuries, illness and any incidents that can affect both the employers and employees; and
- To ensure that all employees have a better understanding of OSH practices.

To support the effective implementation of both OSH Policy and OSH Objectives, we have established an OSH Committee that plays an active role in monitoring and improving safety practices, policies and compliance across our operations.

Led by Executive Director, Mr Leong Weng Khin, the OSH Committee comprises an equal number of representatives from both the Management and employees. This balanced composition promotes fair and open communication, while reinforcing a shared responsibility for workplace safety.



In compliance with the Occupational Safety and Health Act 1994, we have also set up an Emergency Response Team ("ERT"), led by a trained Safety and Health Coordinator. The ERT is responsible for managing workplace emergencies and ensuring our Group's readiness to respond effectively in compliance with all relevant safety protocols.

SUSTAINABILITY STATEMENT

cont'd

SOCIAL (CONT'D)

OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

During FYE 2025, we conducted several OSH-related training sessions to raise awareness and strengthen our employees' capabilities in managing workplace risks, summarised as follows: -

OSH Training Programmes Attended During FYE 2025

April 2024	• Basic First Aid CPR AED Training
June 2024	• FMM OSH Conference 2024: OSH is Our Business
October 2024	• PPE & Chemical Handling Training Programme
November 2024	• Occupational Safety and Health Coordinator (OSH-C) • Mock Fire Drill
December 2024	• Risk Assessment Through HIRARC



In addition, we have conducted both Noise Risk Assessments ("NRA") and Chemical Health Risk Assessments ("CHRA") to safeguard our employees against potential exposure to harmful noise levels and hazardous chemicals. The NRA concluded that none of our employees or working areas were exposed to excessive noise level. The CHRA found that the overall risk was adequately controlled. These assessments ensure our compliance with the relevant OSH regulations and requirements, reflecting our commitment to proactive risk management and regulatory adherence.

In spite of our stringent OSH management, we recorded one (1) minor injury case in our operations during FYE 2025, both of which were addressed promptly with corrective actions taken. As we move forward, we will continue to enhance our OSH management and cultivate an injury-free workplace.

WORKFORCE DIVERSITY

Recognising that diversity drives innovation and operational resilience, we are dedicated to building a workforce that reflects a wide range of backgrounds, experiences and perspectives. We believe that inclusive practices not only enrich our organisational culture but also strengthen our ability to make well-informed decisions, attract top talent and respond effectively to the evolving industry and market demands.

Aligned with UNSDG Target 10.3, we strive to create a dynamic and collaborative working environment where every employee has equal opportunities to grow, thrive and contribute meaningfully to our Group's success.



SUSTAINABILITY STATEMENT

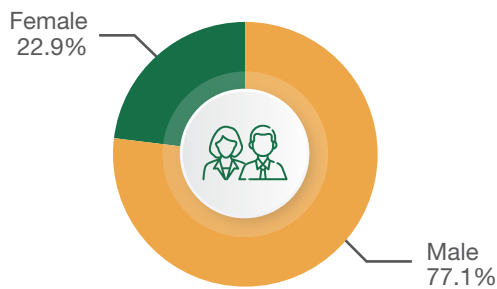
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SOCIAL (CONT'D)

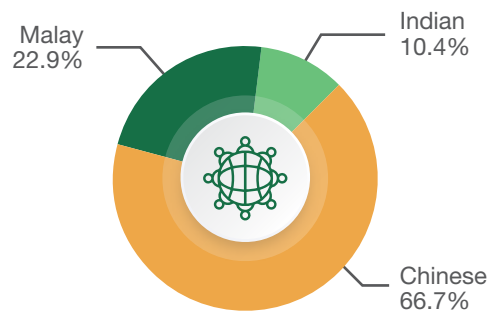
WORKFORCE DIVERSITY (CONT'D)

As at 31 March 2025, our Group comprised 96 Malaysian employees, with the demographic analysis as follows: -

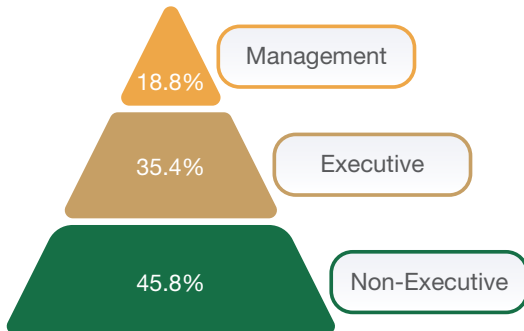
Gender



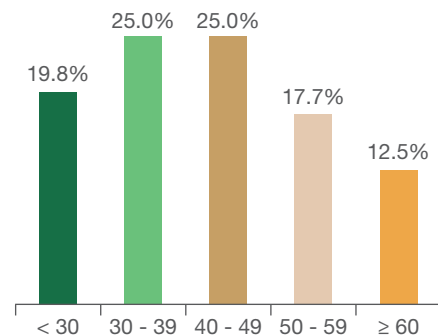
Ethnicity



Employee Structure



Age



Our commitment to diversity and inclusion extends beyond operational level to our Board, who plays a pivotal role in ensuring effective governance and strategic leadership. We recognise that a diverse Board fosters broader perspectives, more robust discussions and better decision-making.

Guided by our Board Charter, we strive to maintain a well-balanced Board comprising individuals with diverse skills, knowledge, expertise, experience, background, gender and perspective. As at 31 March 2025, 42.9% of our Board members were female directors, reflecting our alignment with UNSDG Target 5.5, which promotes full and effective participation of women in leadership and decision-making roles.

To reinforce our inclusive culture, we have also embedded anti-discrimination principle across our Group through our Equal Employment Policy, as stipulated in our Employee Handbook. We are committed to maintaining a respectful and inclusive workplace where employment practices are free from bias related to race, gender, religion, age or disability.

In addition, all our employees are permanent employees, and we recorded a low turnover rate of 1.0% for FYE 2025, reflecting a stable workforce that supports our business sustainability and operational continuity.



SUSTAINABILITY STATEMENT

cont'd

SOCIAL (CONT'D)

TRAINING AND DEVELOPMENT

To support the growth of both our employees and the Group, we continuously invest in developing our people by equipping them with the necessary knowledge and skills. In line with UNSDG Target 4.4, we are committed to providing meaningful training opportunities that foster professional development of our employees while strengthening the Group's overall capabilities and competitiveness in this dynamic business landscape

During FYE 2025, we allocated RM13,227 for training and development initiatives, with the full amount claimable under the Human Resources Development Corporation ("HRDC"). This investment translated into a total of 91 training hours, reflecting our commitment to continuous learning across all levels of our organisation.



Save for the OSH-related trainings mentioned earlier, our employees also attended the following training programmes, aimed at strengthening their functional knowledge, industry awareness and technical proficiency: -

Training Programmes Attended During FYE 2025

March 2024	<ul style="list-style-type: none"> • 20th MEXPA Seminar on Government Grants and Financial Assistance for Malaysian Companies and Its Application Procedures • FMM Supply Chain Webinar 2024 - Understanding Freight Forwarding and Multimodal Transport to Facilitate Export-Import Procedures • Environment, Social and Governance (ESG) Kickstart for SME
April 2024	<ul style="list-style-type: none"> • Automate GD&T using SOLIDWORKS Course

EMPLOYEE WELFARE

While emphasising on workforce diversity and training and development for employees, we believe that employee welfare is also important in building a sustainable and high performing workforce. By prioritising the well-being and development of our workforce, we aim to create a positive and conducive working environment where employees feel valued, empowered and motivated to contribute meaningfully to our Group's long-term success.

As part of our approach to employee welfare, we offer a comprehensive range of employee benefits designed to support the well-being of our workforce. These includes various forms of leave, medical benefits, travel allowances, as well as equitable wages that not only meet or exceed statutory requirements but also remain competitive within the industry.

Beyond offering fair benefits and entitlements, we place strong emphasis on listening to our employees and valuing their inputs. We promote a culture of open communication and maintain ongoing engagement to better understand their needs and perspectives. To support this, our Employee Handbook outlines clear grievance procedures, guiding our employees on the following steps to raise concerns constructively through established channels: -

Employees are encouraged to raise any problems or complaints with their immediate superior within five (5) working days of the incident. If the matter remains unresolved within five (5) working days, such issue will be considered as a formal grievance.

The grievance may then be raised with the Department Head within five (5) working days from the date of the grievance.

If the grievance still remains unresolved within five (5) working days, the employee may raise the grievance with Human Resources ("HR") Department within the next five (5) working days. HR Department will review the grievance and seek advice of the Board if needed. The final decision made by HR Department or the Board will be final.

SUSTAINABILITY STATEMENT

cont'd

SOCIAL (CONT'D)

EMPLOYEE WELFARE (CONT'D)

It is our priority to resolve our employees' problems, complaints and grievance at the earliest stage and in the most effective manner possible. During FYE 2025, we are pleased to report that we have not received any grievance reports from our employees. In addition, there were no fines or penalties imposed on the Group in relation to human rights violations or non-compliance with labour laws.

On the other hand, to strengthen our employee engagement and foster camaraderie, we organised various company activities and events aimed at creating a more inclusive and connected working environment. During FYE 2025, we hosted festive celebrations for Chinese New Year, Hari Raya and Deepavali, bringing employees together to appreciate cultural diversity and build stronger interdepartmental relationships. These events not only enhanced team spirit but also reflected our commitment to promoting unity and well-being in the workplace.



COMMUNITY ENGAGEMENT

We firmly believe that the value we gain from the community should be returned in ways that create meaningful impact. In line with this belief, we actively engage in initiatives that promote inclusive growth, support local development and foster long-term relationships with the communities where we operate.

During FYE 2025, we organised and participated in the following initiatives with the aim of creating shared value, advancing social well-being and contributing to a more resilient and compassionate society: -

Blood Donation Campaign

On 7 August 2024, we collaborated with the Ministry of Health and St. John Ambulance Perak Tengah to organise a blood donation campaign at our premise. This campaign aimed to raise awareness of the vital role that blood donation plays in saving lives, while also encouraging civic responsibility among our employees.



SUSTAINABILITY STATEMENT

cont'd

SOCIAL (CONT'D)

COMMUNITY ENGAGEMENT (CONT'D)

Charity Food Fair

On 7 September 2024, we participated in the Annual Charity Food Fair organised by The Salvation Army Ipoh, held at the Salvation Army Ipoh Children's Home. At the event, we contributed by setting up a booth to sell food and desserts, with all proceeds donated in support of the organisation's charity efforts. This initiative reflects our ongoing commitment to community welfare and aligns with our EESG values to uplift those in need. Through small but meaningful actions, we strive to bring encouragement, care and hope to the underserved groups in our community.



GOVERNANCE

REGULATORY COMPLIANCE

We acknowledge that regulatory compliance is more than just meeting legal obligations. It serves as the foundation of ethical business conduct, stakeholders' trust and sustainable business growth. As a responsible corporate citizen, we uphold high standards of integrity and accountability across all aspects of our operations by ensuring full compliance with all applicable laws and regulations that govern our business.

Amongst others, the key laws and regulations relevant to our business include: -

- Industrial Co-ordination Act 1975;
- Local Government Act 1976;
- Factories and Machinery Act 1967;
- Occupational Safety and Health Act 1994;
- Environmental Quality Act 1974; and
- Employment Act 1995.

During FYE 2025, we are pleased to report that no sanctions, fines or penalties were imposed on our Group by any regulatory authorities in relation to the violations of relevant laws and regulations.

CORPORATE GOVERNANCE

While regulatory compliance keeps us aligned with the legal standards, corporate governance defines the principles and structures that shape how we lead, make decisions and remain accountable to our stakeholders. We believe that ethical leadership, accountability and transparent decision-making are essential to safeguard our stakeholders' interests and drive long-term value creation.

SUSTAINABILITY STATEMENT

cont'd

GOVERNANCE (CONT'D)

CORPORATE GOVERNANCE (CONT'D)

As part of our EESG efforts, we remain committed to maintaining a governance framework built on transparency, integrity and accountability in line with best practices and regulatory expectations. To this end, we have implemented the following key policies during FYE 2025 to reinforce good governance across our operations: -

Code of Conducts and Ethics ("the Code")

The Code serves as a guiding framework that outlines clear expectations to uphold integrity, regulatory compliance and ethical business conduct across all levels in our Group. It aims to foster principled decision-making, safeguard stakeholders' trust and ensure that our Group operates with fairness, accountability and professionalism at all times.

Anti-Bribery and Corruption Policy ("ABC Policy")

In line with UNSDG Target 16.5 and the Malaysian Anti-Corruption Commission ("MACC") Act 2009, we have adopted a strict zero-tolerance stance against all forms of bribery and corruption. To support this commitment, we have formalised and implemented an ABC Policy that sets out adequate measures in addressing various potential bribery and/or corruption situations that may arise in the ordinary course of our business, while also outlining the sanctions for any violations of the policy.



Whistleblowing Policy

In support of the Code and ABC Policy, we have established a Whistleblowing Policy which provides a formal avenue for our employees and stakeholders to report genuine concerns about any suspected or known improper conduct, wrongdoing or malpractice within the Group.

Whistleblowers may report their concerns to their immediate superior or, if deemed inappropriate, directly to the Chairperson of ARMC via post or e-mail. Upon receiving the whistleblowing report, the ARMC will establish a Whistleblowing Investigation Team to carry out an independent investigation. Upon completion of the investigation, appropriate disciplinary actions will be undertaken and all processes will be properly documented.

In compliance with the Whistleblower Protection Act 2010, whistleblowers who report in good faith will be protected from any adverse and detrimental actions and all reports will be handled promptly and with the utmost confidentiality.

Directors' Fit and Proper Policy

At the core of sound corporate governance is ethical and responsible leadership. To support the appointment of suitably qualified individuals to the Board, we have adopted a Directors' Fit and Proper Policy, which provides a structured framework for assessing and evaluating both current Board members and potential director candidates to ensure that each Director possesses the appropriate character, integrity, experience, competence, time and commitment to discharge their duties and responsibilities effectively.

All the policies outlined above are publicly accessible on our Company's website at <https://arrowsystemsonline.com/corporate-governance-policies/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

Pursuant to Rule 15.25(1) and Guidance Note 11 of the AMLR, the Board is pleased to present this Corporate Governance Overview Statement (“**CG Statement**”), which provides an overview of the Board’s key initiatives and commitments to promote good corporate governance throughout the Group during the FYE 2025. This CG Statement also reflects the application of the following three (3) key corporate governance principles as guided by the Malaysian Code on Corporate Governance (“**MCCG**”):

Principle A: Board Leadership and Effectiveness

Principle B: Effective Audit and Risk Management

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Shareholders are encouraged to read this CG Statement alongside the Company’s Corporate Governance Report (“**CG Report**”), which provides comprehensive disclosures on the implementation of each corporate governance practices. The CG Report is available on the Bursa Securities’ website at www.bursamalaysia.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1.1 Board Leadership and Strategic Oversight

Functions of the Board

The Board assumes full responsibility for the Group’s overall performance and guides the Company in achieving its corporate goals and objectives by providing advice and direction to the Management as well as setting corporate strategies for growth and new business development. To ensure effective discharge of its function and duties, the key responsibilities of the Board include, among others, the following:

- Providing leadership and oversight of the overall conduct of the Group’s business, including supervising and assessing the management’s performance to ensure the business is being properly managed.
- Reviewing and adopting a strategic plan for the Group that supports long-term value creation which includes economic, environmental, social and governance (“**EESG**”) considerations underpinning sustainability of the Group.
- Reviewing the adequacy and effectiveness of risk management, legal and compliance management and internal control systems and framework to safeguard the Group’s reputation, employees and assets.
- Establishing and maintaining effective Board Committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG.
- Ensuring the integrity of the Group’s financial and non-financial reporting.
- Fostering and maintaining a strong ethical culture and standards within an organisation including combating corruption, bribery and money laundering practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I: BOARD RESPONSIBILITIES (cont'd)

1.1 Board Leadership and Strategic Oversight (cont'd)

Board Committees

To enhance the Board's efficiency and effectiveness, the Board has delegated certain responsibilities and authorities to the following three (3) Board Committees, which operate within their respective clearly defined Terms of Reference:

- **Audit and Risk Management Committee ("ARMC")** supports the Board in overseeing financial reporting, audit processes and risk management, including:
 - (i) ensuring the integrity of the Group's financial reporting;
 - (ii) monitoring compliance with legal and regulatory requirements;
 - (iii) evaluating the effectiveness of the Group's enterprise risk management and internal control framework; and
 - (iv) overseeing the independence and performance of both external and internal auditors.
- **Nomination Committee ("NC")** assists the Board in matters relating to Board composition and governance, including:
 - (i) overseeing Board appointments, re-election processes and performance evaluations;
 - (ii) promoting diversity and inclusion within the Board and Key Senior Management;
 - (iii) facilitating induction programmes and continuing professional development for Directors;
 - (iv) reviewing the composition and membership of Board Committees; and
 - (v) succession planning of Executive Directors and Key Senior Management.
- **Remuneration Committee ("RC")** is tasked with overseeing the Company's remuneration policies and practices, including:
 - (i) establishing a fair and competitive remuneration framework for Directors;
 - (ii) reviewing and recommending the remuneration and incentive framework, including equity-based incentive schemes, for the Managing Director, Executive Directors and Key Senior Management; and
 - (iii) providing input on strategic human resources policies related to compensation.

These Board Committees do not have decision-making authority on behalf of the Board. Instead, each Committee is empowered to deliberate on specific matters within its Terms of Reference and to make recommendations to the Board for its consideration and decision making.

Details of the Board Charter and Terms of Reference for each Board Committees are available on the Company's website at www.arrowsystemsonline.com/corporate-governance-policies.

1.2 Board Chairman's Role and Independence

The Board is chaired by Tengku Faizwa Binti Tengku Razif ("**Tengku Faizwa**"), an Independent Non-Executive Chairperson. The Board Chairperson is responsible for promoting sound corporate governance practices, providing leadership to the Board and overseeing the overall Board effectiveness. She also plays an active role in facilitating Board meetings by encouraging active participation of all Directors and ensuring that all agenda items are thoroughly deliberated.

