ASIA BRANDS

ASIA BRANDS BERHAD
[Company No : 197501000740 (22414-V)]

2025
annual report

CONTENTS

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting ("50th AGM") of the Company will be held at the Conference Room of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan on Thursday, 28 August 2025 at 9:00 a.m. for the following purposes:

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year 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 and benefits to the Non-Executive Directors of the Company from the conclusion of the 50th AGM up till the conclusion of the next Annual General Meeting of the Company to be held in 2026. *(Resolution 1)*

3. To re-elect the following Directors who retire pursuant to Clause 118 of the Company's Constitution:-

   (a) Dato' Dr. Lim Weng Khuan *(Resolution 2)*
   (b) Lee Siok Yee *(Resolution 3)*

4. To re-appoint Messrs. Reanda LLKG International PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Resolution 4)*

<u>As Special Business</u>

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

5. **ORDINARY RESOLUTION 1**
   AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 *(Resolution 5)*

   THAT subject to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to the Act, to allot and issue shares in the capital of 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 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; AND 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 shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

6. **ORDINARY RESOLUTION 2** *(Resolution 6)*
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH NG TIONG SENG CORPORATION SDN BHD ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")

THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Asia Brands Group**") to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as specified in Table A, Section 2.3 of the Circular/Statement to Shareholders dated 25 July 2025, which are necessary for the day-to-day operations of Asia Brands Group to be entered into by Asia Brands Group provided that such transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such authority shall commence upon the passing of this resolution and continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM is required by law to be held pursuant to Section 340(2) of Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) it is revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier;

AND THAT the Board of Directors of the Company and/or any one of them be and are hereby authorised to complete and to do all such acts and things including executing such documents as may be required to give effect to the transactions contemplated and/or authorised by this resolution.

7. **ORDINARY RESOLUTION 3** *(Resolution 7)*
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH TRACKLAND SDN BHD AND/OR ITS AFFILIATES INCLUDING HERMING MARKETING SDN BHD AND SIANG POH KNITTING SDN BHD ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")

THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Asia Brands Group**") to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as specified in Table B, Section 2.3 of the Circular/Statement to Shareholders dated 25 July 2025, which are necessary for the day-to-day operations of Asia Brands Group to be entered into by Asia Brands Group provided that such transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such authority shall commence upon the passing of this resolution and continue to be in force until:

(iv) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or

(v) the expiration of the period within which the next AGM is required by law to be held pursuant to Section 340(2) of Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the A

(vi) it is revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier;

8. ORDINARY RESOLUTION 4 *(Resolution 8)*
PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY OF UP TO TEN PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY.

THAT subject to the compliance with Section 127 of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that: -

(i) the aggregate number of shares to be purchased and/or held pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company including the shares previously purchased and retained as treasury shares (if any); and

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner: -

(i) cancel all the shares so purchased; and/or

(ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/ or

(iii) retain part thereof as treasury shares and cancel the remainder; or

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until: -

(a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting the authority is renewed either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

(c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be authorised to give effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any modifications and/or amendments as may be required by the relevant authorities.

9. To transact any other ordinary business for which due notice shall have been given

By Order of the Board

MAK CHOOI PENG
(MAICSA 7017931)
(SSM PC No. 201908000889)
Company Secretary

Klang
25 July 2025

Notes:

a. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 August 2025 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at this Meeting.*

b. *A member entitled to attend and vote at this Meeting is entitled to appoint any person as his proxy to attend and vote instead of him. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.*

c. *A member may appoint more than one (1) proxy to attend at the same meeting. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

d. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

e. *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

f. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised.*

g. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of attorney or authority, shall be deposited at the registered office of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.*

Explanatory Notes: -

1. Item 1 of the Agenda

   This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Resolution 1 – Payment of Directors' fees and benefit

   The Company is seeking shareholders' approval for the payment of Non-Executive Directors' fees and benefits of up to RM360,000/- with effect from the conclusion of the 50th Annual General Meeting ("AGM") until the conclusion of the next AGM of the Company in 2026 pursuant to Section 230(1) of the Act.

   Non-Executive Directors of the Company are entitled to annual Directors' fees based on the following remuneration structure adopted by the Company:

No.	Description	Chairman (RM) Fee (RM per annum)	Members (RM) Fee (RM per annum)
1	Board	180,000	60,000
2	Audit and Risk Management Committee	40,000	-
3	Nomination and Remuneration Committee	40,000	-
4	Sustainability and ESG Committee	40,000	-

In the event that the proposed Directors' fees and benefits are insufficient, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

3. Resolutions 2 to 3 – Re-election of Directors

Dato' Dr. Lim Weng Khuan and Ms. Lee Siok Yee ("the retiring Directors") are standing for re-election as Directors of the Company.

For the purpose of determining the eligibility of the retiring Directors to stand for re-election at the 50th AGM, the Board, through its Nomination and Remuneration Committee ("NRC") had assessed the retiring Directors, and considered the following:
(i) performance and contribution based on the Self-Assessment ("SA") results;
(ii) fit and proper criteria in discharging their roles as Directors of the Company;
(iii) level of independence demonstrated by the Retiring Directors;
(ii) level of contribution to the Board and deliberations through their skills, experience and strength in qualities; and
(iii) level of objectivity, impartiality and his ability to act in the best interest of the Company.

The retiring Directors met the performance criteria required of an effective and a high-performance Board based on the Directors' SA results.