In line with Practice 1.3 of MCGG, the positions of the Board Chairperson and Managing Director are held by two (2) different individuals, with clearly defined division of responsibilities in the Board Charter. This separation ensures a clear segregation of duties and prevents any undue concentration of power. While our Board Chairperson, Tengku Faizwa, focuses on corporate governance, Board leadership and effectiveness as well as leads the Board in overseeing Management, our Managing Director, Mr. Chan Kok Heng, is responsible for the day-to-day business operations of the Group and for executing the approved strategies and policies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I: BOARD RESPONSIBILITIES (cont'd)

1.2 Board Chairman's Role and Independence (cont'd)

In addition, the Board Chairperson is not a member of ARMC, NC and RC, nor does she participate in any of the Board Committees' meetings. This allows the Board Chairperson to maintain a neutral and objective perspective when considering the observations, recommendations and reports presented by the respective Board Committees. It also enhances the integrity of the Board's decision-making process and allows the Board Chairperson to provide impartial leadership while upholding the principles of good corporate governance.

1.3 Board Support and Governance Practices

Company Secretaries

The Board is supported by two (2) suitably qualified Company Secretaries, both of whom are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as the company secretary under Section 235(2) of the Companies Act 2016. The Company Secretaries assist the Board in discharging its duties by providing guidance on corporate governance matters, company administration and meeting procedures, thereby ensuring compliance with the applicable laws and regulations while upholding high standards of corporate governance. All Directors have unrestricted access to the advice and support of the Company Secretaries.

Board Meetings and Decision-Making Process

To ensure optimal Board attendance, meetings of the Board and Board Committees are scheduled in advance, allowing Directors ample time to reserve the dates and coordinate their schedule accordingly. Notices, agendas and meeting papers containing the relevant reports and materials are circulated five (5) business days prior to each meeting. This provides the Directors with sufficient time for thorough review, thoughtful consideration of agenda items, and when necessary, seek clarification or additional information from the Management to support informed decision making. Additionally, the Board has unrestricted access to all information pertaining to the Group's business and operations, as well as timely access to the advice and services of the Company Secretaries and Management. Meeting minutes are duly recorded, reviewed and confirmed at the subsequent meeting to ensure an accurate and reliable record of deliberations.

In addition, the Board has unrestricted access to all information concerning the Group's business and affairs, along with the advice and services of the Company Secretaries and the Management in a timely manner.

1.4 Board Charter

The Board has adopted a Board Charter outlining the respective roles and responsibilities of the Board, Board Committees, individual Directors, as well as matters reserved for the Board, the Board's governance and authority. The Board Charter is subject to periodic review by the Board, or as and when required, to ensure it remains aligned with prevailing legal and regulatory requirements and to reaffirm its relevance in terms of objectives and responsibilities.

1.5 Code of Conduct and Ethics

The Group is committed to conducting its business fairly, impartially and in full compliance with all applicable laws and regulations. To this end, the Board has established the Code of Conduct & Ethics ("the Code"), which sets clear expectations and standards for Directors and employees. The Code outlines principles and measures for managing conflicts of interest, preventing corruption, safeguarding confidential information and ensuring compliance with legal and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I: BOARD RESPONSIBILITIES (cont'd)

1.6 Anti-Bribery and Corruption Policy

The Group is committed to conducting business professionally, fairly and with integrity in all relationships. The Group has adopted an Anti-Bribery and Corruption Policy (“**ABC Policy**”) in line with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, demonstrating a zero-tolerance stance towards bribery and corruption. This ABC Policy serves as a guide by outlining the principles and methods for addressing bribery and corruption related activities and issues when they arise.

1.7 Whistleblowing Policy

As an additional measure to safeguard the integrity of the Group, the Board has established a Whistleblowing Policy to reinforce the Group’s commitment to ethical and legal business operations and to provide an avenue for the employees of the Group and members of public to raise genuine concerns in good faith without fear of reprisal.

The Board is pleased to report that the Group has not received any whistleblower reports concerning breaches of the Company’s policies or applicable laws during the FYE 2025.

1.8 Directors’ Fit and Proper Policy

Pursuant to Rule 15.01A of the AMLR, the Board has in place a Directors’ Fit and Proper Policy to ensure that the Board are equipped with individuals of high calibre who possess the right character, experience, expertise, integrity, track record and qualifications. The Board, assisted by the NC, shall assess the candidates seeking for appointment or re-election based on the Directors’ Fit and Proper Policy.

The Board Charter, the Code, ABC Policy, Whistleblowing Policy and Directors’ Fit and Proper Policy are periodically reviewed to ensure continued effectiveness and alignment with best practices. These documents are available on the Company’s website at www.arrowsystemsonline.com/corporate-governance-policies.

1.9 Sustainability Governance

The Board, in collaboration with management, is committed to deliver long term sustainable value relating to ESG to all stakeholders, both internal and external. The Board is always mindful that business and governance sustainability are among the key considerations in driving long term sustainable value creation.

Detailed information pertaining to the stakeholders’ engagement, materiality assessment and sustainability strategies, targets and its performance can be found in the Sustainability Statement in this Annual Report.

The Board remains committed to equipping its Directors with the necessary knowledge on sustainability matters to ensure they stay informed of applicable requirements, industry developments, and sustainability issues relevant to the Group’s business affairs, including climate-related risks and opportunities. As of 31 March 2025, two (2) out of seven (7) Directors have completed their Mandatory Accreditation Programme Part II: Leading for Impact. The Board will continue to take appropriate actions to ensure they stay abreast with and understand the sustainability issues relevant to the Group and its business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II: BOARD COMPOSITION

2.1 Board Governance, Independence and Diversity

Board Composition

Currently, the Board has seven (7) members and comprises one (1) Managing Director, two (2) Executive Directors and four (4) Independent Non-Executive Directors including the Board Chairperson, as follows:

Directors	Directorship
Tengku Faizwa	Independent Non-Executive Chairperson
Chan Kok Heng	Managing Director
Leong Weng Khin	Executive Director
Kamalam A/P Kurup Krishnan	Executive Director
Dato' Ts. Dr. Thian Boon Chung	Independent Non-Executive Director
Woo Ah Kek	Independent Non-Executive Director
Jolene Lai Ooi Yoke	Independent Non-Executive Director

The current Board composition remained in compliance with:

- **Rule 15.02 of the AMLR**, which requires at least one-third (1/3) of the Board to be independent;
- **Practice 5.2 of the MCCG**, which requires at least half of the Board to comprise Independent Non-Executive Directors; and
- **Practice 5.9 of the MCCG**, which requires at least 30% of the Board to be women.

The Board values diversity, recognising that a blend of skills, experience, age, gender, cultural background and ethnicity is essential for fostering diverse perspectives that contribute to the Group's sustainable growth. Currently, the Board members have diverse backgrounds and experiences in various fields. Collectively, the Directors bring a wide range of skills, expertise, experience and knowledge to manage the Group's businesses. The details of the qualification and experience of each Director are provided in the Board of Directors' Profile of this Annual Report.

Board Committees

The current composition of the Board Committees is as follows:

Directors	ARMC	NC	RC
Dato' Ts. Dr. Thian Boon Chung (Independent Non-Executive Director)	Member	Member	Chairperson
Woo Ah Kek (Independent Non-Executive Director)	Chairperson	Member	Member
Jolene Lai Ooi Yoke (Independent Non-Executive Director)	Member	Chairperson	Member

The Board Committees are established to oversee specific matters, while the Board retains ultimate responsibility for all decisions. Each Board Committee operates within their respective clearly defined Terms of Reference, ensuring effective delegation of responsibilities while allowing the Board to focus on strategic priorities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II: BOARD COMPOSITION (cont'd)

2.1 Board Governance, Independence and Diversity (cont'd)

Board Committees (cont'd)

Throughout the FYE 2025 and up to the date of this CG Statement, the summary of the activities carried out by the Board Committees are as follows:

NC

- (a) Conducted the annual performance evaluation to review the size, composition and effectiveness of the Board and Board Committees as a whole;
- (b) assessed the skills, experience and contribution of each individual Directors,
- (c) reviewed the performance of the ARMC, the NC and the RC;
- (d) evaluated the independence of Independent Directors;
- (e) reviewed and recommended the re-election of the retiring Directors at the forthcoming First Annual General Meeting ("AGM"); and
- (f) reviewed the training programmes attended by the Directors and training needs.

RC

- (a) reviewed the bonus and reward payment for the Executive Directors and Key Senior Management; and
- (b) reviewed the Directors' fees and benefits payable to the Non-Executive Directors.

ARMC

The summary of activities carried out by the ARMC is provided in the ARMC Report of this Annual Report

Tenure of Independent Non-Executive Directors

As of the date of this Annual Report, none of the Independent Directors has served on the Company's Board for more than nine (9) years. Based on the Company's Board Charter, the tenure of the Independent Directors shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Directors' re-designation as Non-Independent Director. Nonetheless, should the Board wish to retain such Director as Independent Director, the Board must justify its decision and seek annual shareholders' approval through a two-tier voting process at the AGM as recommended by Practice 5.3 of the MCGG.

Appointment and Re-election of Directors

The selection of Directors follows a formal and transparent process, guided by the Board Charter, Directors' Fit and Proper Policy and Gender Diversity Policy. The Board, through the NC, evaluates potential candidates based on the character, competence, experience, integrity and time commitment, including:

- age and gender diversity;
- skills, knowledge, expertise, and wide range of background;
- professionalism;
- commitment;
- contribution and performance;
- high ethical standards and sound practical sense; and
- integrity in personal and business dealings.

No new Director appointments were made during the FYE 2025. Nevertheless, the NC does not confine itself solely to recommendations from the existing Board members, Management or major shareholders when identifying candidates for appointment of Directors. Instead, the NC will utilise variety of approaches and sources, to ensure that the most suitable candidates are identified, including but not limited to the sourcing from a directors' registry, open advertisements, engagement of independent search firms, and to obtain independent professional advice or other advice.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II: BOARD COMPOSITION (cont'd)

2.1 Board Governance, Independence and Diversity (cont'd)

Appointment and Re-election of Directors (cont'd)

In accordance with the Company's Constitution, all the Directors shall retire from office at the First AGM of the Company and shall be eligible for re-election. The performance of the retiring Directors, who are recommended for re-election at the forthcoming First AGM, are assessed through the annual assessment, guided by the Directors' Fit and Proper Policy.

All seven (7) retiring Directors ("**Retiring Directors**") who retire and being eligible, have offered themselves for re-election at the forthcoming First AGM. The NC, after evaluating and being satisfied with the overall performance and contributions of the Retiring Directors, has recommended their re-election to the Board for further recommendation to the shareholders of the Company for consideration and approval at the forthcoming First AGM.

A statement by the Board and the NC being satisfied with the performance and effectiveness of the retiring Directors standing for re-election at the First AGM as well as the justification from the Board to support the re-election of Directors are stated under the explanatory notes in the Notice of the AGM.

The Directors' Fit and Proper Policy and Board Diversity Policy are available on the Company's website at www.arrowsystemsonline.com/corporate-governance-policies.

Gender Diversity of Board and Senior Management

As guided by its Gender Diversity Policy, the Company is committed to fostering diversity at both the Board and Senior Management levels, encompassing professional and business experiences, skills, knowledge, gender, age, ethnicity and cultural background. The policy sets a target of achieving at least 30% representation of women in both Board and Senior Management levels.

As at the date of this CG Statement, the Board comprises three (3) women Directors, representing 42.86% women representation on the Board, thereby exceeding the 30% target as envisaged in Practice 5.9 of the MCCG and the Company's Gender Diversity Policy.

Beyond gender diversity, the Board embraces a broader spectrum of diversity, including professional background, industry experience and competencies. By fostering an inclusive leadership approach, the Company promotes innovation, enhances decision-making and ensures equitable opportunities at all levels.

2.2 Overall Effectiveness of the Board

The Board, through the NC, conducted its annual assessment to evaluate the effectiveness of the Board as a whole, the Board Committees and individual Directors for FYE 2025. The evaluation was carried out internally via Directors' self-assessments and peer reviews, and was facilitated digitally through a secure online assessment platform administered by the Company Secretaries.

Based on the assessment results, the Board, through the NC, concluded that the Board, Board Committees and each Directors have effectively and satisfactorily discharged their respective duties and responsibilities throughout the financial year. The overall composition of the Board and the Board Committees is deemed well-balanced and appropriate, based on their current size, skills mix, core competencies and experience. Further details of the assessment results are disclosed in the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II: BOARD COMPOSITION (cont'd)

2.3 Meeting Attendance

During the FYE 2025, the number of meetings held and attended by each member of the Board and Board Committees are as follows:

Directors	Board	ARMC	NC	RC
Tengku Faizwa	2/2	-	-	-
Chan Kok Heng	2/2	-	-	-
Leong Weng Khin	2/2	-	-	-
Kamalam A/P Kurup Krishnan	2/2	-	-	-
Dato' Ts. Dr. Thian Boon Chung	2/2	-	-	-
Woo Ah Kek	2/2	-	-	-
Jolene Lai Ooi Yoke	2/2	-	-	-

The Board and Board Committees were unable to meet the minimum number of meetings prescribed in the Board Charter and the respective Terms of Reference during FYE 2025. This was primarily because the Board Charter and the Terms of Reference of Board Committees were only adopted on 24 September 2024, following the Company's listing preparation. As such, there was a limited timeframe within the FYE 2025 to fully meet the prescribed meeting frequency.

The Board and Board Committees are committed to full compliance with the prescribed meeting requirements moving forward and ensure that appropriate meeting arrangements are implemented for the financial year ending 31 March 2026 and beyond.

Notwithstanding the limited number of meetings held during FYE 2025, the Board is satisfied with the level of commitment demonstrated by all Directors during the period. Their active participation in meetings reflects their dedication to maintaining high governance standards and contributing to the overall effectiveness of the Company.

2.4 Directors' Training

The Board recognises the importance of continuous training and education to ensure that Directors possess the necessary skills and knowledge to discharge their responsibilities effectively. In compliance with Rule 15.08 of the AMLR, the Directors attended the following training programmes during the FYE 2025 and up to the date of this CG Statement:

Directors	Date	Training Programme/Seminar Attended
Tengku Faizwa	02.10.2024 – 03.10.2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Institute of Corporate Directors Malaysia ("ICDM")
Chan Kok Heng	20.01.2025 – 21.01.2025	Mandatory Accreditation Programme (MAP) Part I by ICDM
Leong Weng Khin	20.01.2025 – 21.01.2025	Mandatory Accreditation Programme (MAP) Part I by ICDM
Kamalam A/P Kurup Krishnan	20.01.2025 – 21.01.2025	Mandatory Accreditation Programme (MAP) Part I by ICDM
Dato' Ts. Dr. Thian Boon Chung	15.04.2025 – 16.04.2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by CIDM

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II: BOARD COMPOSITION (cont'd)

2.4 Directors' Training (cont'd)

The Board recognises the importance of continuous training and education to ensure that Directors possess the necessary skills and knowledge to discharge their responsibilities effectively. In compliance with Rule 15.08 of the AMLR, the Directors attended the following training programmes during the FYE 2025 and up to the date of this CG Statement: (cont'd)

Directors	Date	Training Programme/Seminar Attended
Woo Ah Kek	08.05.2024	Hasil – Chartered Tax Institute of Malaysia (CTIM) Tax Forum 2024
	11.06.2024 – 12.06.2024	MIA International Accountants Conference 2024
	22.07.2024 – 23.07.2024	National Tax Conference 2024
	28.10.2024 – 29.10.2024	MIA Webinar Series: e-Invoicing Updates, Implementation and Self Billing
	21.11.2024 – 22.11.2024	MIA Webinar Series: Practical Approach to Accounting Principles and Practices Series – Advanced Level
	07.01.2025	MIA Forum with Practitioners
	20.01.2025 – 21.01.2025	Mandatory Accreditation Programme (MAP) by ICDM
	14.04.2025 – 15.04.2025	Malaysian Tax Conference 2025
	26.05.2025 – 27.05.2025	MIA International Accountants Conference 2025
Jolene Lai Ooi Yoke	20.01.2025 – 21.01.2025	Mandatory Accreditation Programme (MAP) by ICDM
	14.03.2025	Combating fraud, money laundering and corruption

In addition to the training programmes attended, the Directors remained informed of relevant changes in the listing requirements, regulatory updates, laws and accounting standards through periodic updates from the Company Secretaries, as well as briefings by the External Auditors and Management.

The Board remains committed to continuously assessing and fulfilling the training needs of its Directors, ensuring they are well-equipped to navigate the complexities of their roles effectively.

PART III: REMUNERATION

3.1 Remuneration Policies, Procedures and Oversight

In line with Practice 7.1 of the MCCG, the Board has established a structured Remuneration Policy for Directors and Senior Management, which outlines the principles, structure and procedures for determining the remuneration packages of Directors and senior management of the Company. To ensure objectivity in the review process, the RC comprises solely Independent Non-Executive Directors. The composition of the RC and its summary of activities are provided in Section 2.1 of this CG Statement.

In addition, the RC's Terms of Reference also provide guidance on determining the remuneration for Directors and senior management. The remuneration packages for the Executive Directors and senior management are linked to corporate and individual performance. For Non-Executive Directors, they shall be paid by a basic fee based on their responsibilities assumed in the Board and Board Committees, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not based on commissions or a percentage of profits or turnover.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART III: REMUNERATION (cont'd)

3.1 Remuneration Policies, Procedures and Oversight (cont'd)

The RC reviewed the Directors' fees and benefits payable to the Independent Non-Executive Directors, and recommended to the Board for approval. To uphold fairness and transparency, every Directors shall abstain from participating in discussions and voting on matters concerning their own remuneration.

The Remuneration Policy for Directors and Senior Management is available on the Company's website at www.arrowsystemsonline.com/corporate-governance-policies.