The NRC and Board of Directors of the Company ("the Board") have considered the results of the assessment conducted on the retiring Directors and collectively satisfied that the retiring Directors met the criteria of character, experience, integrity, competence and time required to effectively discharge their role as Directors, as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board accepted the NRC's recommendation that the retiring Directors, who retire in accordance with Clause 118 of the Constitution namely, Dato' Lim Weng Khuan and Ms. Lee Siok Yee, are eligible to stand for re-election. The retiring Directors have abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant Board meetings. The retiring Directors will also abstain from voting on the resolutions in respect of their re-election at the 50th AGM.

Profiles of the retiring Directors are stated in this Annual Report 2025 of the Company.

4. Resolution 4 – Re-appointment of auditors

The Audit and Risk Management Committee ("**ARMC**") had undertaken an annual assessment of the suitability and effectiveness of the external audit process, performance, suitability and independence of the external auditors, Reanda LLKG International PLT ("Reanda") as prescribed under the Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The ARMC was satisfied with the suitability of Reanda based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Asia Brands Group. The ARMC was also satisfied in its review that the provisions of non-audit services by Reanda during the period under review did not impair Reanda's objectivity and independence. The Board had accepted the ARMC's recommendation for shareholders' approval to be sought at the 50th AGM on the re-appointment of Reanda as external auditors of the Company for the financial year ending 31 March 2026, under Resolution 4. The present external auditors, Reanda, have also indicated their willingness to continue their services for the next financial year.

5. Ordinary Resolution 1 - Authority to issue and allot shares

The proposed Ordinary Resolution 1 is for the purpose of seeking renewal for the general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, from the date of the 50th AGM of the Company, to allot and issue shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM of the Company.

The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the Forty-Ninth AGM of the Company held on 30 August 2024, which will lapse at the conclusion of the 50th AGM of the Company. Hence, no proceeds were raised therefrom.

6. <u>Ordinary Resolution 2 and 3 – Proposed new and renewal of shareholders' mandate</u>

This proposed Ordinary Resolutions 2 and 3, if passed, will enable the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading in nature with related parties in the ordinary course of business which are necessary for the day-to-day operations of Asia Brands Group, based on commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company

Please refer to Part A of the Circular/Statement to Shareholders dated 25 July 2025 circulated together with this Annual Report for further information.

7. <u>Ordinary Resolution 4 - Proposed Share Buy back</u>

The proposed Ordinary Resolution 4, if passed, will empower the Directors to purchase the Company's shares up to ten percent (10%) of the total number of issued shares of the Company by utilising the retained profits of the Company. This authority will, unless revoked or varied by the shareholders of the Company in general meeting, expire at the conclusion of the next AGM.

Please refer to Part B of the Circular/Statement to Shareholders dated 25 July 2025 circulated together with this Annual Report for further information.

ASIA BRANDS

Asia Brands Berhad (197501000740 (22414-V))

BABY

100%	**Anakku Sdn Bhd** 199201020319 (251823-V)
100%	**GB Marketing Sdn Bhd** 200201033234 (600899-A)
100%	**Baby Palace Sdn Bhd** 201101017334 (945470-T)
100%	**Labu Labu Marketing Sdn Bhd** (previously Pet Hero World Sdn Bhd) 201401007266 (1083344-H)
100%	**Isoho 365 Sdn Bhd** 202301003924 (1497843-W)
51%	**Generasi Global Gemilang Sdn Bhd** 202101007418 (1407717-T)

INNERWEAR

100%	**Audrey Sdn Bhd** 198401015001 (127557-H)
100%	**Generasi Prestasi Sdn Bhd** 199301030613 (285352-X)

SHARED SERVICE

100%	**Asia Brands HR Services Sdn Bhd** 199201020890 (252394-M)
100%	**Simple Plan Venture Sdn Bhd** (previously Generasi Dinasti Sdn Bhd) 199601006544 (378890-X)

Dato' Sri Tan Thian Poh *(Non-Independent Non-Executive Chairman)*

Male, aged 69, Malaysian, is the Non-Independent Non-Executive Chairman of the Company. Dato' Sri Tan Thian Poh was appointed to the Board on 11 April 2018. He graduated from the Chartered Association of Certified Accountants and holds a Master's Degree in Business Administration. He is the founder and Managing Director of Siang Poh Group of Companies, a vertically integrated textile group involved in the manufacturing and distribution of textile and apparels for more than 30 years.

Dato' Sri Tan is an indirect substantial shareholder of the Company by virtue of his direct interest in Trackland Sdn. Bhd., a substantial shareholder of the Company pursuant to Section 8 of the Companies Act 2016. He is the father of David Tan Chin Wee, who is his Alternate Director and a Non-Independent Non-Executive Director, and Collin Tan Chin Yew, a Non-Independent Non-Executive Director of the Company.

Dato' Sri Tan does not hold directorships in other public companies and listed companies. He currently holds directorships in certain subsidiary companies of Asia Brands Berhad. Dato' Sri Tan does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Dato' Sri Tan is not a member of any Board Committees of the Company. He attended all four (4) Board meetings held during the financial year ended 31 March 2025.

Ng Chin Huat *(Group Managing Director)*

Male, aged 55, Malaysian, is the Group Managing Director of the Company. Mr. Ng was appointed to the Board on 1 March 2011. He holds a Bachelor of Commerce (Actuarial) degree from the University of Melbourne, Australia. Upon graduation in 1991, he worked as an Actuarial trainee in Prudential Singapore for two (2) years. Thereafter, he moved into the stock-broking industry in 1993, gaining employment with HLG Securities, Malaysia. Mr. Ng joined Audrey International (M) Berhad in 1999 as an Executive Director and was subsequently promoted to Group Managing Director in 2002. In 2010, Mr. Ng assumed the role of the Group Chairman of the same company, and in 2018, Mr. Ng resumed his current position.

Apart from the above, Mr. Ng does not hold directorships in other public companies and listed companies but holds directorships in several other private limited companies. Mr. Ng is an indirect substantial shareholder of the Company by virtue of his and his spouse, Madam Yap Su P'ing's direct interest in Everest Hectare Sdn. Bhd., a substantial shareholder of the Company, pursuant to Section 8 of the Companies Act 2016. Mr. Ng is also related to Ng Tiong Seng Corporation Sdn. Bhd. ("NTSC"), a substantial shareholder of the Company, by virtue of NTSC being a family-owned company. Mr. Ng has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Ng is not a member of any Board Committees of the Company. He attended all four (4) Board meetings held during the financial year ended 31 March 2025.

Lee Siok Yee *(Independent Non-Executive Director)*

Female, aged 55, Malaysian, is the Independent Non-Executive Director of the Company. Ms. Lee is the Chairperson of the Audit and Risk Management Committee, and a member of the Nomination and Remuneration Committee. Ms. Lee was appointed to the Board on 29 August 2022. She graduated with a Bachelor of Business, major in Finance and Economics from the University of Technology, Sydney, Australia in 1992.

Ms. Lee has held several key positions in financial institutions across the Asia Pacific region, with a focus on structured financing, venture capital, and private equity investments. In 2010, she served as the Head of Private Equity at RHB Investment Bank Berhad. She joined Cope Private Equity Sdn Bhd in 2019 as a Senior Vice President and was subsequently appointed as a Partner in 2024. Ms. Lee does not hold directorships in any other public companies and listed companies.

Ms. Lee does not have any family relationship with any Director and/or major shareholder nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She does not hold any shares in the Company nor in its subsidiary companies. She has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Ms. Lee attended all four (4) Board meetings held during the financial year ended 31 March 2025.

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Dato' Dr. Lim Weng Khuan *(Independent Non-Executive Director)*

Male, aged 66, Malaysian, is the Independent Non-Executive Director of the Company. Dato' Dr. Lim is the Chairman of the Nomination and Remuneration Committee, and a member of the Audit and Risk Management Committee. Dato' Dr. Lim was appointed to the Board on 29 August 2022. He graduated with a Bachelor of Law from University of London (1988), Certificate in Legal Practice (1990), Masters of Business Administration from University of Hull (1995) and attained Doctor of Business Administration from University of South Australia (2005).

He had held key positions dealing with Human Resource matters in companies such as HLG Capital Bhd in 1996, Frazer & Neave Holdings Bhd in 2000, HSBC Bank Malaysia Berhad in 2003 and Tan Chong Group in 2010 before retiring in 2020. Dato' Dr. Lim does not have any family relationship with any Director and/or major shareholders nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Dato' Dr. Lim had served as an Independent Non-Executive Director on the board of Nexgram Holdings Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad, until his resignation on 28 March 2025.

Dato' Dr. Lim attended all four (4) Board meetings held during the financial year ended 31 March 2025.

Kong Sau Kian *(Non-Independent Non-Executive Director)*

Male, aged 61, Malaysian, is a Non-Independent Non-Executive Director of the Company appointed to the Board on 1 March 2011. He is also a member of the Audit and Risk Management Committee. Mr. Kong is a member of the Malaysian Institute of Accountants, graduated with a Bachelor of Accounting (Honours) degree from the University of Malaya in 1988. He joined KPMG Peat Marwick, an international accounting firm, until 1992 where his exposure includes audit of a wide range of industries, corporate restructuring, acquisition audit and other special assignments.

Mr. Kong also sits on the board of LBI Capital Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), as an Executive Director. He also sits on the board of ES Ceramics Technology Berhad and SSF Home Group Berhad, companies listed on the ACE Market of Bursa Securities, as Independent Non-Executive Director. He also holds directorships in several other private limited companies. Mr. Kong does not have any family relationship with any Director and/or major shareholder nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. Mr. Kong does not hold any shares in the Company or in its subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Kong attended all four (4) Board meetings held during the financial year ended 31 March 2025.

Collin Tan Chin Yew *(Non-Independent Non-Executive Director)*

Male, aged 35, Malaysian, is a Non-Independent Non-Executive Director of the Company appointed to the Board on 29 August 2022. Mr. Tan is the son of Dato' Sri Tan Thian Poh, the Non-Executive Chairman and indirect substantial shareholder of Asia Brands Berhad.

Mr. Tan graduated from the London School of Economics and Political Sciences with a Bachelor's degree in Actuarial Science. In 2012, he was Trainee Operations Manager at Hing Yiap Knitting Sdn Bhd. In 2013, he was a Research Analyst in Public Mutual Berhad prior to his current position as an Executive Director for B.U.M. Marketing (M) Sdn Bhd since 2016. Mr. Tan does not hold directorships in any other public or listed companies. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries and neither has he been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Tan attended all four (4) Board meetings held during the financial year ended 31 March 2025.

David Tan Chin Wee *(Alternate Director, Non-Independent Non-Executive)*

Male, aged 33, Malaysian, is a Non-Independent Non-Executive Director of the Company. Mr. Tan is the Alternate Director to his father, Dato'Sri Tan Thian Poh who is the Chairman of the Company.