3.2 Remuneration of Directors and Senior Management

The details of the Directors' remuneration received/receivable from the Company and the Group during the FYE 2025 are as follows:

	Fee	Allowance	Salary	Bonus	Other Emolument	Benefits- in-kind	Total
	(RM'000)						
<u>Company</u>							
Non-Executive Directors							
Tengku Faizwa	₹*	₹*	-	-	-	-	-
Dato' Ts. Dr. Thian Boon Chung	₹*	₹*	-	-	-	-	-
Woo Ah Kek	₹*	₹*	-	-	-	-	-
Jolene Lai Ooi Yoke	₹*	₹*	-	-	-	-	-
Executive Directors							
Chan Kok Heng	-	-	-	-	-	-	-
Leong Weng Khin	-	-	-	-	-	-	-
Kamalam A/P Kurup Krishnan	-	-	-	-	-	-	-
<u>Group</u>							
Non-Executive Directors							
Tengku Faizwa	₹*	₹*	-	-	-	-	-
Dato' Ts. Dr. Thian Boon Chung	₹*	₹*	-	-	-	-	-
Woo Ah Kek	₹*	₹*	-	-	-	-	-
Jolene Lai Ooi Yoke	₹*	₹*	-	-	-	-	-
Executive Directors							
Chan Kok Heng	-	30	150	-	20	22	222
Leong Weng Khin	-	24	132	-	17	-	173
Kamalam A/P Kurup Krishnan	-	13	101	55	5	-	174

Note:

* Our Non-Executive Directors only be entitled to the Directors' fees and allowance from the date of our Listing on 2 July 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART III: REMUNERATION (cont'd)

3.2 Remuneration of Directors and Senior Management (cont'd)

The Board is of the opinion that the detailed disclosure of remuneration of the Senior Management on a named basis would not be in the best interest of the Company due to the highly competitive environment, which could lead to talent retention challenges. After due consideration of sensitivity and confidentiality of remuneration details, the Board opted to disclose the remuneration of Senior Management received/receivable for the FYE 2025 in bands of RM50,000 on an unnamed basis in compliance with the MCCG, as follows:

Range of Remuneration*	Number of Senior Management
RM50,001 to RM100,000	1
RM100,001 to RM150,000	2
RM150,001 to RM200,000	1

Note:

* The remuneration includes salary and other emoluments, bonuses, contributions to the defined contribution plan and social security contributions. Successive bands of RM50,000 are not shown entirely as they are not represented.

The Board, through the RC, ensures that the remuneration of Senior Management is aligned with their experience, performance and level of responsibility. In determining remuneration, the Board takes into account individual contributions and the overall performance of the Company, with the objective of maintaining competitive remuneration packages that attract, retain, and motivate key talent to drive long-term value creation.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: AUDIT COMMITTEE

4.1 Effective and Independent ARMC Oversight

The ARMC has been entrusted by the Board with responsibility for overseeing the Group's accounting, audit, internal controls and risk management functions. In adherence to Practice 9.1 of the MCCG, the positions of the Board Chairperson and the Chairperson of the ARMC are held by different individuals. While Tengku Faizwa serves as the Board Chairperson, the ARMC is chaired by Mr. Woo Ah Kek, both of whom are Independent Non-Executive Directors. This segregation of role reinforces the Board's objectivity and independence in evaluating ARMC's findings and recommendations.

The ARMC comprises three (3) Independent Non-Executive Directors, and none of its members are alternate Directors in compliance with Rule 15.09(2) of the AMLR. Details of the ARMC membership are provided in Section 2.1 of this CG Statement.

To safeguard the independence of the ARMC, its Terms of Reference stipulates that a former partner of the external audit firm of the Company must observe a cooling-off period of at least three (3) years before being eligible for appointment as a member of the ARMC. Currently, none of the ARMC members are the former partners of the external audit firm of the Company.

The NC has assessed the terms of office and performance of the ARMC and its members for the FYE 2025. Based on the assessment results, the ARMC demonstrated above-average effectiveness, supported by right composition and a strong commitment to discharging its responsibilities. The ARMC provided valuable insights and recommendations to the Board, while the ARMC Chairperson exhibited strong leadership in ensuring robust oversight and accurate reporting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART I: AUDIT COMMITTEE (cont'd)

4.1 Effective and Independent ARMC Oversight (cont'd)

As guided by its Terms of Reference, the ARMC shall conduct annual evaluations of the External Auditors' performance, suitability, objectivity and independence, as well as their quality for provision of audit and non-audit services, to ensure they align with the quality of service provided. The Board, through the ARMC, has evaluated the performance for the FYE 2025 of the External Auditors, Messrs. Ecovis Malaysia PLT ("**Ecovis**"), and Ecovis have assured the Board of their independence throughout the conduct of the audit engagement in accordance with the independence criteria set out by the MIA. Upon recommended by the ARMC, the Board has proposed the re-appointment of Ecovis for shareholders' approval at the forthcoming First AGM of the Company.

4.2 Effective Risk Management and Internal Controls

The Board is committed to maintaining a strong risk management and internal control framework to safeguard shareholders' interests and ensure business resilience. An Enterprise Risk Management ("**ERM**") Framework has been established to systematically identify, analyse, respond, monitor and report potential risks or structural weaknesses that could hinder the Group's business objectives.

Additionally, the Board has established several internal control systems, including company policies and standard operating procedures ("**SOPs**"), which help ensure the seamless functioning of business operations, aligning with principles of sound governance.

The Board is supported by the ARMC in scrutinising the adequacy and effectiveness of the Group's risk management and internal control systems to ensure that the risk management process is in place and functioning effectively. Meanwhile, the Key Senior Management team under the leadership of the Managing Director is responsible for implementing the strategy, culture, people, processes, technology, and structures, which are integral components of the ERM Framework.

Further details on the current state of risk management and internal controls within the Group is set out in the Statement on Risk Management and Internal Control in this Annual Report.

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Internal Audit Function

The ARMC is responsible for ensuring the effectiveness of the internal audit function within the Group, including but not limited to:

- (i) reviewing the adequacy of the scope, functions, competency and resources of the internal audit functions; and
- (ii) evaluating the internal audit plan, processes, the results of the internal audit assessment or investigation undertaken and ensuring the appropriate corrective actions are taken based on the recommendations of the internal audit function.

In preparation for the Company's listing, the Company had engaged SocialGreen Governance Sdn. Bhd. ("**SocialGreen**") as its independent internal control reviewer to assess the Group's corporate governance framework as well as to conduct review on the adequacy and sufficiency of the Group's internal control and risk management. Following the Company's listing on the ACE Market of Bursa Securities on 2 July 2025, the Board intends to outsource its internal audit function to an independent professional firm. The Internal Auditors must be independent and free from any relationships or conflicts of interest within the Group, enabling them to conduct internal audit reviews objectively, impartially, proficiently and with due professional care. The Internal Auditors, if appointed, will perform the internal audit reviews based on the approved internal audit plan and report directly to the ARMC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (cont'd)

5.1 Internal Audit Function (cont'd)

To facilitate the internal audit process, the Internal Auditors will be granted comprehensive and unrestricted access to all information and resources within the Group. This ensures that they have sufficient information and resources to conduct internal audits seamlessly and effectively. Upon the completion of each internal audit review, the Internal Auditors present to the ARMC their findings, together with root-cause analysis, potential risks and implications, and recommended corrective actions. Follow-up audits are subsequently conducted to ensure that the management implements the agreed upon corrective action plans within the stipulated timeframe.

Further details on the Group's internal audit function are provided in the ARMC Report and the Statement on Risk Management and Internal Control in this Annual Report.

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

PART I: ENGAGEMENT WITH STAKEHOLDERS

6.1 Communication with Stakeholders

The Board acknowledges the significance of timely, transparent and effective communication with our shareholders and stakeholders and is committed to providing informative, timely, accurate, consistent and fair disclosure of the Group's business operations and development to the shareholders and the public.

To ensure effective communication with stakeholders, the following communication channels are mainly used by the Company to disseminate information on a timely basis: -

- (i) Company's website;
- (ii) Company announcements made to Bursa Securities;
- (iii) Annual Report;
- (iv) General meetings;
- (v) Press conferences/ media releases; and
- (vi) Such other means of communication as may be deemed appropriate.

General public may also reach out to the Company through the "Contact Us" section on our Company's website at www.arrowsystemsonline.com/contact-us/ to send enquiries, suggest improvements or lodge complaints by filling up the form. Through these communication channels, the Board is able to actively engage stakeholders in an effective, transparent and regular manner for their well-informed investment decisions.

While the Company endeavours to provide information to the stakeholders on a timely, complete and fair manner, the Board is mindful of the legal and regulations governing the disclosure of material and price-sensitive information.

Further details on the Group's engagement channels and disclosure practices are provided in the CG Report.

PART II: CONDUCT OF GENERAL MEETINGS

7.1 General Meetings and Shareholders Engagement

The AGM serves as the primary platform for direct engagement between the Board and shareholders. During the AGM, the Board provides updates on the Group's progress and performance, while shareholders are given the opportunity to raise questions and seek clarifications on the Company's financial results, operational matters and/or future direction.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

PART II: CONDUCT OF GENERAL MEETINGS (cont'd)

7.1 General Meetings and Shareholders Engagement (cont'd)

The forthcoming AGM, scheduled on 29 August 2025, will mark the Company's First AGM as well as its inaugural direct engagement with the shareholders following its successful listing on the ACE Market of Bursa Securities on 2 July 2025. In adherence to Practice 13.1 of the MCCG, the Notice of the First AGM, including detailed explanations of the proposed resolutions, was issued and circulated to shareholders at least 28 days prior to the meeting, i.e. on 30 July 2025. This provides shareholders sufficient time to review the agenda and make informed voting decisions.

In adherence to Rule 8.29A of the AMLR, the First AGM will be conducted as fully physical meeting while leveraging technology to enable electronic voting, which is to be facilitated by Boardroom Share Registrars Sdn. Bhd. Shareholders who are unable to attend in person are encouraged to appoint proxy to attend, speak and vote on their behalf. The procedures for proxy appointments are outlined in the Notice of the First AGM. The outcome of the AGM will then be announced to Bursa Securities on the same meeting day while the minutes of the AGM will be made available on the Company's website within 30 business days of the meeting.

As the Company was only listed on 2 July 2025, the upcoming AGM will be the Company's first AGM as a public listed company. Barring unforeseen circumstances, all Directors will attend the forthcoming First AGM of the Company to effectively address shareholders' questions and provide meaningful engagement.

COMPLIANCE STATEMENT

The Group has consistently upheld corporate governance principles and practices in all material aspects, in line with the MCCG and the relevant chapters of the AMLR on corporate governance, except for the departures outlined in the Company's CG Report. The Board remains committed to maintaining strong corporate governance by continuously embracing the principles and best practices outlined in the MCCG and other relevant laws, as appropriate and applicable.

This CG Statement and the CG Report are issued in accordance with a resolution of the Board of Directors dated 11 July 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTRODUCTION

The Board is pleased to present the ARMC Report, which provides insights into the discharge of the ARMC's duties and responsibilities, as well as an overview of the key activities undertaken during the FYE 2025, in compliance with Rule 15.15 of the AMLR and the practices outlined in Part I of Principle B of the MCCG.

OBJECTIVES AND RESPONSIBILITIES

The ARMC is established to support the Board in discharging its fiduciary responsibilities in the areas of corporate governance, financial reporting, risk management and internal control systems. The ARMC also plays a critical role in ensuring the independence, effectiveness and objectivity of both external and internal audit functions within the Group.

The Terms of Reference ("TOR") of the ARMC will be reviewed from time to time to ensure its effectiveness and relevance to the Board's objective. The TOR of the ARMC is available on the Company's website at www.arrowsystemsonline.com/corporate-governance-policies/.

COMPOSITION AND MEETING ATTENDANCE

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. None of the ARMC members are alternate Directors of the Company or former partners of the Group's external audit firm, thereby preserving the objectivity and independence of the ARMC.

The current composition of the ARMC is in compliance with Rule 15.09 of the AMLR which is aligned with the Practices 9.1, 9.2 and 9.4 of the MCCG and the attendance of members as set out in the tabled below :

Name of Committee Members	Designation	Directorship	Meeting Attendance
Woo Ah Kek	Chairperson	Independent Non-Executive Director	2/2
Dato' Ts. Dr. Thian Boon Chung	Member	Independent Non-Executive Director	2/2
Jolene Lai Ooi Yoke	Member	Independent Non-Executive Director	2/2

The Chairman of the ARMC, Mr. Woo Ah Kek, is a fellow member of the ACCA and a member of the MIA. He does not hold the position of the Board Chairman, thereby fulfilling the requirement for the separation of the roles of the Board Chairman and the ARMC Chairman, in line with Practice 9.1 of the MCCG.

As governed by its Terms of Reference, the ARMC is required to meet at least four (4) times during each financial year. As at 31 March 2025, the ARMC had not convened its first meeting since its establishment on 24 September 2024 and listed on the ACE Market of Bursa Malaysia on 2 July 2025. The ARMC held two (2) meetings after the FYE 2025 and up to the date of this report, with full attendance by all ARMC members. During this period, the ARMC had a private session with the External Auditors, Messrs. Ecovis Malaysia PLT without the presence of Executive Directors and Management team to address any audit concerns, ensure timely resolution of issues and obtain feedback for improvement.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

SUMMARY OF ACTIVITIES

The main activities undertaken by the ARMC during the FYE 2025 and up to the date of this report were as follows:

(1) Financial Reporting

Reviewed the unaudited quarterly financial results and annual audited financial statements, and recommended them to the Board for approval, with a particular focus on:

- changes in or implementation of major accounting policies and practices;
- significant matters highlighted including financial reporting issues, significant and unusual events or transactions and how these matters are addressed;
- significant adjustment arising from the audit; and
- compliance with accounting standards, regulatory and other legal requirements.

(2) External Audit

- Reviewed the audit planning memorandum, which outlined the audit scope, key areas of focus, applicable accounting standards, target audit timeline and proposed audit fees for the statutory audit of the Company's and Group's financial statements.
- Reviewed the audit completion memorandum and engaged in discussions with the External Auditors to assess significant accounting adjustments and audit findings, particularly recommendations and necessary actions to be taken by Management.
- Reviewed the External Auditors' report, including their opinion on the financial statements, key audit matters and the Management letter highlighting identified weaknesses or deficiencies, along with Management's responses.
- Assessed the suitability, objectivity and independence of the External Auditors by considering their independence, suitability, objectivity, competency and resources, and thereafter recommended to the Board for their reappointment at the forthcoming AGM.

(3) Related Party Transactions ("RPT") and Conflict of Interest ("COI")

- Reviewed any RPT may arise within the Group or Company, ensuring they serve the best interests of the Group, are conducted fairly and reasonably at arm's length on normal commercial terms and do not compromise the interests of minority shareholders.
- Reviewed and deliberated on COI and/or potential COI situations that arose, persist or may arise within the Group based on declaration by Directors and Key Senior Management, ensuring compliance with provisions of the AMLR. There were no COI or any potential COI reported during the Review Period.

(4) Others

- Reviewed the ARMC Report, Statement on Risk Management and Internal Control, Sustainability Statement, Corporate Governance Overview Statements and Corporate Governance Report, and recommended them for the Board's approval for inclusion in the Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

INTERNAL AUDIT FUNCTION

In preparation for the Company's listing, the Company had engaged SocialGreen as its independent internal control reviewer to assess our Group's corporate governance framework as well as to conduct review on the adequacy and sufficiency of the Group's internal control and risk management. The internal control review was led by Ms. Andrea Huang Jia Mei, Director of Social Green, who is a member of the ACCA, and a Chartered Accountant registered with the MIA. Prior to the Company's listing, she was supported by a team of two (2) personnel in conducting the internal control review in accordance with the International Professional Practice Framework ("IPPF").

Following the Company's successful listing on the ACE Market of Bursa Securities on 2 July 2025, the Board intends to outsource the Group's internal audit function to an independent professional firm. This is to assist the ARMC in providing objective and independent assurance on the adequacy and effectiveness of the Group's internal control and risk management systems. The Board, through the ARMC, will take the necessary steps to ensure that the internal audit service provider is independent and free from any relation or COI with the Group that could impair their objectivity and professional judgement.

The Internal Auditors will conduct the internal audit reviews in accordance with the internal audit plan approved by the ARMC and in compliance with IPPF. To uphold the highest level of independence and integrity, Internal Auditors report directly to the ARMC. The ARMC has full and unrestricted access to all relevant information and resources within the Group necessary for the effective conduct of internal audit for the Group. Upon completion of each review, the Internal Auditors will present their internal audit reports comprising key findings, root cause analyses, and corresponding recommendations, to the ARMC for deliberation.

The total costs incurred for the internal audit function of the Group prior to the Company's listing amounted to RM100,000.

Further details of the internal audit function are provided in the Statement on Risk Management and Internal Control in this Annual Report.

This ARMC Report is made in accordance with the resolution of the Board on 11 July 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Rule 15.26(b) of the AMLR, the Board is pleased to present the Statement on Risk Management and Internal Control, which outlines the nature, key features and scope of our Group's risk management and internal control system implemented during FYE 2025. This statement has been prepared in accordance with Practices 10.1 and 10.2 of the MCCG and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board acknowledges that an effective, efficient and comprehensive risk management and internal control system is fundamental to our Group's continued success and sustainable growth. As such, the Board remains committed to maintaining a sound governance framework to safeguard shareholders' investments, stakeholders' interest and the Group's assets.

The Board understands that the purpose of the risk management and internal control system is not to eliminate risks entirely but to manage them within an acceptable level risk profile. The system of risk management and internal controls of the Group can only provide reasonable, but not absolute, assurance against any material financial misstatements, losses, fraud or unforeseen events.

The Board believed that the review on the adequacy and effectiveness of the risk management and internal control is a concerted and continuous process. The Board has delegated the oversight function to the ARMC, backed by its Terms of Reference to carry out the process of identifying, evaluating and monitoring the key operational and financial risks.