Mr. Tan was appointed on 30 April 2018. He graduated from the City University, London, United Kingdom, with a Bachelor's degree in Actuarial Science and a Master's degree in Finance from the Cass Business School, United Kingdom. Mr. Tan does not hold directorships in any other public companies. He has no conflict of interest, or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Lee Yean Fung *(Group Chief Executive Officer)*

Female, aged 55, Malaysian, joined the Group in October 1997 as Marketing Executive and was promoted to various leadership roles throughout the years. She was appointed as the Chief Executive Officer of B.U.M. Marketing (Malaysia) Sdn Bhd in 2013, before assuming her current role in November 2014. Ms. Lee was appointed as the Group Chief Executive Officer under the principal subsidiary companies, namely, Anakku Sdn. Bhd. and Audrey Sdn. Bhd. on 1 April 2022 as successor to Mr. Cheah Yong Hock, who has retired.

Ms Lee graduated with a Bachelor of Business Administration from the University of Central Oklahoma, USA. Ms Lee has been involved in the lingerie industry for the past 15 years covering various roles including sales operations, trade marketing, retail and procurement. Prior to joining the Group, Ms Lee was attached to General Label & Labelling Malaysia, a company involved in printing and labelling industry.

Ms Lee does not hold directorships in any public or listed companies but she currently holds directorships in the subsidiary companies of Asia Brands Berhad. Ms. Lee does not have any family relationship with any Director and/or major shareholder nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Daniel Kok Tai Meng *(Chief Financial Officer)*

Male, aged 58, Malaysian, joined the Group in February 2009 as Senior Finance Manager and was promoted to his current position in 2011.

Mr Kok is a fellow-member of the Association of Chartered Certified Accountants, United Kingdom, and also a member of the Malaysian Institute of Accountants. He is responsible for the Group's overall financial health and position as well as providing key analysis to drive value added decision making to the Group's corporate strategies. Mr Kok started his career as an auditor with Lim, Cheh and Chang Public Accountants. He later joined L'Oreal Malaysia Sdn Bhd where he gained exposure in finance, business operations and controlling. Subsequently, he joined F&N Coca Cola Sdn Bhd overseeing commercial controls for Modern Trade Division.

Mr. Kok currently sits on the board of directors of Saliran Group Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad, as an Independent Non-Executive Director. He also holds directorships in the subsidiary companies of Asia Brands Berhad.

Mr. Kok does not have any family relationship with any Director and/or major shareholder nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

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Ng Meng Guan *(Chief Commercial Officer)*

Male, aged 44, Malaysian, joined the Group in November 2014 as a National Sales Manager. He was promoted to General Manager of Anakku Sdn Bhd in 2017, before assuming his current role. Mr. Ng was appointed as the Chief Commercial Officer under the principal subsidiary company, namely, Anakku Sdn. Bhd. on August 2022.

Mr. Ng graduated with a Bachelor of Business Studies and Administration from the Campbell University, USA in 2004 and attained Master of Business Administration (International) from Swinburne University of Technology, Malaysia in 2021. Mr. Ng has been involved in the retail industry for the past 19 years covering various roles including sales operations, trade marketing and retail operation. Prior to joining the Group, Mr. Ng was attached to Kinderdijk Sdn Bhd, a company involved in marketing and distribution of baby products.

Mr. Ng does not hold directorships in any public companies. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries and neither has he been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

BOARD OF DIRECTORS

Dato' Sri Tan Thian Poh
(Chairman/ Non-Independent Non-Executive Director)

Ng Chin Huat
(Group Managing Director)

Lee Siok Yee
(Chairperson of Audit and Risk Management Committee)
(Independent Non-Executive Director)

Dato' Dr. Lim Weng Khuan
(Chairman of Nomination and Remuneration Committee)
(Independent Non-Executive Director)

Kong Sau Kian
(Non-Independent Non-Executive Director)

Collin Tan Chin Yew
(Non-Independent Non-Executive Director)
(Chairperson of Sustainability and ESG Committee)

David Tan Chin Wee
(Non-Independent Non-Executive Director)
(Alternate Director to Dato' Sri Tan Thian Poh)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson:	**Members:**
Lee Siok Yee	Dato' Dr. Lim Weng Khuan
	Kong Sau Kian

NOMINATION AND REMUNERATION COMMITTEE

Chairman:	**Members:**
Dato' Dr. Lim Weng Khuan	Lee Siok Yee
	Collin Tan Chin Yew

SUSTAINABILITY & ESG COMMITTEE

Chairman:	**Members:**
Collin Tan Chin Yew	Dato' Dr. Lim Weng Khuan
	Kong Sau Kian

SECRETARY

Mak Chooi Peng (MAICSA 7017931)
(SSM PC No. 201908000889)

SOLICITORS

Jeffrey Wong, Noorul, Ho & Lim
Chooi & Company
K. H. Tai & Co.

BANKERS

Ambank (M) Berhad
OCBC Al-Amin Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
(Company No. 197701005827 (36869T))
Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
Damansara Heights, 50490 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur.

Tel	: 03-2084 9000
Fax	: 03-2094 9940
Email	: info@sshsb.com.my
Website	: www.securities-services.com.my

STOCK EXCHANGE

Main Market of Bursa Malaysia
Securities Berhad

STOCK CODE AND STOCK NAME

Stock Code	:	7722
Stock Nam	:	ASIABRN
Sector	:	Personal Goods
Sub-sector	:	Consumer Products & Services

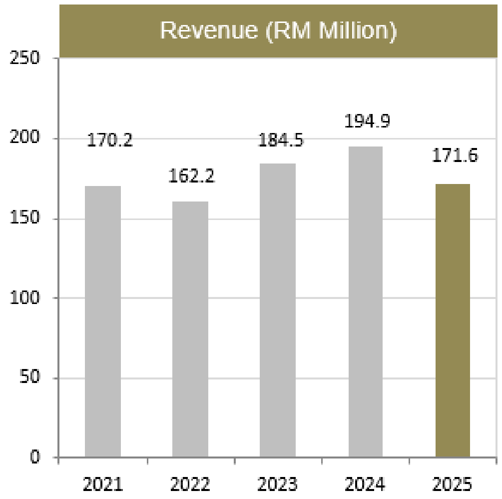
AUDITORS

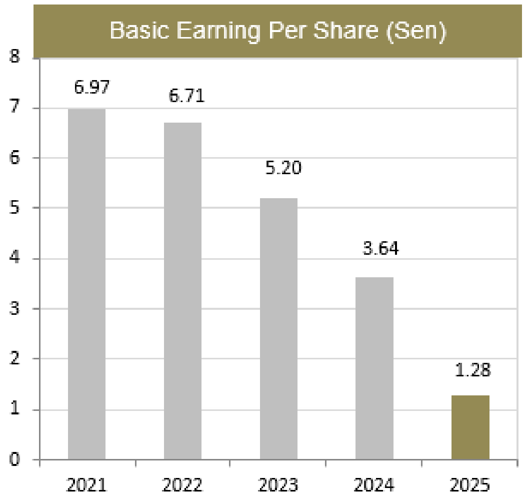
Reanda LLKG International PLT
(202506000003 (LLP00141599-LCA) & AF 1082)
Suite 9-5, Level 9, Wisma UOA II, Jalan Pinang,
50450 Kuala Lumpur, Wilayah Persekutuan.

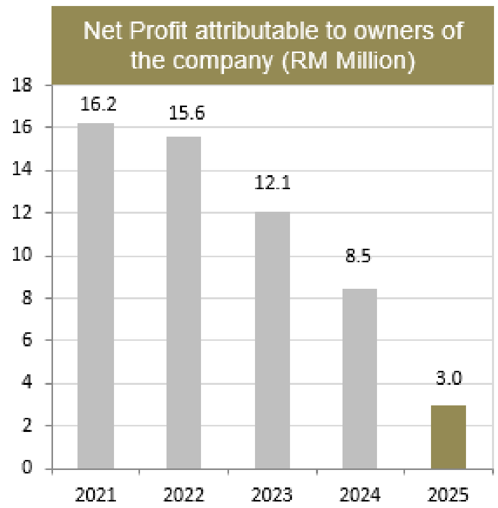
Tel	: 03-2166 2303
Fax	: 03-2166 8303

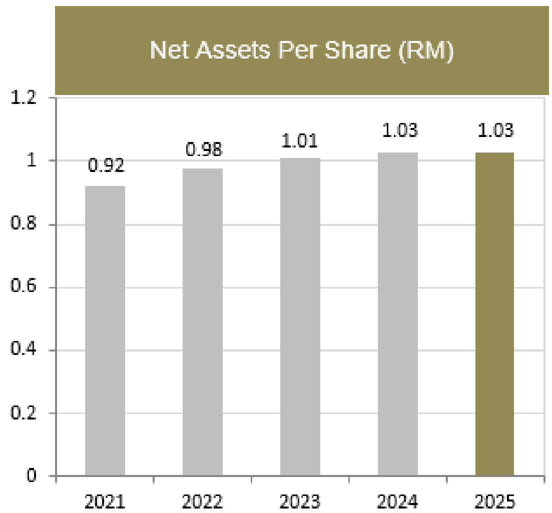
RM'000	2021	2022	2023	2024	2025
Revenue	170,217	162,230*	184,554*	194,960	**171,554**
Net (Loss)/Profit attributable to owners of the Company	16,217	15,604	12,099	8,477	**2,977**
Paid-up Share Capital (number of shares)	232,648	232,648	232,648	232,648	**232,648**
Shareholders' Funds	214,223	227,500	234,946	238,771	**239,421**

Per share	2021	2022	2023	2024	2025
Basic Earnings/(Loss) (sen)	6.97	6.71	5.20	3.64	**1.28**
Gross Dividend (sen)	1	1	2	1.5	**1.5**
Net Assets (RM)	0.92	0.98	1.01	1.03	**1.03**









* Revenue for the financial year 2023 and 2022 have been restated to adjust for overstatement of revenue due to recognition of commission income of third party concessionaire sales as revenue and cost of sales.

Dear Shareholders,

On behalf of the Board of Directors of the Company (Board), I am pleased to present to you the Annual Report and Audited Financial Statements of **Asia Brands Berhad** for the financial year ended 31 March 2025 (FYE 2025).

Corporate Development

FYE 2025 proved to be a challenging year for the Group, as we navigated a softer-than-expected retail environment impacted by rising costs and subdued consumer sentiment. The Group recorded revenue of RM171.6 million, a 12.0% decrease compared to RM195.0 million in the previous year. Despite this, we remained profitable with a profit before tax (PBT) of RM4.5 million, though lower than the RM10.8 million registered in the financial year ended 31 March 2024 (FYE 2024).

Our priority throughout the year was to preserve financial stability, improve cash flow, and rationalize unproductive assets. Strategic decisions, including the consolidation of retail space and tighter inventory management, contributed to a positive operating cash flow of RM23.2 million and a lower gearing ratio of 0.20 times. We remain focused on building a leaner, more agile organization with financial prudence at its core.