RISK MANAGEMENT SYSTEM

In this dynamic and evolving operating environment, the Board acknowledge that robust risk management is not merely a regulatory imperative but a fundamental cornerstone for sustainable growth. As such, on 24 September 2024, the Board has adopted an Enterprise Risk Management ("ERM") Framework and embedded into our Group's management practices and daily operations.

The ERM Framework provides a structured and systemic mechanism to proactively identify, assess and address risks across our Group, while instilling an organisation-wide risk-aware culture.

As part of the risk management process, the Board is assisted by the ARMC in identifying, assessing, and managing the significant business risks faced by the Group while the management will report to the ARMC on the processes, findings and remedial actions taken by the management. The management is constantly updating the Group's risk register to reflect the risk areas faced by our Group, which include strategic risks, operational risks, regulatory risks and financial risks. We also monitor the mitigation plans and actions in place on a periodic basis. This will ensure the risks identified are at an acceptable level towards achieving our Group's objectives. Our Group assures a transparent reporting on risk exposure and mitigation measures especially to the unique risks associated with the industry.

The process will be regularly reviewed by the Board through the ARMC and is accordance with the guidelines and approaches within the framework.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL CONTROL SYSTEM

While risk management equips our Group to navigate uncertainties, the internal control system is equally important to enhance our operational efficiency and uphold strong corporate governance. To this end, the Board has empowered the Management to implement appropriate internal controls into our Group's daily operations. The internal control system is reviewed and updated from time to time to ensure its continued relevance and effectiveness in adapting to changes in business and regulatory environments.

During FYE 2025, we have implemented the following key internal controls: -

- (i) Formalisation and adoption of a Board Charter for the Board and Terms of References for all Board Committees to ensure the effective execution of their duties while enabling the Board to maintain a robust oversight of control processes;
- (ii) Establishment of a well-defined organisational structure with clear lines of roles, responsibilities and reporting structure to promote appropriate segregation of duties and effective delegation of authority;
- (iii) Formalisation and adoption of various Company policies including the Code, ABC Policy and Whistleblowing Policy to promote integrity and ethical behaviours across our Group;
- (iv) Formalisation and adoption of Directors' Fit and Proper Policy to provide the NC with formal objective criteria for evaluating the appointment and re-appointment of Directors;
- (v) Formalisation and adoption of Remuneration Policy to provide the RC with a structured framework for recommending adequate, fair and competitive remuneration packages for both Directors and Senior Management in order to attract, retain and motivate the right talents in support of our Group's long-term objectives; and
- (vi) Documentation and implementation of Standard Operating Procedures ("SOPs") covering various operational areas to ensure consistency and standardisation in internal processes, aligned with our Group's business objectives.

INTERNAL AUDIT FUNCTION

In FYE 2025, our Company appointed SocialGreen as the independent internal control reviewer to assess our Group's corporate governance framework as well as internal control and risk management system prior to our listing on the ACE Market of Bursa Securities.

Following the Company's successful listing on the ACE Market of Bursa Securities on 2 July 2025, the Board intends to outsource the Group's internal audit function to an independent professional firm. This is to assist the ARMC in providing objective and independent assurance on the adequacy and effectiveness of the Group's internal control and risk management systems.

The Internal Auditor will develop and present an internal audit plan to the ARMC for approval on the proposed internal audit review scope. Upon receiving ARMC's approval, the Internal Auditor will conduct internal audit reviews in accordance with the approved internal audit plan and present the relevant audit findings, along with root-cause analysis and recommended actions to the ARMC for their perusal and consideration. The Management will then be responsible for implementing corrective measures to address the identified internal control weaknesses. The Internal Auditor will also conduct follow-up reviews on the prior findings to ensure that all agreed-upon actions are properly implemented within the stipulated timeframe.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITOR

The External Auditor has reviewed this Statement on Risk Management and Internal Control in accordance with Rule 15.23 of the AMLR for inclusion in the Company's Annual Report for FYE 2025.

The review was conducted in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in Annual Report, issued by the MIA. AAPG 3 does not require the External Auditor to consider whether this statement covers all the risks and controls, or to form an opinion on the adequacy or effectiveness of our Group's risk management and internal control system.

Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

MANAGEMENT'S ASSURANCE

The Managing Director and Executive Directors, representing the Management, have provided reasonable assurance to the Board that our Group's risk management and internal control system is operating adequately and effectively in all material respects during FYE 2025 and up to the date of this Annual Report. As such, the Board is satisfied that nothing has come to their attention that would render the financial results presented, or the information provided, to be false or misleading in any material respect.

CONCLUSION

The Board believes that the current risk management and internal control system is well-aligned with our Group's business objectives and that the risks undertaken are within our Group's risk appetite and tolerance levels. As such, our Group's risk management and internal control system is deemed adequate and sufficient to safeguard shareholders' investments, stakeholders' interests and its assets.

Nevertheless, the Board recognises that the risk landscape is constantly evolving, and that ongoing monitoring and continuous improvement are essential to ensure the continued relevance and effectiveness of the system in this dynamic business environment. In this regard, the Board, together with the Management, is committed to improving and enhancing our Group's risk management and internal control system on a continuous basis.

This Statement on Risk Management and Internal Control was approved by the Board on 11 July 2025.

Statement of Directors' Responsibility for Preparation of the Financial Statements

Pursuant to the Companies Act 2016 ("CA 2016"), the Directors are responsible for preparing the financial statements of the Group and of the Company for each financial year in accordance with the applicable approved accounting standards in Malaysia, the provisions of the CA 2016 as well as the AMLR.

The Directors are responsible to ensure that the financial statements present a true and fair view of the state of affairs of the Group and the Company as at 31 March 2025, and of the financial performance and cash flows for the FYE 2025.

In preparing the financial statements for the FYE 2025, the Board is satisfied that the Directors have: -

- adopted and applied appropriate accounting policies consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that applicable accounting standards have been followed, with any material departures clearly explained in the financial statements; and
- prepared the annual financial statements on a going concern basis.

Additionally, the Directors are responsible to ensure that accounting records and other relevant documentation necessary for the preparation of the Group's and the Company's financial statements are properly kept and maintained with reasonable accuracy at all times in compliance with the CA 2016.

The Directors also have general responsibilities to ensure appropriate systems are in place to safeguard the Company's and Group's assets so as to detect and prevent any fraud and other irregularities. However, such systems, by their nature, can only provide reasonable, but not absolute, assurance against material misstatement, loss or fraud.

This statement was approved by the Board on 11 July 2025.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year/period ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiary are set out in Note 7 to the financial statements.

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

CONVERSION OF COMPANY STATUS

On 12 September 2024, the Company converted into a public listed company from ASM Automation Group Sdn. Bhd. to ASM Automation Group Berhad.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year/period	5,271,617	(1,706,152)
Attributable to:-		
Owners of the Company	5,271,617	(1,706,152)

In the opinion of the Board of Directors, the results of the operations of the Group and of the Company during the financial year/period were not substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

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

DIVIDENDS

No dividend has been paid or declared by the Company since the date of incorporation. The Directors do not recommend any final dividend in respect of the current financial period.

DIRECTORS

The Directors of the Company who served since the date of incorporation up to the date of this report are:

Chan Kok Heng*	(First Director)
Leong Weng Khin*	(Appointed on 23 August 2024)
Kamalam A/P Kurup Krishnan	(Appointed on 23 August 2024)
Tengku Faizwa Binti Tengku Razif	(Appointed on 23 August 2024)
Woo Ah Kek	(Appointed on 23 August 2024)
Dato' Ts. Dr. Thian Boon Chung	(Appointed on 23 August 2024)
Jolene Lai Ooi Yoke	(Appointed on 23 August 2024)

* Director of the Company and the subsidiary.

DIRECTORS' REPORT

cont'd

DIRECTORS' BENEFITS

Since the date of incorporation, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with the Company in the ordinary course of business as disclosed in Note 26.1 to the financial statements.

Neither at the end of the financial period, nor at any time during that financial period, was the Company a party to any arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration paid to or receivable by Directors from the Group in respect of the financial year is as follows:

	Group 2025 RM
Salaries	505,600
Defined contribution plans	38,412
SOCSSO and EIS contribution	3,370
Benefits-in-kind	21,580
	568,962

DIRECTORS' INTEREST

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("the Act"), the interest of Directors in office at the end of the financial period in the shares of the Company and of its related corporations during the financial period are as follows:

	At date of incorporation	Number of Ordinary Shares		At 31.03.2025
		Bought	Sold	
Interest in the Company:				
<u>Direct interests:</u>				
Chan Kok Heng	1,000	315,001,620	-	315,002,620
Leong Weng Khin	-	91,418,380	-	91,418,380

By virtue of their interest in the shares of the Company, the above Directors are also deemed interested in the shares of the subsidiary during the financial year to the extent that the Company has interest.

Other than as disclosed above, no other Directors in office at the end of the financial year held any interest in the shares of the Company.

ISSUE OF SHARES AND DEBENTURES

At the date of incorporation, the Company issued 1,000 ordinary shares at RM1 per ordinary share to its new shareholders for a total consideration of RM1,000.

DIRECTORS' REPORT

cont'd

ISSUE OF SHARES AND DEBENTURES (CONT'D)

At 20 March 2025, the Company issued 406,420,000 ordinary shares at RM0.075 per ordinary share for a total consideration of RM30,481,500 for the acquisition of a subsidiary.

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

There were no issue of debentures by the Company during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of impairments and satisfied themselves that there all known bad debts had been written off and that adequate impairments had been made; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (i) which would render the amounts written off for bad debts and the amount of the impairments in the financial statements of the Group and of the Company inadequate to any material extent;
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
- (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 of the Group and of the Company misleading; and
- (iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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/period which secures the liabilities of any other person other than those disclosed in the financial statements; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year/period.

In the opinion of the 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/period 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) there has not arisen in the interval between the end of the financial year/period 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/period in which this report is made.

DIRECTORS' REPORT

cont'd

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR/PERIOD

Details of significant events during and subsequent to the end of the financial year/period are disclosed in Note 32 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

No indemnity has been given to or insurance effected for the Directors and officers of the Group and of the Company pursuant to Section 289 of the Act.

To the extent permitted by the Act, the Group and of the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year/period end.

AUDITORS

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

The auditors' remuneration of the Group and of the Company during the financial year/period are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit	110,000	40,000
- Non-statutory audit fee	90,000	90,000
	200,000	130,000

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

Chan Kok Heng

Director

11 July 2025

Leong Weng Khin

Director

STATEMENT BY DIRECTORS

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

We, **Chan Kok Heng** and **Leong Weng Khin**, being two of the Directors of **ASM Automation Group Berhad**, state that, in the opinion of the Directors, the accompanying financial statements 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 31 March 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year/period then ended.

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

Chan Kok Heng

Director

11 July 2025

Leong Weng Khin

Director

STATUTORY DECLARATION

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

I, **Lim See Tow**, being the officer primarily responsible for the financial management of **ASM Automation Group Berhad**, do solemnly and sincerely declare that the accompanying financial statements are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed at Petaling Jaya in the
state of Selangor Darul Ehsan on 11 July 2025.

Lim See Tow

(MIA membership No: 21716)

Before me,

Commissioner for Oaths

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025

		Group		Company
		2025	2024	2025
	Note	RM	RM	RM
Assets				
Non-current assets				
Property, plant and equipment	5	4,432,564	4,350,935	-
Investment properties	6	-	-	-
Investment in a subsidiary	7	-	-	30,481,500
Trade receivables	8	161,131	255,210	-
Deferred tax assets	9	347,183	406,796	-
		4,940,878	5,012,941	30,481,500
Current assets				
Inventories	10	6,642,130	8,392,263	-
Trade and other receivables	8	22,630,385	17,735,449	55,200
Deposits with licensed banks	11	7,727,772	8,266,827	-
Cash and bank balances		6,940,066	6,721,289	2,990
		43,940,353	41,115,828	58,190
Total assets		48,881,231	46,128,769	30,539,690
Equity				
Share capital	12	30,482,500	-	30,482,500
Invested equity		-	778,000	-
Reorganisation reserve		(29,703,500)	-	-
Retained earnings/(Accumulated losses)		34,975,158	29,703,541	(1,706,152)
Total equity		35,754,158	30,481,541	28,776,348
Liabilities				
Non-current liabilities				
Bank borrowings	13	106,027	401,996	-
Lease liabilities	14	338,520	470,888	-
Deferred income	15	302,883	346,337	-
		747,430	1,219,221	-
Current liabilities				
Trade and other payables	16	6,831,956	8,647,253	1,763,342
Contract liabilities	17	1,554,778	3,662,504	-
Bank borrowings	13	2,056,162	1,111,625	-
Lease liabilities	14	295,544	178,729	-
Deferred income	15	52,243	52,243	-
Tax payable		1,588,960	775,653	-
		12,379,643	14,428,007	1,763,342
Total liabilities		13,127,073	15,647,228	1,763,342
Total equity and liabilities		48,881,231	46,128,769	30,539,690

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

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year/Period Ended 31 March 2025

		Group		Company
		01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024	14.08.2024 to 31.03.2025
	Note	RM	RM	RM
Revenue	18	42,133,217	39,132,613	-
Cost of sales		(25,931,621)	(26,318,076)	-
Gross profit		16,201,596	12,814,537	-
Other income	19	884,059	1,345,319	-
Administrative expenses		(6,813,310)	(4,578,092)	(1,706,152)
Other operating expenses		(2,328,503)	(204,331)	-
Profit/(Loss) from operations		7,943,842	9,377,433	(1,706,152)
Finance costs	20	(182,584)	(239,366)	-
Profit/(Loss) before tax	21	7,761,258	9,138,067	(1,706,152)
Tax expense	23	(2,489,641)	(2,025,670)	-
Net profit/(loss) for the financial year/period		5,271,617	7,112,397	(1,706,152)
Profit/(Loss) for the financial year/period attributable to:				
Owners of the Company		5,271,617	7,112,397	(1,706,152)
Basic earning per share attributable to owners of the Company (sen per share)				
	27	0.41	9.14	

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year/Period Ended 31 March 2025

	Note	Share capital RM	Invested equity RM	Reorganisation Reserve RM	Retained earnings RM	Total equity RM
Group						
At 1 April 2023		-	778,000	-	26,591,144	27,369,144
Net profit for the financial year		-	-	-	7,112,397	7,112,397
Dividends	24	-	-	-	(4,000,000)	(4,000,000)
At 31 March 2024/1 April 2024		-	778,000	-	29,703,541	30,481,541
Issuance of shares	12	30,482,500	-	-	-	30,482,500
Group reorganisation		-	(778,000)	(29,703,500)	-	(30,481,500)
Net profit for the financial year		-	-	-	5,271,617	5,271,617
At 31 March 2025		30,482,500	-	(29,703,500)	34,975,158	35,754,158
				Share capital RM	Accumulated losses RM	Total equity RM
Company						
At 14 August 2024 (date of incorporation)				1,000	-	1,000
Issuance of share				30,481,500	-	30,481,500
Net loss for the financial period				-	(1,706,152)	(1,706,152)
At 31 March 2025				30,482,500	(1,706,152)	28,776,348

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

STATEMENTS OF CASH FLOWS

For The Financial Year/Period Ended 31 March 2025

		Group	Company	
		01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024	14.08.2024 to 31.03.2025
	Note	RM	RM	RM
Profit/(Loss) before tax		7,761,258	9,138,067	(1,706,152)
Adjustments for :				
Amortisation of government grant	15	(43,454)	(44,205)	-
Bad debts written off		3,473	-	-
Depreciation of property, plant and equipment	5	593,678	601,079	-
Depreciation of investment property	6	-	35,540	-
Gain on early termination of leases		-	(445)	-
Inventories written down, net	10	511,896	229,662	-
Loss on disposal of investment property		-	77,205	-
Net impairment on trade receivables		1,311,991	(49,313)	-
Property, plant and equipment written off	5	815	1,723	-
Finance costs		182,584	239,366	-
Finance income		(543,489)	(458,465)	-
Unrealised loss/(gain) on foreign exchange		748,001	(585,923)	-
Operating profit/(loss) before changes in working capital		10,526,717	9,184,291	(1,706,152)
<u>Change in working capital:</u>				
Inventories		1,238,237	(1,743,003)	-
Trade receivables and other receivables		(7,295,728)	6,432,241	(55,200)
Trade payables and other payables		2,260,673	(1,004,712)	1,761,194
Contract liabilities		(2,618,216)	(7,360,907)	-
Tax paid		(1,616,721)	(1,057,760)	-
Interest received		505,482	424,808	-
Interest paid		(8,894)	(113)	-
Net cash generated from/(used in) operating activities		2,991,550	4,874,845	(158)
Cash flows from investing activities				
Purchase of property, plant and equipment	(a)	(402,951)	(106,804)	-
Net cash used in investing activities		(402,951)	(106,804)	

STATEMENTS OF CASH FLOWS

For The Financial Year/Period Ended 31 March 2025
cont'd

		Group		Company
		01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024	14.08.2024 to 31.03.2025
	Note	RM	RM	RM
Cash flows from financing activities	(b)			
Proceed from issuance of shares		1,000	-	-
Dividends paid		(4,000,000)	-	-
Finance costs paid		(151,858)	(239,253)	-
Repayment made to Director		-	(15,499)	-
Repayment from Director		1,462,069	-	-
Advance received from Director		2,148	-	2,148
Proceeds from government grants related to assets		-	326,400	-
Drawdown of short-term trade financing		9,136,207	11,767,769	-
Repayment of:				-
- term loan		(322,841)	(311,238)	-
- lease liabilities		(288,724)	(262,966)	-
- short-term trade financing		(8,262,206)	(13,962,320)	-
Increase in pledged deposits		(28,460)	(40,066)	-
Net cash (used in)/generated from financing activities		(2,452,665)	(2,737,173)	2,148
Net increase in cash and cash equivalents		135,934	2,030,868	1,990
Effect of exchange rate changes		(582,080)	451,128	-
Cash and cash equivalents at beginning of the financial year/period		13,616,463	11,134,467	1,000
Cash and cash equivalents at end of the financial year/period	25	13,170,317	13,616,463	2,990

Note:

(a) Purchase of property, plant and equipment

	Group	
	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
	RM	RM
Purchase of property, plant and equipment	676,121	172,657
Financed by way of lease arrangements	(273,170)	(65,853)
Cash payment	402,951	106,804

cont'd

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Lot 1902, 19th Floor, Tower 1, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan. The principal place of business of the Company is located at No. 1, Persiaran Perindustrian Pengkalan 15, Kawasan Perindustrian Pengkalan, 31500 Lahat, Perak.