Industry Outlook

Malaysia's retail and consumer landscape continues to evolve amid inflationary pressures, subsidy rationalization, and a volatile Ringgit. While demand for discretionary items has softened, core product categories such as baby and innerwear remain resilient.

At the same time, structural demographic trends—particularly the ongoing decline in birth rates—pose specific challenges to our Baby Division. In response, the Group is diversifying into complementary product lines and leveraging digital channels to maintain engagement and drive cost-effective growth. We are also holding off major expansion plans in favor of preserving cash and optimizing operations. However, we continue to explore lower-risk, high-return opportunities such as live streaming and strategic partnerships. These initiatives align with shifting consumer behavior and allow us to reach customers more efficiently.

While headwinds persist, we remain cautiously optimistic. The essential nature of our core products, combined with digital innovation and strategic discipline, positions the Group for sustainable performance in a changing market.

Dividend

The Company paid a final dividend of RM0.01 per share on 26 June 2025, prior to the forthcoming Fiftieth Annual General Meeting. This is in addition to the interim dividend of RM0.005 per share paid on 13 December 2024. Total dividend paid in FYE 2025 amounted to RM0.015 per share.

Board Commitment

The Board remains committed to the highest standards of corporate governance, risk management, and accountability. We uphold responsible business practices and continue to embed sustainability across our operations in line with the Group's long-term goals.

We value the diversity, experience, and insight of the Board in shaping strategy and performance. Moving forward, we will continue to exercise strong oversight while supporting the Management in driving value for all stakeholders.

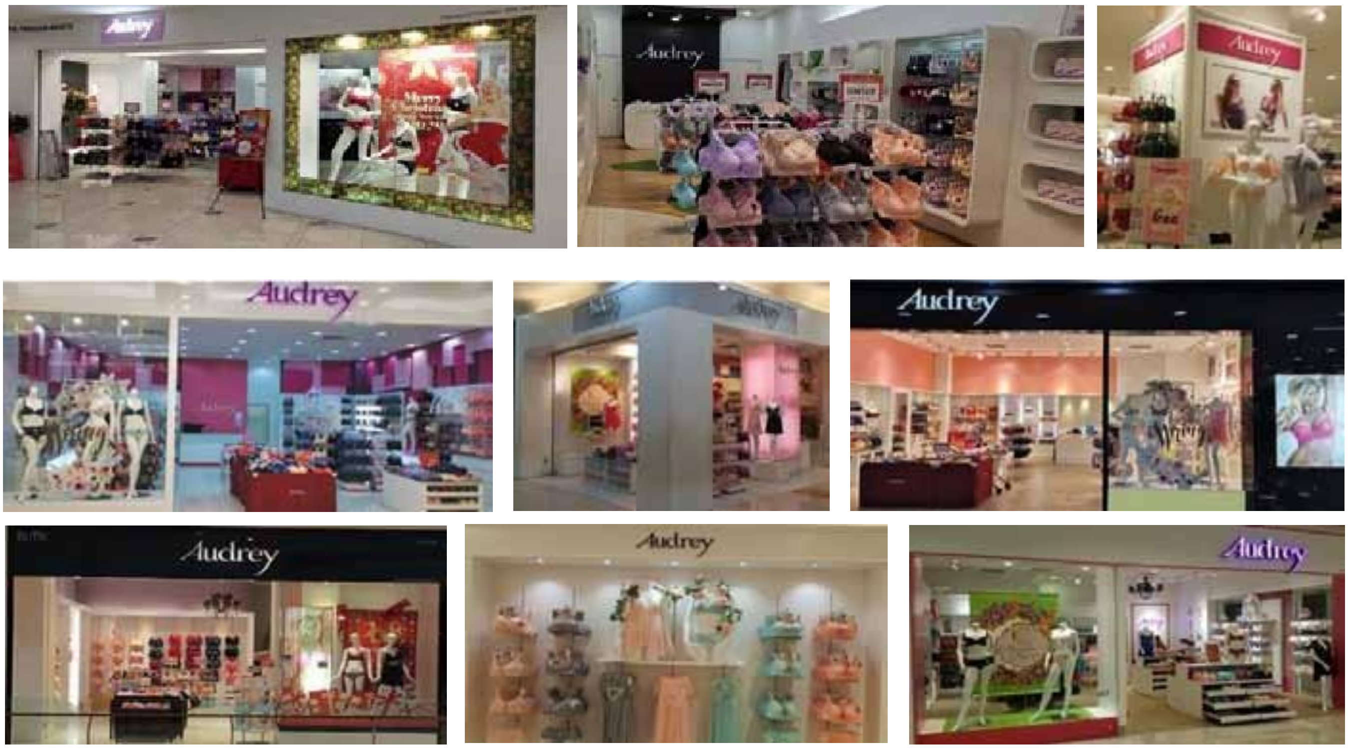
Acknowledgment and Appreciation

On behalf of the Board, I would like to express my sincere appreciation to our Management and employees for their resilience and dedication during the year. Despite the challenges, your contributions have been instrumental in maintaining the Group's financial strength and market relevance.

I would also like to extend my gratitude to my fellow Directors, our customers, business partners, suppliers, bankers, advisors, and valued shareholders for your continued trust and support. We look forward to working together as we navigate the year ahead with discipline, agility, and optimism.

Dato' Sri Tan Thian Poh
Chairman

BABY



INNERWEAR

Business Overview

For the financial year ended 31 March 2025 (FYE 2025), the Group operated within a challenging and evolving Malaysian business environment shaped by difficulties and opportunities. Malaysia's economy remained resilient, supported by strong domestic demand, stable private consumption, and ongoing structural reforms.