The Company is principally in the business of investment holding. The principal activities of the subsidiary are set out in Note 30 to the financial statements.

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

ASM Automation Group Sdn. Bhd. was incorporated in Malaysia under the Companies Act 2016 on 14 August 2024 as a private limited company. On 12 September 2024, ASM Automation Group Sdn. Bhd. converted into a public limited company under the name of ASM Automation Group Berhad (the "Company").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 11 July 2025.

2. BASIS OF PREPARATION

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

The consolidated financial statements for the financial year ended 31 March 2025 comprises the financial statements of the Company and the subsidiary, Arrow Systems Sdn. Bhd.. The financial statements of the Group and of the Company have been prepared under the historical cost convention except otherwise stated in Note 3 the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Company.

The Company incurred a net loss of RM1,706,152 for the financial period ended 31 March 2025 and as at that date, the Company reported net current liability and total equity of RM1,705,152 and RM28,776,348 respectively. The Company was incorporated as a special purpose investment holding vehicle to hold the subsidiary pursuant to an internal restructuring. For the purpose of proposed listing on the ACE Market of Bursa Malaysia Securities Berhad, the Company undertook a restructuring exercise via the acquisition of the subsidiary, Arrow Systems Sdn. Bhd..

On 2 July 2025, the Company successfully listed on the ACE Market of Bursa Malaysia Securities Berhad, as disclosed in Note 31 to the financial statements. Consequently, the Directors consider that it is appropriate to prepare the financial statements of the Company on a going concern basis.

The preparation of financial statements in conformity with MFRS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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2. BASIS OF PREPARATION (CONT'D)

2.1 MFRS and amendments to MFRS that are effective and have been adopted in the current financial period

The following are MFRS and amendments to MFRS that are effective and have been adopted by the Group and the Company:

- Amendments to MFRS 16, 'Leases' – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Non-current Liabilities with Covenants
- Amendments to MFRS 107, 'Statement of Cash Flows' and MFRS 7, 'Financial Instruments: Disclosures' – Supplier Finance Arrangements

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

2.2 MFRS and amendments to MFRS that have been issued, but yet to be adopted

The following are MFRS and amendments to MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

(i) Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability

(ii) Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Contracts Referencing Nature-dependent Electricity
- Annual improvements to MFRS Accounting Standards – Volume 11

(iii) Effective for annual periods beginning on or after 1 January 2027

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

(iv) Deferred to a date to be determined by the MASB

- Amendments to MFRS 10, 'Consolidated Financial Statements' and MFRS 128, 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned MFRS and amendments to MFRS where applicable to the Group and the Company, from the beginning of the financial year where they become effective.

The Group and the Company are currently assessing the impact of initial application of the above applicable MFRS and amendment to MFRS since the effect would only be observable in future financial years.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of combination

Common control business combination outside the scope of MFRS 3, 'Business Combinations' ("MFRS 3")

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, are outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements.

The Group is regarded as a continuing entity as mentioned in Note 2 to the financial statements since the management of the Company and the subsidiary which took part were managed by the common shareholders before and immediately after the restructuring exercise in Note 2. Accordingly, the financial information have been prepared on the basis of merger accounting.

In applying merger accounting, financial statement line items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the combined financial statements of the combining entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combining entities. Therefore, the assets, liabilities and equity of the combining entities or businesses are recognised at the carrying amounts in the combined financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such combined financial statements had been prepared by the controlling party, including adjustments required for conforming to the Company's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the combining entity.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent changes in equity. Losses in the combining entity are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The combined financial statements were prepared based on the audited financial statements of combining entities which were prepared in accordance with MFRS and IRS for the purpose of combination. The combining entities maintain their accounting records and prepare the relevant statutory financial statements in accordance with MFRS, IFRS and the requirements of the Act in Malaysia.

The Group resulting from the restructuring exercise as disclosed in Note 2 to the financial statements, is made up by two entities under common control. Accordingly, the combined financial statements have been accounted for using the principles of merger accounting where financial statements line items of the merged entities for the reporting periods in which the common control combination occur are included in the combined financial statements of the Group as if the combination had occurred from the date when the merged entities first came under the control of the same shareholders.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation of an asset begins when it is ready for its intended use. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives (years)
Plant and machinery	10
Motor vehicles	5
Furniture and fittings	10
Tools and equipment	10
Office equipment	4 to 10
Renovation	10

Certain assets included in property, plant and equipment are right-of-use assets within the scope of MFRS 16. The policy for recognition and measurement of right-of-use assets are disclosed in Note 3.8 to the financial statements.

3.3 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are depreciated on a straight line basis over the estimated useful lives of 50 years.

3.4 Financial assets

(i) Initial recognition and subsequent measurement

Financial assets are initially recognised at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9 are as below:

(a) Debt instruments at amortised cost

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(ii) Impairment of financial assets

The Group and the Company measure the impairment loss on financial assets other than trade receivables and contract assets based on 12-month expected credit loss ("ECL") and for a financial asset for which there is significant increase in credit risk since initial recognition, a lifetime ECL.

For trade receivables and contract assets, the Group and the Company recognises impairments loss based on simplified approach and measures impairment loss based on lifetime ECL at each reporting date until the financial assets are derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 Financial assets (cont'd)

(iii) Derecognition

All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

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

3.5 Financial liabilities

(i) Initial recognition and subsequent measurement

All financial liabilities are measured initially at fair value plus directly attributable costs.

(a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. These financial liabilities are initially measured at fair value and subsequently stated at fair value. Net gains or losses, including interest expenses, are recognised in profit or loss.

The Group and the Company do not have any financial liabilities at FVTPL at reporting date.

(b) Financial liabilities at amortised cost

Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials, spare parts and fabricated components: purchase costs on a weighted average basis.
- Finished goods (including demonstration units) and work-in-progress: costs of raw materials, conversion cost of labour and a proportion of manufacturing overheads.

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

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and deposits with licensed banks. For the purpose of the statement of cash flow, cash and cash equivalents are presented net of bank overdrafts (if any) and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Leases

(i) The Company as lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets and short-term leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the incremental borrowing rate determined by reference to the rate inherent in the lease.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where the Group and the Company are contractually required to dismantle, remove or restore the leased asset.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset.

The estimated useful lives of right-of-use assets, determined on the same basis as those property, plant and equipment as follows:

Leasehold lands	Over the lease period of 74 to 85 years
Leasehold buildings	50 years
Motor vehicles	5 years

On the statements of financial position, right-of-use assets have been included in the property, plant and equipment.

For leases of low value assets and short-term leases, the Group and the Company applies the recognition exemption in accordance with applicable criteria of MFRS 16. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(ii) The Company as lessor

The Group and the Company recognise lease payment received from investment properties under operating leases as other income on a straight-line basis over the lease term.

3.9 Revenue and other income recognition

i) Sales of machineries, spare parts and others

Sales of machineries is recognised at a point in time, generally upon delivery of goods, installation and acceptance by customer. If it is not possible to reliably estimate the outcome of a contract, sales is only recognised to the extent that the corresponding costs are expected to be recovered.

Sales of spare parts (including maintenance service) is recognised at a point in time when the control has been transferred, usually when customer accepts the delivery of the goods or services in accordance with the shipping terms agreed with the customers.

ii) Interest income

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

iii) Rental income

Rental income from investment property is accounted for on a straight-line basis over the leased terms.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025
cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognised as deferred income in the statement of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The benefit derived from a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and fair value of the loan based on prevailing market interest rates.

3.11 Fair value measurement

Fair values are categorised into different level in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is disclosed below:

(a) Inventories costing

In determining the costing of inventories, management's judgement is required in determining the basis of valuation for finished goods and work-in-progress which comprise costs of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads.

(b) Written down of inventories

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

cont'd

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

The note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is disclosed below: (cont'd)

(c) Impairment of trade receivables

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

(d) Taxes

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

cont'd

5. PROPERTY, PLANT AND EQUIPMENT

Group	Plant and machinery	Motor vehicles	Furniture and fittings	Tools and equipment	Office equipment	Renovation	Right-of-use assets	Total
Cost	RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2023	332,428	1,485,743	75,562	792,766	589,899	930,748	4,860,058	9,067,204
Additions	-	51,100	-	26,200	29,504	-	65,853	172,657
Written off	(7,650)	(48,912)	-	-	(1,999)	-	-	(58,561)
Derecognition	-	-	-	-	-	-	(226,084)	(226,084)
At 31 March 2024/1 April 2024	324,778	1,487,931	75,562	818,966	617,404	930,748	4,699,827	8,955,216
Additions	7,500	20,000	2,381	19,424	87,482	266,162	273,172	676,121
Reclassification	-	385,000	-	-	-	-	(385,000)	-
Written off	-	(38,495)	-	(780)	(8,814)	-	-	(48,089)
At 31 March 2025	332,278	1,854,436	77,943	837,610	696,072	1,196,910	4,587,999	9,583,248
Accumulated depreciation								
At 1 April 2023	219,420	1,451,647	57,279	111,029	362,460	521,258	1,503,131	4,226,224
Charge for the year	18,323	17,607	4,325	80,253	80,861	57,580	342,130	601,079
Written off	(5,929)	(48,911)	-	-	(1,998)	-	-	(56,838)
Derecognition	-	-	-	-	-	-	(166,184)	(166,184)
At 31 March 2024/1 April 2024	231,814	1,420,343	61,604	191,282	441,323	578,838	1,679,077	4,604,281
Charge for the year	18,103	21,601	4,471	81,973	76,299	79,451	311,780	593,678
Reclassification	-	385,000	-	-	-	-	(385,000)	-
Written off	-	(38,495)	-	(708)	(8,072)	-	-	(47,275)
At 31 March 2025	249,917	1,788,449	66,075	272,547	509,550	658,289	1,605,857	5,150,684
Net carrying amounts								
At 31 March 2025	82,361	65,987	11,868	565,063	186,522	538,621	2,982,142	4,432,564
At 31 March 2024	92,964	67,588	13,958	627,684	176,081	351,910	3,020,750	4,350,935

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

cont'd

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

(a) Asset held in trust

Included in motor vehicles of the Group is an amount of Nil (2024: RM192,764) being cost of the assets registered under the name of a Director.

(b) Right-of-use assets

The Group has right-of-use assets arising from:

- (i) Leasehold lands and buildings with lease period of 74 to 85 years;
- (ii) Lease arrangements with land owners (lessor) for rental of premises, with lease period of 2 to 4 years (including option to renew of 1 to 2 years); and
- (iii) Hire purchase arrangements with financier for purchase of motor vehicles, with lease term of 5 to 7 years.

Details of the right-of-use assets are as follows:-

	Leasehold lands RM	Buildings RM	Rented properties RM	Motor vehicles RM	Total RM
Group					
Cost					
At 1 April 2023	916,659	2,260,698	160,231	1,522,470	4,860,058
Additions	-	-	65,853	-	65,853
Derecognition*	-	-	(226,084)	-	(226,084)
At 31 March 2024/ 1 April 2024	916,659	2,260,698	-	1,522,470	4,699,827
Additions	-	273,172	-	-	273,172
Reclassification	-	-	-	(385,000)	(385,000)
At 31 March 2025	916,659	2,533,870	-	1,137,470	4,587,999
Accumulated depreciation					
At 1 April 2023	139,194	489,700	125,354	748,883	1,503,131
Charge for the year	11,528	42,171	40,830	247,601	342,130
Derecognition*	-	-	(166,184)	-	(166,184)
At 31 March 2024/ 1 April 2024	150,722	531,871	-	996,484	1,679,077
Charge for the year	11,527	159,037	-	141,216	311,780
Reclassification	-	-	-	(385,000)	(385,000)
At 31 March 2025	162,249	690,908	-	752,700	1,605,857
Net carrying amounts					
At 31 March 2025	754,410	1,842,962	-	384,770	2,982,142
At 31 March 2024	765,937	1,728,827	-	525,986	3,020,750

* Derecognition of right-of-use assets with carrying amount of Nil (2024: RM59,900) during the financial year was a result of termination of leases.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025
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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Assets pledged as securities

Leasehold lands and buildings have been pledged as security to secure banking facilities of the Group as disclosed in Note 14 to the financial statements.

6. INVESTMENT PROPERTIES

	Buildings RM
Group	
Cost	
At 1 April 2023	1,831,182
Disposal	(1,831,182)
At 31 March 2024/1 April 2024/31 March 2025	-
Accumulated depreciation	
At 1 April 2023	256,367
Charge for the year	35,540
Disposal	(291,907)
At 31 March 2024/1 April 2024/31 March 2025	-
Net carrying amounts	
At 31 March 2024/31 March 2025	-

(a) Lease arrangement

The investment property was commercial property leased to third party with a non-cancellable period of one year. No contingent rent was charged.

The rental income recognised in profit or loss in respect of investment property is Nil (2024: RM80,049).

7. INVESTMENT IN A SUBSIDIARY

	Company 2025 RM
Unquoted shares, at cost:	
At incorporation date:	-
Additions during the financial period	30,481,500
At 31 March	30,481,500

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025
cont'd

7. INVESTMENT IN A SUBSIDIARY (CONT'D)

Details of the subsidiary are as below:

Name of subsidiary	Principal place of business	Effective equity 2025 %	Principal activities
Arrow Systems Sdn. Bhd.	Malaysia	100%	Provision of automation machinery solutions and complementary solutions.

On 9 September 2024, the Company entered into a conditional Share Sale Agreement to acquire the entire equity interests of Arrow Systems Sdn. Bhd. for a total consideration of RM30,481,500 which will be wholly satisfied by the issuance of 406,420,000 ordinary shares in the Company at an issue price of RM0.075 per share.

The acquisition was completed on 20 March 2025. Upon the completion of acquisition, Arrow Systems Sdn. Bhd. became the Company's wholly-owned subsidiary.

8. TRADE AND OTHER RECEIVABLES

	Note	Group		Company
		2025 RM	2024 RM	2025 RM
Trade receivables				
- Non-current	(a), (b)	161,131	255,210	-
- Current	(a), (b)	23,575,858	15,176,560	-
Less: Accumulated impairment losses	(a)	(2,290,786)	(978,795)	-
		21,446,203	14,452,975	-
Other receivables		30,601	30,740	-
Amount owing by a related party	(c)	-	2,120	-
Amount owing by a Director	(d)	-	1,459,901	-
Deposits		1,187,807	1,968,072	-
Prepayments		126,905	76,851	55,200
Total trade and other receivables		22,791,516	17,990,659	55,200

(a) Trade receivables

Trade receivables are non-interest bearing, except for RM255,210 (2024: RM500,035) as disclosed in Note 8(b) to the financial statements and the normal credit term offered by the Group is cash on delivery. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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8. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

The movement of accumulated impairment losses on trade receivables are as follows:

	Group	
	2025	2024
	RM	RM
At 1 April	978,795	1,028,108
Net impairment loss/(gain):		
- lifetime ECL allowances	88,980	(53,126)
- specific allowances	1,223,011	3,813
At 31 March	2,290,786	978,795

(b) In prior years, the Group has renegotiated the credit terms with one customer for outstanding nominal amount of RM1,864,000, to be repaid in 48 monthly installments. The details of outstanding amount receivable are as follow:

	Group	
	2025	2024
	RM	RM
Nominal amount	261,000	522,000
Less: Effect of discounting @4.16% per annum	(5,790)	(21,965)
	255,210	500,035
Represented by:		
- Non-current	161,131	255,210
- Current	94,079	244,825

(c) Amount owing by a related party

Amount owing by a related party represent payment made on behalf of a Company in which certain Directors of the Group have interest, this amount is unsecured, non-trade in nature, non-interest bearing and repayable on demand in cash and cash equivalents.

(d) Amount owing by a Director

Amount owing by a Director represents consideration receivable by the Group in relation to disposal of an investment property to a Director, net of advances and payment made on behalf by the Director. This amount is unsecured, interest-free and repayable on demand in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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9. DEFERRED TAX ASSETS

	Property, plant and equipment and lease liabilities RM	Contract liabilities RM	Trade receivables RM	Others RM	Total RM
Group					
At 1 April 2023	155,483	(596,942)	(171,189)	(7,360)	(620,008)
Recognised in profit or loss	(37,972)	253,952	6,753	(9,521)	213,212
At 31 March 2024/1 April 2024	117,511	(342,990)	(164,436)	(16,881)	(406,796)
Recognised in profit or loss	(274,880)	278,925	163,046	(107,478)	59,613
At 31 March 2025	(157,369)	(64,065)	(1,390)	(124,359)	(347,183)

10. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost:		
Raw materials	4,189,086	3,850,996
Spare parts and fabricated components	1,898,498	1,770,073
Work-in-progress	209,714	482,027
Finished goods	186,281	2,166,085
	6,483,579	8,269,181
At net realisable value:		
Spare parts and fabrication	158,551	123,082
	6,642,130	8,392,263
Recognised in profit or loss:		
Inventories recognised as cost of sales	18,892,963	18,971,980
Inventories written down, net	511,896	229,662

11. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks comprise of fixed deposits and short-term deposits.

Deposits of the Group amounted to RM1,400,113 (2024: RM1,371,653) were pledged with licensed bank as securities for banking facilities utilised by the Group.

At the end of the financial year, the remaining fixed deposits and short-term deposits earned interest rates ranging from 2.50% to 4.23% (2024: 2.50% to 5.35%) per annum and with a tenure range of 3 months to 12 months (2024: 1 month to 12 months).

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For The Financial Year/Period Ended 31 March 2025
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12. SHARE CAPITAL AND INVESTED EQUITY

	Group/Company			
	2025		2024	
	No. of shares	RM	No. of shares	RM
Issued and fully paid up:				
At 1 April/incorporation date	779,000	779,000	778,000	778,000
Issuance of shares	406,420,000	30,481,500	-	-
Reorganisation reserve	(778,000)	(778,000)	-	-
At 31 March	406,421,000	30,482,500	778,000	778,000

During the financial period, the Company issued 406,420,000 new ordinary shares at an issue price of RM0.075 per ordinary share for a total consideration of RM30,481,500 for the acquisition of a subsidiary.

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

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

13. BANK BORROWINGS

	Note	Group	
		2025 RM	2024 RM
Current			
Secured:-			
- Bank overdrafts	(a)	97,408	-
- Short-term trade financing	(b)	1,682,400	808,399
- Term loans	(c)	276,354	303,226
		2,056,162	1,111,625
Non-current			
Secured:-			
- Term loans	(c)	106,027	401,996
Maturity of borrowings:			
- not later than one year		2,056,162	1,111,625
- later than one year and not later than two years		40,094	296,013
- later than two years and not later than five years		65,933	105,983
		2,162,189	1,513,621

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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13. BANK BORROWINGS (CONT'D)

(a) Bank overdrafts

Bank overdrafts bear effective interest rates at BLR plus 0.05% per annum with daily rest and is secured and supported as follows:

- (i) Legal charge over the leasehold lands and buildings of the Group as disclosed in Note 5 to the financial statements;
- (ii) Legal charge over the fixed deposits as disclosed in Note 11 to the financial statements; and
- (iii) Joint and several guarantee by certain Directors of the Group.

(b) Short-term trade financing

Short-term trade financing consist of credit facilities offered by licensed banks such as letter of credit, trust receipt, shipping guarantee and bankers' acceptance.

Letter of credit of the Group of RM154,319 (2024: Nil) at commission of 0.10% per month and is secured and supported as follows:

- (i) Legal charge over the leasehold lands and buildings of the Group as disclosed in Note 5 to the financial statements;
- (ii) Legal charge over the fixed deposits as disclosed in Note 11 to the financial statements; and
- (iii) Joint and several guarantee by certain Directors of the Group.

Trust receipt of the Group of RM1,528,081 (2024: RM808,399) bears interest at BLR plus 1.00% per annum and is secured and supported as follows:

- (i) Legal charge over the leasehold lands and buildings of the Group as disclosed in Note 5 to the financial statements;
- (ii) Legal charge over the fixed deposits as disclosed in Note 11 to the financial statements; and
- (iii) Joint and several guarantee by certain Directors of the Group.

(c) Term loans

Term loan 1 of the Group of RM81,294 (2024: RM157,230) bears interest at BLR minus 1.50% per annum and is repayable by monthly instalments of RM6,875 over 180 months commencing from the day of first drawdown and is secured and supported as follows:

- (i) Legal charge over the leasehold lands and buildings of the Group as disclosed in Note 5 to the financial statements;
- (ii) Legal charge over the fixed deposits as disclosed in Note 11 to the financial statements; and
- (iii) Joint and several guarantee by certain Directors of the Group.

Term loan 2 of the Group of RM142,038 (2024: RM177,584) bears interest at bank financing rate minus 2.30% per annum and is repayable by monthly instalments of RM3,571 over 120 months commencing from the day of first drawdown and is secured and supported as follows:

- (i) Legal charge over the leasehold lands and buildings of the Group as disclosed in Note 5 to the financial statements;
- (ii) Legal charge over the fixed deposits as disclosed in Note 11 to the financial statements; and
- (iii) Joint and several guarantee by certain Directors of the Group.

Term loan 3 of the Group of RM159,050 (2024: RM370,408) bears interest at Bank Negara Malaysia funding rate plus 3.00% per annum and is repayable by monthly instalments of RM18,300 over 60 months commencing from the 7th month of first drawdown and is secured and supported as follows:

- (i) Legal charge over the leasehold lands and buildings of the Group as disclosed in Note 5 to the financial statements;
- (ii) Legal charge over the fixed deposits as disclosed in Note 11 to the financial statements;
- (iii) Joint and several guarantee by certain Directors of the Group; and
- (iv) Guarantee by a third party.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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14. LEASE LIABILITIES

	Group	
	2025	2024
	RM	RM
At 1 April	649,617	907,075
New lease liabilities during the year	273,170	65,853
Lease interest	39,494	42,122
Lease payment:		
- Principal	(288,723)	(262,966)
- Interest	(39,494)	(42,122)
Derecognition upon early termination	-	(60,345)
At 31 March	634,064	649,617
Minimum lease payments:		
- Not later than one year	321,531	211,334
- Later than one year and not later than five years	366,135	463,228
- Later than five years	-	56,438
	687,666	731,000
Less: Future finance charges	(53,602)	(81,383)
Present value of lease liabilities	634,064	649,617
Represented by:		
Current:		
- Not later than one year	295,544	178,729
Non-current:		
- Later than one year and not later than five years	338,520	415,962
- Later than five years	-	54,926
	338,520	470,888
Present value of lease liabilities	634,064	649,617

The carrying amounts of right-of-use assets of the Group under lease arrangement are disclosed in Note 5(b) to the financial statements.

The lease liabilities bear interest at the end of the reporting period ranging from 2.28% to 5.58% (2024: 2.28% to 5.58%) per annum.

The following are the amounts recognised in profit or loss in relation to leases as a lessee:-

	Group	
	2025	2024
	RM	RM
Depreciation of right-of-use assets	311,780	342,130
Lease liabilities interest	39,494	42,122
Expenses relate to short-term lease and low value assets	82,097	129,771
	433,371	514,023

Total cash outflows for leases as a lessee of the Group amounted to RM410,315 (2024: RM434,859), including expenses relating to short-term lease.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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15. DEFERRED INCOME

	Group	
	2025	2024
	RM	RM
At 1 April	398,580	116,385
Received during the year	-	326,400
Released to profit or loss	(43,454)	(44,205)
At 31 March	355,126	398,580
Represented by:		
Current	52,243	52,243
Non-current	302,883	346,337

Government grants related to assets

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

16. TRADE AND OTHER PAYABLES

		Group		Company
		2025	2024	2025
	Note	RM	RM	RM
Trade payables	(a)	4,049,635	3,476,505	-
Other payables		1,441,436	159,444	21,920
Accruals		1,338,737	1,011,304	480,000
Amount owing to a subsidiary	(b)	-	-	1,259,274
Amount owing to a Director	(c)	2,148	-	2,148
Dividend payable		-	4,000,000	-
Total trade and other payables		6,831,956	8,647,253	1,763,342

(i) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group is 30 days to 90 days (2024: 30 days to 90 days).

(ii) Amount owing to a subsidiary

Amount owing to a subsidiary is unsecured, interest-free and payable on demand in cash and cash equivalents

(iii) Amount owing to a Director

Amount owing to a Director is unsecured, interest-free and payable on demand in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025
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17. CONTRACT LIABILITIES

Contract liabilities relate to advances received or invoiced for the purchase of machineries and related parts which were partially delivered or have yet to be delivered by the Group at the reporting date. Contract liabilities are determined separately for each customer contract.

The Group applies the practical expedient in MFRS 15 'Revenue from Contract with Customers' on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has original expected duration of less than one year.

18. REVENUE

	Group	
	01.04.2024 to 31.03.2025 RM	01.04.2023 to 31.03.2024 RM
Sale of machineries, spare parts and others	42,133,217	39,132,613
Timing of revenue recognition:		
- At a point in time	42,133,217	39,132,613

19. OTHER INCOME

	Group	
	01.04.2024 to 31.03.2025 RM	01.04.2023 to 31.03.2024 RM
Amortisation of government grant (Note 15)	43,454	44,205
Finance income:		
- Fixed deposits	314,050	332,649
- Unwinding of discount	38,007	33,657
- Other interest income	191,432	92,159
Gain on early termination of leases	-	445
Unrealised gain on foreign exchange	-	585,923
Market development grant	-	50,000
Rental income (Note 6(a))	-	80,049
Reversal of impairment loss on trade receivables		
- Lifetime ECL allowances	-	53,126
- Specific allowances	262,528	54,831
Others	34,588	18,275
	884,059	1,345,319

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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20. FINANCE COSTS

	Group	
	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
	RM	RM
Interest expenses on:		
- Bank overdrafts	8,894	113
- Interest on discounting of financial asset at amortised cost	21,832	-
- Lease liabilities	39,494	42,122
- Short-term trade financing	89,224	162,411
- Term loans	23,140	34,720
	182,584	239,366

21. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at profit/(loss) before tax:

	Group		Company
	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024	14.08.2024 to 31.03.2025
	RM	RM	RM
Profit/(Loss) before tax is arrived after charging:			
Auditors' remuneration:			
- Current year	110,000	57,000	40,000
- Non-statutory audit fee	90,000	-	90,000
Bad debt written off	3,473	-	-
Depreciation of investment properties	-	35,540	-
Depreciation of property, plant and equipment (Note 5)	593,678	601,079	-
Employee benefits expense (Note 22)	6,215,668	5,829,447	-
Expense relating to short-term lease*	82,097	129,771	-
Impairment loss on trade receivables:			
- lifetime ECL allowances	88,980	-	-
- specific allowances	1,485,539	58,644	-
Listing expenses	1,554,074	-	1,554,074
Loss in disposal of investment property	-	77,205	-
Loss on foreign exchange:			
- Realised	1,207	66,759	-
- Unrealised	748,001	-	-
Property, plant and equipment written off	815	1,723	-

* These amounts represent short-term leases and leases for low value underlying assets under MFRS 16.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025
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22. EMPLOYEE BENEFITS EXPENSES

	Group	
	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
	RM	RM
Fees	-	107,400
Salaries, bonuses and allowances	5,356,971	4,798,405
Defined contribution plan	495,204	467,262
SOCSSO and EIS contribution	71,754	66,067
Other employment benefits	291,739	390,313
	6,215,668	5,829,447
Employee benefits expenses recognised in line item of profit or loss:		
- Cost of sales	3,537,402	3,403,892
- Administrative expenses	2,678,266	2,425,555
	6,215,668	5,829,447

Included in the employee benefit expenses is an amount of RM372,884 (2024: RM364,382) for Directors' remuneration. The details are disclosed in Note 26.2 to the financial statements.

23. TAX EXPENSE

	Group	
	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
	RM	RM
Income tax		
- Current year	2,396,250	1,944,608
- Under/(Over) provision in prior years	33,778	(132,150)
	2,430,028	1,812,458
Deferred tax (Note 9)		
- Current year	112,641	231,446
- Overprovision in prior years	(53,028)	(18,234)
	59,613	213,212
	2,489,641	2,025,670

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025
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23. TAX EXPENSE (CONT'D)

The reconciliation between tax expense applicable to profit/(loss) before tax at the statutory tax rate to tax expense at the effective tax rate of the Group and of the Company are as follows:

	Group		Company
	01.04.2024 to 31.03.2025 RM	01.04.2023 to 31.03.2024 RM	14.08.2024 to 31.03.2025 RM
Profit/(Loss) before tax	7,761,258	9,138,067	(1,706,152)
Malaysia statutory tax rate of 24%	1,862,702	2,193,136	(409,476)
Tax effect in respect of:			
Non-taxable income	(150,108)	(19,988)	-
Non-deductible expenses	757,844	47,906	409,476
Differential in tax rate for small and medium companies in Malaysia	38,453	(45,000)	-
Under/(Over) provision of current tax in prior years	33,778	(132,150)	-
Overprovision of deferred tax in prior years	(53,028)	(18,234)	-
Income tax expense	2,489,641	2,025,670	-

With effect from year of assessment 2023, companies with paid-up capital of up to RM2.5 million and gross business income of up to RM50 million are subject to Small and Medium Enterprise Corporate Tax at 15% on chargeable income of RM150,000 and 17% on remaining chargeable income up to RM600,000. Subsequently, corporate tax rate of 24% shall be applicable on the balance of chargeable income.

24. DIVIDENDS

	Group	
	2025 RM	2024 RM
First interim single tier dividend of RM5.1414 per ordinary share in respect of the financial year ended 31 March 2024.	-	4,000,000

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025
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25. CASH AND CASH EQUIVALENTS

	Group		Company
	2025	2024	2025
	RM	RM	RM
Cash in hand	27,943	27,185	-
Cash at bank	6,912,123	6,694,104	2,990
Deposits with licensed banks	7,727,772	8,266,827	-
	14,667,838	14,988,116	2,990
Less:			
Pledged deposits	(1,400,113)	(1,371,653)	-
Bank overdraft (Note 13)	(97,408)	-	-
	13,170,317	13,616,463	2,990

26. RELATED PARTY DISCLOSURES

26.1 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year/period:

	Group	
	2025	2024
	RM	RM
Transaction with Director		
- Net consideration for disposal of an investment property to	-	1,462,070
Transaction with related company		
- Payment made on behalf to	-	2,120

26.2 Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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26. RELATED PARTY DISCLOSURES (CONT'D)

26.2 Compensation of key management personnel (cont'd)

The remuneration of key management personnel for the financial year ended 31 March 2025 and the comparative prior year are as follows:

	Group	
	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
	RM	RM
Directors		
Fees	-	107,400
Salaries	505,600	228,600
Defined contribution plans	38,412	26,064
SOCISO and EIS contribution	3,370	2,318
Benefits-in-kind	21,580	-
	568,962	364,382
Other key management personnel		
Salaries, bonuses and allowances	454,763	409,550
Defined contribution plan	37,740	37,242
SOCISO and EIS contribution	4,961	4,953
	497,464	451,745
Total compensation of key management personnel	1,066,426	816,127

27. EARNINGS PER SHARE

The basic earnings per share ("EPS") has been calculated by dividing the Group's net profit after tax for the financial years attributable to owners of the Company by the weighted average number of ordinary shares in issue the financial year:

	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
	RM	RM
Profit for the financial year attributable to owners of the Company (RM)	5,271,617	7,112,397
Weighted average number of ordinary shares of the Company (units)*	13,003,455	778,000
Basic earnings per share (sen)	0.41	9.14

* In determining the weighted average number of ordinary shares issued by the Group, the issuance of shares pursuant to group restructuring exercise is treated as if it had been in issue since the beginning of the earliest period presented.

No diluted earnings per share is disclosed in the financial statements as there are no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

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28. FINANCIAL INSTRUMENTS

28.1 Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The table below provides an analysis of financial instruments of the Group and of the Company in the statements of financial position by the classes and categories of financial instruments to which they are assigned and therefore by the measurement basis, as follows:

	Group		Company
	2025	2024	2025
	RM	RM	RM
Financial assets			
<u>At amortised cost:</u>			
Trade and other receivables*	22,664,611	17,913,808	-
Deposits with licensed banks	7,727,772	8,266,827	-
Cash and bank balances	6,940,066	6,721,289	2,990
	37,332,449	32,901,924	2,990
Financial liabilities			
<u>At amortised cost:</u>			
Trade and other payables	6,831,956	8,647,253	1,763,342
Contract liabilities	1,554,778	3,662,504	-
Bank borrowings	2,162,189	1,513,621	-
Lease liabilities	634,064	649,617	-
	11,182,987	14,472,995	1,763,342

* Excluded prepayments.

28.2 Net gain or loss on financial instruments

	Group	
	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
	RM	RM
Net (loss)/gain on:		
Financial assets measured at amortised cost	(593,433)	1,023,413
Financial liabilities measured at amortised cost	388,081	(169,078)
	(205,352)	854,335

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

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28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Financial risk management, objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for its shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors review and agree policies and procedure for the management of these risks, which are executed by the Group's and the Company's senior management.

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 those risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, amount owing by related party and bank balance. The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on a regular and an ongoing basis by the management. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties with no history of default.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

(a) Trade receivables

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring its trade receivables individually on an ongoing basis. At the end of the reporting period, approximately Nil (2024: 11%) of the Group's trade receivables were due from Nil (2024: 1) major corporate customers.

Ageing analysis of trade receivables and impairment losses

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

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

The Group and the Company apply the simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

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

NOTES TO THE FINANCIAL STATEMENTS

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28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Financial risk management, objectives and policies (cont'd)

(i) Credit risk (cont'd)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables and impairment losses (cont'd)

For certain large customers or customers with a high risk of default, the Group and the Company assess the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

Also, the Group and the Company consider any trade receivables having financial difficulty or in default with significant balances outstanding for more than 365 days may be credit impaired and are assessed for their risk of loss individually, unless it is fully recovered subsequently.

For collective impairment losses on trade receivables, the Group and the Company use a provision matrix to calculate expected credit losses. The provision rates are depending on the number of days that a trade receivable is past due. The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information (if any). At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The following are credit risk management practices and quantitative and qualitative information about ageing analysis and amounts arising from expected credit losses for trade receivables.

The Group provides for lifetime expected credit losses for all trade receivables. The expected credit losses below incorporate forward looking information such as forecast of economic conditions where the gross domestic product is expected to deteriorate over the next year, leading to increase in the number of defaults. The loss allowance provision as at the end of each reporting period is determined as follows:

	ECL rate	Gross amount RM	Loss allowances RM	Carrying amount RM
Group				
2025				
Neither past due nor impaired	3.49%	199,732	(7,111)	192,621
Past due, not impaired				
- 0 to 30 days		9,780,823	-	9,780,823
- 31 to 90 days	0.04%	5,583,521	(2,306)	5,581,215
- 91 to 180 days	3.44%	3,212,316	(110,593)	3,101,723
- >181 days	0.83%	2,813,188	(23,367)	2,789,821
Individual assessed (credit impaired)		2,147,409	(2,147,409)	-
		23,736,989	(2,290,786)	21,446,203

NOTES TO THE FINANCIAL STATEMENTS

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28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Financial risk management, objectives and policies (cont'd)

(i) Credit risk (cont'd)

(a) Trade receivables (cont'd)

The Group provides for lifetime expected credit losses for all trade receivables. The expected credit losses below incorporate forward looking information such as forecast of economic conditions where the gross domestic product is expected to deteriorate over the next year, leading to increase in the number of defaults. The loss allowance provision as at the end of each reporting period is determined as follows: (cont'd)

	ECL rate	Gross amount RM	Loss allowance RM	Carrying amount RM
Group				
2024				
Neither past due nor impaired		5,691,781	-	5,691,781
Past due, not impaired				
- 0 to 30 days		1,201,255	-	1,201,255
- 31 to 90 days		1,846,308	-	1,846,308
- 91 to 180 days	3.02%	1,382,261	(41,792)	1,340,469
- >181 days	0.29%	4,385,767	(12,605)	4,373,162
Individual assessed (credit impaired)		924,398	(924,398)	-
		15,431,770	(978,795)	14,452,975

(b) Other receivables and other financial assets (including cash and cash equivalents)

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting period date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is past due beyond credit term in making a contractual payment.