Government initiatives—such as the Inland Revenue Board's mandatory E-Invoicing rollout—reflected the nation's commitment to greater tax transparency and to accelerate digitalization. This complements the Group's internal efforts to enhance operational efficiency, streamline compliance processes, and improve service delivery through digital tools.

However, the business landscape was not without its headwinds. The ongoing US–China trade tensions, while external, have had indirect effects on Malaysia's local industries through supply chain disruptions and higher input costs. Certain sectors with upstream exposure or reliance on imported materials faced pressures on margins and difficulties in operational planning. Nonetheless, Malaysia's sound macroeconomic management, targeted policy support, and emphasis on industrial development have helped to mitigate these impacts.

On the domestic front, the shifting of consumer preferences, digital lifestyle adoption, and rising expectations for convenience, transparency, and sustainability are reshaping market behavior. Businesses across sectors are being challenged to respond with greater speed, relevance, and customer-centric solutions.

In response, the Group remains focused on strengthening its competitive position through operational enhancements, product innovation, and customer engagement. We also pay increased attention to cost pressures, supply chain reliability, and evolving regulatory requirements and in doing so, we viewed these as opportunities to further reinforce our business foundation.

Outlook and Forward Strategy

Looking ahead, the Malaysian business environment is expected to remain fluid, influenced by global developments and local economic fluctuations. Despite external uncertainties, the Group maintains a positive outlook for domestic growth, supported by government policies that encourage investment, enhance digital adoption, and drive productivity improvements.

To navigate this landscape and continue creating value for stakeholders, the Group will pursue the following strategic priorities:

- Strengthening our presence and customer base;
- Enhancing our digital and data capabilities;
- Driving economic, social and governance (ESG) performance and long-term stakeholder value;
- Building resilience through operational agility and prudent risk management.

The Group remains committed to creating sustainable growth while adapting to shifting macroeconomic and regulatory environments. With a clear strategy and a proactive approach, we aim to continue delivering value to our stakeholders and contributing positively to Malaysia's economic development.

Financial Review

For FYE 2025, the Group recorded revenue of RM171.6 million, representing a decline of RM23.4 million or 12.0% compared to RM195.0 million in the financial year 31 March 2024 (FYE 2024). The decrease was primarily attributable to softer market demand due to cautious consumer spending and also increasingly competitive market landscape.

Despite continued cost pressures and operational headwinds, the Group remained profitable, achieving a profit before tax (PBT) of RM4.5 million, compared to RM10.8 million in FYE 2024. Profit after tax (PAT) stood at RM3.0 million, a 64.8% decrease from RM8.5 million in FYE 2024. Included in the PAT is the realization of RM1.0 million in deferred tax assets during the year.

Earnings per share FYE 2025 was 1.28 sen, down from 3.64 sen in FYE 2024. Net assets per share remained at RM1.03.

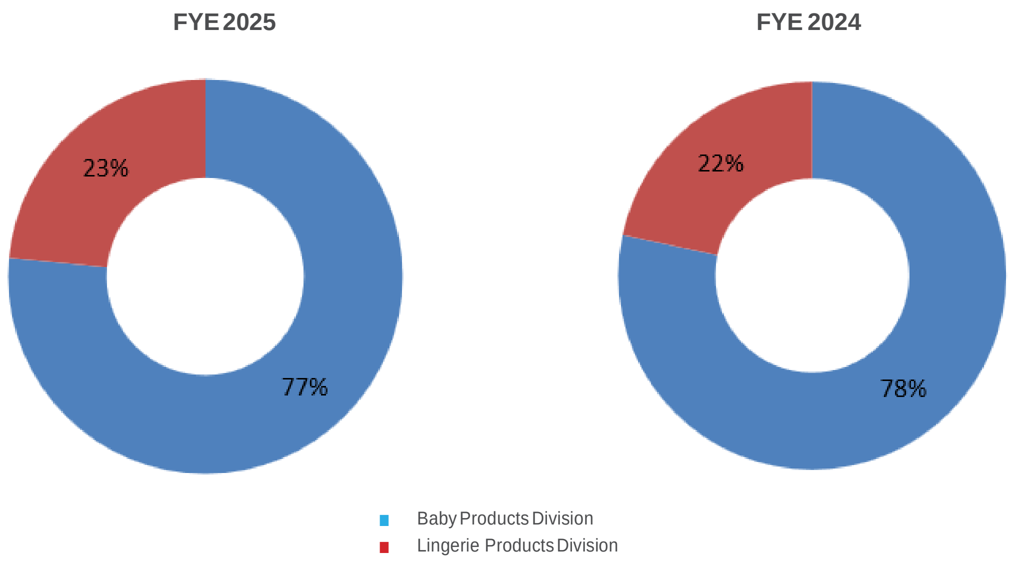
The Group's inventory reduced to RM63.7 million from RM82.0 million in FYE 2024, a decrease of RM18.3 million. This reduction reflects deliberate inventory rationalization efforts to improve working capital efficiency and align with current market demand.

Operationally, the Group continued to generate strong cash flows, with net cash from operating activities amounting to RM23.2 million for FYE 2025. Financial prudence remained a core focus, with gearing reduced to 0.20 times from 0.27 times in FYE 2024, underscoring the Group's commitment to maintaining a healthy and conservative financial position.