NOTES TO THE FINANCIAL STATEMENTS

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28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Financial risk management, objectives and policies (cont'd)

(i) Credit risk (cont'd)

(b) Other receivables and other financial assets (including cash and cash equivalents) (cont'd)

Intercompany loans between related entities are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when 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 exposure to liquidity risk arises principally from trade and other payables, borrowings and lease liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from their flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025
cont'd

28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Financial risk management, objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on undiscounted contractual payments:

	Effective interest rate %	Carrying amount RM	Contractual cash flows			
			Within 1 year RM	Between 1 to 5 years RM	More than 5 years RM	Total RM
Group						
2025						
Trade and other payables		6,831,956	6,831,956	-	-	6,831,956
Bank overdraft	6.87%	97,408	97,408	-	-	97,408
Short-term trade financing	7.82%	1,682,400	1,682,400	-	-	1,682,400
Term loans	4.52% - 9.82%	382,381	291,018	112,506	-	403,524
Lease liabilities	2.28% - 5.58%	634,064	321,531	366,135	-	687,666
Contract liabilities		1,554,778	1,554,778	-	-	1,554,778
		11,182,987	10,779,091	478,641	-	11,257,732
2024						
Trade and other payables		8,647,253	8,647,253	-	-	8,647,253
Short-term trade financing	7.82%	808,399	808,399	-	-	808,399
Term loans	4.52% - 9.82%	705,222	344,950	424,837	-	769,787
Lease liabilities	2.28% - 5.58%	649,617	211,334	463,228	56,438	731,000
Contract liabilities		3,662,504	3,662,504	-	-	3,662,504
		14,472,995	13,674,440	888,065	56,438	14,618,943
Company						
2025						
Trade and other payables		1,763,342	1,763,342	-	-	1,763,342

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

cont'd

28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Financial risk management, objectives and policies (cont'd)

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currencies other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Chinese Yuan ("CNY") and Philippine Peso ("PHP"). As such, the Group is exposed to foreign currency risk. These exposures are managed, to the extent possible, by natural hedge that arise when payments for foreign currency payables are matched against receivables denominated in the same foreign currency. The Group also has stand-by foreign exchange forward contract to mitigate foreign currency risk, but remain unutilised throughout the financial year and previous financial years.

The transactional currency exposure arising from financial assets and liability that are denominated in a currency other than functional currency, are as follow:

	USD RM	CNY RM	PHP RM
Group			
2025			
Financial assets			
Trade receivables	8,583,977	-	-
Other receivables	68,155	950,628	-
Deposits with licensed banks	1,625,043	-	-
Cash and bank balances	4,362,633	-	-
	14,639,808	950,628	-
Financial liabilities			
Trade payables	(174,092)	(3,155,285)	(7,202)
Contract liabilities	(256,037)	-	-
	(430,129)	(3,155,285)	(7,202)
Net exposure	14,209,679	(2,204,657)	(7,202)
2024			
Financial assets			
Trade receivables	6,032,231	-	-
Other receivables	232,888	1,648,989	-
Deposits with licensed banks	3,143,895	-	-
Cash and bank balances	4,719,384	-	-
	14,128,398	1,648,989	-
Financial liabilities			
Trade payables	(140,713)	(2,795,734)	(7,861)
Contract liabilities	(1,015,199)	-	-
	(1,155,912)	(2,795,734)	(7,861)
Net exposure	12,972,486	(1,146,745)	(7,861)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

cont'd

28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Financial risk management, objectives and policies (cont'd)

(iii) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit after tax to a 10% fluctuation in the foreign currency exchange rates against the respective functional currencies of the Company, with all other variables held constant.

	2025 RM	2024 RM
United States Dollar	1,079,936	985,909
Chinese Yuan	(167,554)	(87,153)
Philippine Peso	(547)	(597)

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its long-term borrowings and lease liabilities with floating interest rates.

The interest rate profile of the Group's significant interest bearing financial instruments, based on the carrying amounts as at the end of the financial year was:

	Group	
	2025 RM	2024 RM
Fixed rate instruments		
<i>Financial asset</i>		
Trade receivable	255,210	500,035
Deposits with licensed banks	7,727,772	8,266,827
	7,982,982	8,766,862
<i>Financial liabilities</i>		
Lease liabilities	(634,064)	(649,617)
Floating rate instruments		
<i>Financial liabilities</i>		
Bank borrowings	(2,162,189)	(1,513,621)

Sensitivity analysis of interest rate risk

Sensitivity analysis is not disclosed for fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

cont'd

28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Financial risk management, objectives and policies (cont'd)

(iv) Interest rate risk (cont'd)

Sensitivity analysis of interest rate risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years.

	Group	
	2025	2024
	RM	RM
Effects on profit after taxation		
Increase by 50 basis point	(8,216)	(5,752)
Decrease by 50 basis point	8,216	5,752

28.4 Fair value of financial instruments

Financial assets and financial liabilities not carried at fair value are disclosed in Note 28.1 to the financial statements. These financial instruments are carried at the amounts approximate of their fair values on the statements of financial position of the Group and the Company due to the relatively short-term maturity of these financial instruments and the Group and the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

The Group and the Company do not have any financial instruments carried at fair value as at 31 March 2025 and 31 March 2024.

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial year and comparative prior year.

	Group	
	2025	2024
	RM	RM
Bank borrowings	2,162,189	1,513,621
Lease liabilities (excluding leases arising from rented properties)	471,028	649,617
	2,633,217	2,163,238
Total equity	35,754,158	30,481,541
Gearing ratio (times)	0.07	0.07

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

cont'd

30. SEGMENT INFORMATION

Business segments

Segment analysis for business segments has not been prepared as the Group is single business primarily engaged in manufacturing and assembling of machinery, trading and servicing of machinery, sale of spare parts and related products and this forms the focus of the Group's internal reporting systems

Geographical segments

	Group	
	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
	RM	RM
Revenue from:		
- Malaysian customer	22,407,566	17,525,887
- Overseas customer	19,725,651	21,606,726
	42,133,217	39,132,613

Major customers

Revenue from external customers contributed 10% or more to the total revenue recognised are as follows:

	Group	
	01.04.2024 to 31.03.2025	01.04.2023 to 31.03.2024
	RM	RM
Customer A	*	4,745,322
Customer B	*	4,252,600
Customer C	5,068,931	*
Customer D	5,536,299	*
	10,605,230	8,997,922

* Revenue from these customers during the respective year did not exceed 10% of the Groups's revenue.

31. GROUP FIGURES

The Company was incorporated for the purpose of acquiring its subsidiary, Arrow Systems Sdn. Bhd. The acquisition undertaken by the Company is a restructuring exercise. As the Company was not a business as defined by MFRS 3, the Accounting treatment for acquisitions is outside the scope of MFRS 3 and is accounted for as a capital reorganisation as the Group is ultimately controlled by the same party and/or parties both before and after the restructuring exercise.

During the financial period, the Group applied merger method of accounting on a retrospective basis arising from the acquisitions of the entire equity interest of Arrow Systems Sdn. Bhd. by the Company in business combinations under common control.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year/Period Ended 31 March 2025

cont'd

31. GROUP FIGURES (CONT'D)

The assets and liabilities of the subsidiary are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statements of comprehensive income reflect the results of subsidiary for the full reporting period (irrespective of then the combination takes place).

Consequently, the following accounting treatment has been applied in the consolidated financial statements arising from the business combinations under common control:

- (a) Assets and liabilities of Arrow Systems Sdn. Bhd. are recognised and measured at their pre-business combination carrying amount without restatement to fair value;
- (b) Retained earnings of the Group as at 31 March 2024 are those of Arrow Systems Sdn. Bhd.; and
- (c) Invested equity as at 31 March 2024 reflects the share capital of Arrow Systems Sdn. Bhd. prior to the incorporation of the Company.

32. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR/PERIOD

- (a) On 9 September 2024, the Company entered into a conditional Share Sale Agreement with Chan Kok Heng and Leong Weng Khin to acquire the entire issued share capital of Arrow Systems Sdn. Bhd. ("AASB") comprising 778,000 ordinary shares for a total purchase consideration of RM30,481,500 based on audited net assets of Arrow System of RM30,481,541 as at 31 March 2024.

The total purchase consideration is to be satisfied via the issuance of 406,420,000 new ordinary shares at an issue price of RM0.075 per share where Chan Kok Heng and Leong Weng Khin had nominated ASM Automation Group Berhad to receive the shares to be issued to them.

- (b) On 20 February 2025, the shares were allotted to Chan Kok Heng and Mr Leong Weng Khin. The above transaction was completed and approved by Suruhanjaya Syarikat Malaysia on 20 March 2025.
- (c) On 20 March 2025, Arrow Systems Sdn. Bhd. became a subsidiary of the Company and the principal activities of the subsidiary is engaged in the business of provision of automation machinery solutions and complementary solutions.
- (d) In conjunction with the Company's Listing, the Company proposed to undertake the Initial Public Offering ("IPO") at an issue price of RM0.17 per share, comprising:
 - (i) Public issue of 128,344,000 new ordinary shares in the Company in the following manner:
 - 26,740,000 new Shares available for application by the Malaysian Public;
 - 10,696,000 new Shares available for application by the eligible Directors, employees, and persons who have contributed to the success of the Group;
 - 66,846,000 new Shares available by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry;
 - 24,062,000 new Shares available by way of private placement to selected investors;
 - (ii) Offer for sale of 53,477,000 existing Shares by way of private placement to selected investors.

Pursuant thereto, the Company's entire enlarged share capital was listed and quoted on the ACE Market of Bursa Securities on 2 July 2025.

33. COMPARATIVE FIGURES

The comparative figure of the Group are presented as if the restructuring exercise has occurred before the start of the earliest period presented.

No comparative figure of the Company for the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows are available as this is the Company's first year of operation.

INDEPENDENT AUDITORS' REPORT

To the Members of ASM Automation Group Berhad (Incorporated in Malaysia)
Registration No. 202401033717 (1579565-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **ASM Automation Group Berhad** ("the Company"), which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year/period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 64 to 104.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and of their financial performance and their cash flows for the financial year/period then ended in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") 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 ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

1. Recoverability of trade receivables (Refer to Note 8 to the financial statements)

As at 31 March 2025, the Group recorded trade receivables of RM21,446,203, which represents 44% of the Group's total assets.

The Group assessed on a forward-looking basis the expected credit loss ("ECL") associated with its trade receivables using the simplified approach. The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management based on the Group's past history, existing market conditions as well as forward-looking information.

We determined this to be a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to credit risks exposure in assessing the recoverability of trade receivables.

INDEPENDENT AUDITORS' REPORT

To the Members of ASM Automation Group Berhad (Incorporated in Malaysia)
Registration No. 202401033717 (1579565-M)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Group (cont'd)

1. Recoverability of trade receivables (Refer to Note 8 to the financial statements)

Our audit response:

We performed, among others, the following audit procedures:

- Reviewed ageing reports and reperforming management's assessment of impairment losses using the expected credit loss model;
- Requested and obtained confirmation from selected trade receivables on outstanding balances as at the reporting date;
- Traced subsequent collection and performed alternative procedures to confirm existence and accuracy of trade receivables; and
- Reviewed management's assessment on the ECL of trade receivables with reference to historical payment records and credit history of the Group's customer.

Company

We have determined that there are no key audit matters to be communicated in our report which arose from the audit of the financial statements of the Company.

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 directors' report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report and the remaining parts of the annual report which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and take appropriate action in accordance with approved standards on auditing in Malaysia and ISAs.

Responsibilities of the Directors for the Financial Statements

The Directors of the Group and 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 and International Financial Reporting Standards. 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 ASM Automation Group Berhad (Incorporated in Malaysia)
Registration No. 202401033717 (1579565-M)
cont'd

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 has 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 ISAs 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 basis of these financial statements.

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

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

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of ASM Automation Group Berhad (Incorporated in Malaysia)

Registration No. 202401033717 (1579565-M)

cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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/period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

ECOVIS MALAYSIA PLT

AF 001825

Chartered Accountants

CHUA KAH CHUN

02696/09/2026 J

Chartered Accountant

Kuala Lumpur

11 July 2025

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM IPO

The Company was listed on the ACE Market of Bursa Securities on 2 July 2025. In conjunction with our IPO, our Company undertook a public issue of 128,344,000 new ordinary shares at an issue price of RM0.17 per share, raising total gross proceeds of RM21.82 million.

As at 31 March 2025, our IPO exercise has yet to be completed and, as such, we have yet to utilise any of the proceeds raised from IPO: -

Description of utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Estimated timeframe for utilisation from listing date
Acquisition of land and construction of a new factory	11,400	-	11,400	Within 42 months
Purchase of machines and purchase of equipment and components for the assembly of demonstration machineries	2,300	-	2,300	Within 42 months
D&D activities	2,000	-	2,000	Within 12 months
Working capital	1,918	-	1,918	Within 12 months
Estimated listing expenses	4,200	-	4,200	Within 1 month
Total	21,818	-	21,818	

The utilisation of proceeds disclosed above should be read in conjunction with the prospectus of the Company dated 29 May 2025.

2. AUDIT AND NON-AUDIT FEES PAID/PAYABLE TO EXTERNAL AUDITORS

The audit and non-audit fees paid or payable to the External Auditors, Ecovis Malaysia PLT, by the Company and Group for FYE 2025 are as follows: -

	The Company (RM)	The Group (RM)
Audit Fees	40,000	110,000
Non-Audit Fees	90,000	90,000
Total	130,000	200,000

During the financial year, the amount incurred in respect of non-audit fee amounted to RM90,000 comprised professional fee in relation to reporting accountants work as well as the review of Statement on Risk Management and Internal Control.

3. MATERIAL CONTRACTS

There was no material contract entered into by the Company and its subsidiary involving the interest of the Directors and major shareholders which was either still subsisting at the end of FYE 2025 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

During FYE 2025, there was no RRPT entered which requires shareholders' mandate.

LIST OF PROPERTIES

No.	Property address/ Title details	Tenure	Description of property/ Existing use	Category of land use/ Land area/ Built-up area (sq. ft.)	Acquisition date	Approximate Age of Building	Audited NBV as at 31 March 2025 (RM)
1	No. 1, Persiaran Perindustrian Pengkalan 15, Kawasan Perindustrian Pengkalan, 31500 Lahat, Perak Pajakan Negeri 159993, Lot No. 189639, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	Leasehold 99 years, expiring on 17 July 2090 (65 remaining years)	A unit of single storey factory with double storey office/ Office, factory and warehouse of our Group	Industrial/ 19,892/ 16,320	02.03.2010	27 years ⁽¹⁾	849,793
2	No. 36, Jalan Perindustrian Pengkalan 2A, Kawasan Perindustrian Pengkalan, 31500 Lahat, Perak Pajakan Negeri 107827, Lot No. 203525, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	Leasehold 99 years, expiring on 18 May 2092 (67 remaining years)	A unit of 1 ½ storey semi-detached factory/ Factory of our Group	Industrial/ 4,004/ 2,489	04.12.1995	3 years ⁽¹⁾	103,139
3	No. 38, Jalan Perindustrian Pengkalan 2A, Kawasan Perindustrian Pengkalan, 31500 Lahat, Perak Pajakan Negeri 107828, Lot No. 203526, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	Leasehold 99 years, expiring on 18 May 2092 (67 remaining years)	A unit of 1 ½ storey semi-detached factory/ Factory of our Group	Industrial/ 4,004/ 2,489	02.11.2017	3 years ⁽¹⁾	351,118
4	No. 9, Persiaran Perindustrian Pengkalan 17, Kawasan Perindustrian Pengkalan 31500 Lahat, Perak Pajakan Negeri 159998, Lot No. 189644, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	Leasehold 99 years, expiring on 17 July 2090 (65 remaining years)	A unit of single storey factory/ Office, factory and warehouse of our Group	Industrial/ 19,892/ 17,581	06.12.2010	11 years ⁽¹⁾	1,133,972

Note: -

⁽¹⁾ The approximate age of building is computed based on date of Certificate of Fitness for Occupation ("CF") or Certificate of Completion and Compliance ("CCC") obtained.

ANALYSIS OF SHAREHOLDINGS

as at 4 July 2025

ISSUED SHARES OF THE COMPANY

Total Number of Issued Shares	: 534,765,000
Class of Shares	: Ordinary Shares
Number of Shareholders	: 2,621
Voting Rights	: One (1) Vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	3	0.11	100	⁽¹⁾ 0.00
100 - 1,000	935	35.67	438,400	0.08
1,001 - 10,000	970	37.01	5,215,800	0.98
10,001 - 100,000	602	22.97	19,666,000	3.68
100,001 to less than 5% of issued shares	109	4.16	156,500,700	29.26
5% and above of issued shares	2	0.08	352,944,000	66.00
Total	2,621	100.00	534,765,000	100.00

Note: -

⁽¹⁾ Less than 0.01%

LIST OF SUBSTANTIAL SHAREHOLDERS

(Based on the Company's Register of Substantial Shareholders)

Name	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Chan Kok Heng	272,221,020	50.90	-	-
Leong Weng Khin	80,722,980	15.10	-	-

DIRECTORS' SHAREHOLDINGS

(Based on the Company's Register of Directors' Shareholdings)

Name	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tengku Faizwa Binti Tengku Razif	300,000	0.06	-	-
Chan Kok Heng	272,221,020	50.90	-	-
Leong Weng Khin	80,722,980	15.10	-	-
Kamalam A/P Kurup Krishnan	300,000	0.06	-	-
Dato' Ts Dr Thian Boon Chung	300,000	0.06	-	-
Woo Ah Kek	300,000	0.06	-	-
Jolene Lai Ooi Yoke	300,000	0.06	-	-

ANALYSIS OF SHAREHOLDINGS

as at 4 July 2025

(Cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS

(Without aggregating securities from different securities accounts belongings to the same registered holdings)

No.	Shareholders	No. of Shares Held	%
1	Chan Kok Heng	272,221,020	50.90
2	Leong Weng Khin	80,722,980	15.10
3	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chiau Haw Choon</i>	26,000,000	4.86
4	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Teo Swee Phin (MGN-TSP0004M)</i>	25,660,000	4.80
5	M & A Nominee (Asing) Sdn Bhd <i>For Tokyo Automatic Machinery Works, Ltd</i>	13,370,000	2.50
6	M & A Nominee (Tempatan) Sdn Bhd <i>M & A Digital Sdn Bhd for Yahya Bin Razali</i>	13,140,300	2.46
7	M & A Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account for Elias Bin Abdullah Ng (M&A)</i>	8,823,600	1.65
8	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chiau Beng Teik</i>	5,500,000	1.03
9	BIMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dwisaujana (M) Sdn. Bhd. (MGNM43003)</i>	5,000,000	0.93
10	PM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Eco Asia Ventures Sdn Bhd for Yahya Bin Razali</i>	5,000,000	0.93
11	PM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Eco Asia Ventures Sdn Bhd for Chan Yok Peng</i>	5,000,000	0.93
12	Tarez (M) Sdn Bhd	3,000,000	0.56
13	Choy Kam Ming Family Holdings Sdn.Bhd.	2,000,000	0.37
14	Koo Foo Hong	2,000,000	0.37
15	Lau Kee Von	2,000,000	0.37
16	PM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Eco Asia Ventures Sdn Bhd for Lai Yuan Jau</i>	1,809,000	0.34
17	Tengku Ardy Esfandiari Bin Tengku A.Hamid Shah	1,511,000	0.28
18	Khor Yen Ni	1,434,600	0.27
19	PM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Eco Asia Ventures Sdn Bhd for Che Khulsom Binti Yakob (A)</i>	1,368,300	0.26
20	PM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Eco Asia Ventures Sdn Bhd for Mohd Hairi Bin Ab Hamid (A)</i>	1,358,100	0.25
21	Liew Kar Hoe	1,300,000	0.24
22	Kenanga Investment Bank Berhad <i>IVT (22801) Kheoh Chow Aik</i>	1,200,000	0.23

ANALYSIS OF SHAREHOLDINGS

as at 4 July 2025
(Cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

(Without aggregating securities from different securities accounts belongings to the same registered holdings)

No.	Shareholders	No. of Shares Held	%
23	Affin Hwang Investment Bank Berhad IVT (WLT) Tan Woei Lin	1,189,600	0.22
24	Fairuz Bin Mohd Norlan	1,000,100	0.19
25	Mohamad Al Qayyum Bin Roslan	1,000,100	0.19
26	Ang Eng Hooi	1,000,000	0.19
27	Kang Cheng Guan	1,000,000	0.19
28	Kelvin Han Wei Jian	1,000,000	0.19
29	Lee Kim Cheong	1,000,000	0.19
30	Son Chen Chuan	1,000,000	0.19
Total		487,608,700	91.18

NOTICE OF FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting (“**1st AGM**”) of ASM Automation Group Berhad (“**Company**”) will be held at Kampar Room, Travelodge Ipoh, Jalan Raja DiHilir, 30350 Ipoh, Perak on Friday, 29 August 2025 at 11:00 a.m. to transact the following business:

AGENDA

- | | |
|---|---|
| 1. To receive the Audited Financial Statements for the financial period ended 31 March 2025 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. To approve the payment of Directors’ fees of up to RM270,000 payable to the Non-Executive Directors of the Company for the period from 2 July 2025 until the next Annual General Meeting of the Company to be held in 2026. | Ordinary Resolution 1
(Please refer to Explanatory Note 2) |
| 3. To approve the payment of Directors’ benefits payable to the Non-Executive Directors of the Company up to an amount of RM18,000 for the period from 2 July 2025 until the next Annual General Meeting of the Company to be held in 2026. | Ordinary Resolution 2
(Please refer to Explanatory Note 2) |
| 4. To re-elect the following Directors who retire in accordance with Clause 103 of the Company’s Constitution and being eligible, have offered themselves for re-election: | (Please refer to Explanatory Note 3) |
| (a) Tengku Faizwa Binti Tengku Razif | Ordinary Resolution 3 |
| (b) Chan Kok Heng | Ordinary Resolution 4 |
| (c) Leong Weng Khin | Ordinary Resolution 5 |
| (d) Kamalam A/P Kurup Krishnan | Ordinary Resolution 6 |
| (e) Dato’ Ts. Dr. Thian Boon Chung | Ordinary Resolution 7 |
| (f) Woo Ah Kek | Ordinary Resolution 8 |
| (g) Jolene Lai Ooi Yoke | Ordinary Resolution 9 |
| 5. To re-appoint Messrs. Ecovis Malaysia PLT as External Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 10
(Please refer to Explanatory Note 4) |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:

- | | |
|---|---|
| 6. Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights | Ordinary Resolution 11
(Please refer to Explanatory Note 5) |
|---|---|

“**THAT** subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities being obtained (if required), the Directors of the Company be and are hereby empowered pursuant to the Companies Act 2016, to issue and allot shares in the capital of the Company to such persons, at any time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

THAT pursuant to Section 85 of the Companies Act 2016, to be read together with Clause 9 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016;

NOTICE OF FIRST ANNUAL GENERAL MEETING

(Cont'd)

THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

NG SHU FERN (MAICSA 7062881) (SSM PC No. 201908001840)
TAN YAN NI (MAICSA 7071933) (SSM PC No. 202308000465)
 Company Secretaries

Kuala Lumpur
 30 July 2025

Notes:

- (1) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 August 2025 (General Meeting Record of Depositors) shall be entitled to attend the 1st AGM or appoint proxy(ies) to attend and vote in his stead.*
- (2) *A member who is entitled to attend and vote at the 1st AGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 1st AGM. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
- (3) *Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an authorised nominee appoints more than one (1) proxy, such appointment shall be invalid unless the authorised nominee specifies the proportion of its shareholdings to be represented by each proxy.*
- (4) *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
- (5) *A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
- (6) *The instrument appointing proxy(ies) may be made either in hard copy Proxy Form or by electronic means, and shall be deposited with the Company’s Share Registrar not less than forty-eight (48) hours before the time appointed for holding the 1st AGM of the Company or any adjournment thereof (**i.e. on or before Wednesday, 27 August 2025 at 11:00 a.m.**) in the following manner:*
 - (i) **In hard copy Proxy Form**
The hard copy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s common seal or under the hand of its officer or attorney duly authorised. Any alteration to the Proxy Form must be initialled. The hard copy Proxy Form shall be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.
 - (ii) **By electronic means**
*The Proxy Form may be submitted electronically through the Boardroom Smart Investor Portal (“**BSIP**”) at <https://investor.boardroomlimited.com> or via e-mail to bsr.helpdesk@boardroomlimited.com. Please refer to the Administrative Guides for the 1st AGM for further information on electronic submission.*
- (7) *If a member has submitted the Proxy Form but subsequently decides to appoint another person or wishes to participate in the 1st AGM personally, please write to bsr.helpdesk@boardroomlimited.com or log in to BSIP (for eProxy Form) to revoke the earlier appointed proxy(ies) not less than forty-eight (48) hours before the commencement of the 1st AGM or any adjournment thereof. In such an event, the member should inform his/her/its proxy(ies) accordingly. Please refer to the Administrative Guides for the 1st AGM for the details of submission.*
- (8) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 1st AGM will be put to vote by poll.*

NOTICE OF FIRST ANNUAL GENERAL MEETING

(Cont'd)

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 1st AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 1st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 1st AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Explanatory Notes

1. Audited Financial Statements for the financial period ended 31 March 2025

The agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require the audited financial statements to be formally approved by the shareholders of the Company. Hence, this agenda item is not put forward for voting.

2. Payment of Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this regard, the Company is seeking shareholders' approval at the 1st AGM for the Directors' fees and benefits payable to the Non-Executive Directors of the Company for the period commencing from 2 July 2025 until the next Annual General Meeting of the Company to be held in 2026, details of which are as follows:

- (a) Ordinary Resolution 1 – Directors' fees from 2 July 2025 until the next Annual General Meeting of the Company to be held in 2026

Position	Directors' Fee (RM) (Per Director)
Board Chairperson	RM90,000
Non-Executive Director	RM60,000

- (b) Ordinary Resolution 2 – Directors' benefits from 2 July 2025 until the next Annual General Meeting of the Company to be held in 2026

Benefits Payable to Directors	Amount (RM)
Meeting allowances for every Non-Executive Director of the Company for attendance of Board Meetings, Board Committee Meetings and General Meeting	RM500 per meeting day

In determining the proposed Directors' fees, the Remuneration Committee has undertaken a review, taking into consideration the industry benchmarking, the expected time commitment and the scope of responsibilities of each Non-Executive Director. The Directors' benefits comprise meeting allowances, which are based on the current Board size and the estimated number of meetings scheduled for the Board and Board Committees from 2 July 2025 until the next Annual General Meeting of the Company to be held in 2026. The Board is of the view that the proposed fees and benefits are fair and reasonable, taking into account the Directors' roles and responsibilities within the Group and the services rendered to the Company.

NOTICE OF FIRST ANNUAL GENERAL MEETING

as at 4 July 2025

(Cont'd)

In the event that the proposed Directors' fees and benefits are insufficient due to an increase in Board size or additional meetings convened, the Company will seek shareholders' approval at the next Annual General Meeting of the Company for additional Directors' fees and benefits to meet the shortfall.

Any Director who is also a shareholder of the Company will abstain from voting on the resolutions in respect of the fees and benefits payable to him/her at the 1st AGM.

3. Re-election of Directors

Pursuant to the Clause 103 of the Company's Constitution, all Directors shall retire from office at the 1st AGM of the Company. The retiring Directors, namely Tengku Faizwa Binti Tengku Razif, Chan Kok Heng, Leong Weng Khin, Kamalam A/P Kurup Krishnan, Dato' Ts. Dr. Thian Boon Chung, Woo Ah Kek and Jolene Lai Ooi Yoke (collectively referred to as the "**Retiring Directors**"), who are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 1st AGM of the Company. The profiles of the Retiring Directors are set out in the Profile of Board of Directors section of the Company's Annual Report 2025.

The Board, through the Nomination Committee ("**NC**"), conducted assessments to evaluate the performance, effectiveness and independence (where applicable) of the Retiring Directors and concluded that they have:

- (i) met the criteria prescribed under Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, in terms of character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors;
- (ii) satisfied the fit and proper assessment criteria pursuant to the Company's Directors' Fit and Proper Policy;
- (iii) met the performance criteria required of an effective and high performing Board and have contributed to the overall effectiveness of the Board; and
- (iv) in the case of Independent Directors, they remain independent.

The Retiring Directors have abstained from all deliberations and decisions concerning their own eligibility for re-election at the relevant NC and Board meetings.

4. Re-appointment of External Auditors

The Audit and Risk Management Committee ("**ARMC**") has reviewed and assessed the suitability, objectivity and independence of the External Auditors, Messrs. Ecovis Malaysia PLT ("**Ecovis**"), and is satisfied with their performance based on the quality of audit, adequacy of resources, independence and professionalism. The ARMC also concluded that the provision of non-audit services by Ecovis to the Company and the Group for the financial period ended 31 March 2025 did not in any way impair their objectivity and independence as the External Auditors of the Company. Upon due assessment, the ARMC recommended, and the Board endorsed the ARMC's recommendation to seek shareholders' approval for the re-appointment of Ecovis as External Auditors of the Company for the financial year ending 31 March 2026.

5. Authority to issue shares pursuant to the Act and waiver of pre-emptive rights

The proposed Ordinary Resolution 11 is to empower the Directors to issue and allot new shares in the Company to such persons at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being ("**Proposed General Mandate**"). This mandate will provide flexibility to the Company to undertake any possible fund-raising activities, including but not limited to the placement of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s), without the need to convene a separate general meeting, thereby reducing administrative time and associated costs.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting or upon the expiration of the period within which the next Annual General Meeting is required to be held by law, whichever is earlier.

In addition, the waiver of the statutory pre-emptive rights of shareholders will enable the Directors to issue new shares in the Company which rank equally with existing issued shares, to any person without first offering them to all existing shareholders prior to its issuance under the Proposed General Mandate.



STATEMENT ACCOMPANYING NOTICE OF THE FIRST ANNUAL GENERAL MEETING

Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“AMLR”)

1. Details of Individuals who are standing for election as Directors

There is no individual standing for election as Director (*other than those Directors who are standing for re-election as Directors*) at the 1st AGM of the Company.

2. General Mandate for issue of securities in accordance with Rule 6.04 of the AMLR

The details of the general mandate for issue of securities are set out in the Explanatory Note 5 of the Notice of 1st AGM.

ARROW SYSTEMS GROUP



ASM AUTOMATION GROUP BERHAD

[Registration No. 202401033717 (1579565-M)]
Incorporated In Malaysia

PROXY FORM

Number of Shares Held	
CDS Account No.	

I/We* _____ NRIC/ Passport/ Registration No.* _____
(full name and in capital letters)

of _____
(full address)

with email address _____ and mobile phone no. _____ ,
being a member/members* of **ASM AUTOMATION GROUP BERHAD** ("the Company"), do hereby appoint(s):

Full Name:	NRIC/Passport No.:	Proportion of shareholding to be represented by the proxy/proxies:	
		No. of Shares	%
Address:			
Email Address:			
Mobile No.:			

and/or*

Full Name:	NRIC/Passport No.:	Proportion of shareholding to be represented by the proxy/proxies:	
		No. of Shares	%
Address:			
Email Address:			
Mobile No.:			

or failing him/her, the CHAIRMAN OF THE MEETING* as my/our* proxy to vote for me/us* on my/our* behalf at the **First Annual General Meeting** ("1st AGM") of the Company to be held at Kampar Room, Travelodge Ipoh, Jalan Raja DiHilir, 30350 Ipoh, Perak on **Friday, 29 August 2025 at 11:00 a.m.** or any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below:

No.	Resolution	For	Against
1.	To approve the payment of Directors' fees of up to RM270,000 payable to the Non-Executive Directors of the Company for the period from 2 July 2025 until the next Annual General Meeting of the Company to be held in 2026.		
2.	To approve the payment of Directors' benefits payable to the Non-Executive Directors of the Company up to an amount of RM18,000 for the period from 2 July 2025 until the next Annual General Meeting of the Company to be held in 2026.		
3.	To re-elect Tengku Faizwa Binti Tengku Razif as a Director of the Company.		
4.	To re-elect Chan Kok Heng as a Director of the Company.		
5.	To re-elect Leong Weng Khin as a Director of the Company.		
6.	To re-elect Kamalam A/P Kurup Krishnan as a Director of the Company.		
7.	To re-elect Dato' Ts. Dr. Thian Boon Chung as a Director of the Company.		
8.	To re-elect Woo Ah Kek as a Director of the Company.		
9.	To re-elect Jolene Lai Ooi Yoke as a Director of the Company.		
10.	To re-appoint Messrs. Ecovis Malaysia PLT as External Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
11.	Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights		

(Please indicate with an 'X' in the spaces provided to specify how you wish your vote to be cast. If no specific direction is given, the proxy may vote or abstain from voting at his/her discretion.)

* delete whichever is not applicable

Dated this _____ day of _____ 2025.

Signature of Member(s) / Common Seal

Fold This Flap For Sealing

Notes:

- (1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 August 2025 (General Meeting Record of Depositors) shall be entitled to attend the 1st AGM or appoint proxy(ies) to attend and vote in his stead.
- (2) A member who is entitled to attend and vote at the 1st AGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the 1st AGM. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
- (3) Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an authorised nominee appoints more than one (1) proxy, such appointment shall be invalid unless the authorised nominee specifies the proportion of its shareholdings to be represented by each proxy.
- (4) Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (5) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (6) The instrument appointing proxy(ies) may be made either in hard copy Proxy Form or by electronic means, and shall be deposited with the Company's Share Registrar not less than forty-eight (48) hours before the time appointed for holding the 1st AGM of the Company or any adjournment thereof (**i.e. on or before Wednesday, 27 August 2025 at 11:00 a.m.**) in the following manner:
 - (i) **In hard copy Proxy Form**
The hard copy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of its officer or attorney duly authorised. Any alteration to the Proxy Form must be initialled. The hard copy Proxy Form shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.
 - (ii) **By electronic means**
The Proxy Form may be submitted electronically through the Boardroom Smart Investor Portal ("**BSIP**") at <https://investor.boardroomlimited.com> or via e-mail to bsr.helpdesk@boardroomlimited.com. Please refer to the Administrative Guides for the 1st AGM for further information on electronic submission.

Then Fold Here

AFFIX
STAMP

The Share Registrar of

ASM AUTOMATION GROUP BERHAD

[Registration No. 202401033717 (1579565-M)]

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st Fold Here

- (7) If a member has submitted the Proxy Form but subsequently decides to appoint another person or wishes to participate in the 1st AGM personally, please write to bsr.helpdesk@boardroomlimited.com or log in to BSIP (for eProxy Form) to revoke the earlier appointed proxy(ies) not less than forty-eight (48) hours before the commencement of the 1st AGM or any adjournment thereof. In such an event, the member should inform his/her/its proxy(ies) accordingly. Please refer to the Administrative Guides for the 1st AGM for the details of submission.
- (8) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 1st AGM will be put to vote by poll.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 1st AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 1st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 1st AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.