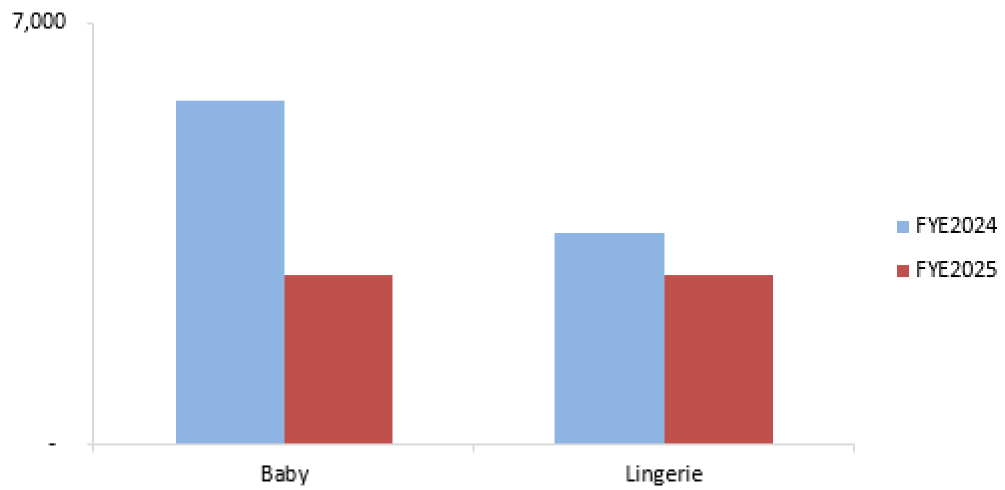
Looking ahead, the Group anticipates a challenging operating environment due to market uncertainties. However, with long-term commitment, digital enhancement, and cost optimization, the Group is confident in its ability to sustain financial stability and to maintain its leading position in the domestic market.

Segmental Review

The Group is principally engaged in the operation of retailing and distribution of baby apparels and lingerie with its related products.



Revenue (RM '000)	**FYE2025**		**FYE2024**	
Baby Products Division	125,096	77%	151,913	78%
Lingerie Products Division	38,410	23%	41,929	22%
Total	163,506	100%	193,842	100%



Profit before tax (RM'000)	**FYE2025 (RM'000)**	**FYE2024 (RM'000)**
Baby Products Division	2,825	5,700
Lingerie Products Division	2,808	3,509
Total	5,633	9,209

Baby Products Division

For FYE 2025, the division recorded revenue of RM125.1 million, a decrease of 17.7% from RM151.8 million in FYE 2024. Consequently, PBT declined by 50.4% to RM2.8 million, compared to RM5.7 million for the same period in FYE 2024. The division's performance was impacted by the continued decline in birth rates nationwide. According to official data from the Department of Statistics Malaysia, total live births dropped by 10.3% over the past few years—from 471,504 in 2020 to 423,124 in 2023. This demographic trend has naturally affected demand across the baby sector.

In response, the Group undertook strategic rationalizations to safeguard profitability and enhance operational efficiency. During FYE 2025, we exited 136 underperforming consignment counters, bringing the total to 305, and closed 15 loss-making stand-alone outlets, resulting in a streamlined retail network of 63 outlets as at 31 March 2025. These decisive actions are expected to protect and strengthen the division's profit in the coming year.

Despite current headwinds, the division remains focused on long-term recovery by:
- introducing new and innovative baby products,
- collaborating with established names in the industry
- expanding reach through enhanced e-commerce initiatives

BABY PRODUCTS DIVISION	Number of Stores
consignment counters	305
stand-alone outlets	63
large format stores	8

Number of stores is as at 31 March 2025

Lingerie Division

For FYE 2025, the Lingerie Division recorded revenue of RM38.4 million, a decline of 8.4% compared to RM41.9 million in FYE 2024. PBT decreased by 20.0% to RM2.8 million from RM3.5 million, mainly due to the increased cost of goods and higher operating expenses.

To manage these challenges, the division streamlined its retail network, closing 15 consignment counters and 13 stand-alone outlets. As at 31 March 2025, the division operates 109 consignment counters and 36 stand-alone outlets.

Looking ahead, the division will be focusing on regaining growth momentum through key initiatives such as:

- diversifying product offerings,
- expanding market reach,
- strengthening its online presence.

These strategies are expected to strengthen market position and drive recovery.

LINGERIE DIVISION	Number of Stores
consignment counters	109
stand-alone outlets	36

Number of stores is as at 31 March 2025

Risk Exposure and Mitigations

The Group's core operations in the sales, distribution, and retailing of consumer goods are inherently exposed to various risks that could materially impact our performance, financial position, and liquidity. Key risk factors include:

a) Macroeconomic volatility and changes in consumer spending patterns
b) Shifts in government policies, by-laws, or regulatory frameworks affecting the retail and distribution sectors
c) Changes in monetary policy and interest rates by Bank Negara Malaysia or commercial banks
d) Rising production costs, fluctuation in raw material prices, and supply chain disruptions
e) Cybersecurity threats and increasing reliance on digital infrastructure
f) Industry-specific trends, including declining birth rates impacting demand in the baby segment
g) Demographic shifts and evolving consumer preferences affecting the lingerie market

The decline in Malaysia's birth rate continues to pose a structural challenge for the baby care segment. This demographic trend reduces overall market size, requiring us to continuously adapt product offerings and explore new growth opportunities within adjacent categories. Similarly, the lingerie division faces heightened competition and the need to respond quickly to changes in fashion trends, size inclusivity, and comfort-driven demand.

Mitigation Strategies
To address these risks, the Group adopts a proactive and adaptive approach:

- **Market Responsiveness**: Close monitoring of economic and regulatory developments, adjusting product launches, pricing strategies, and promotional activities to align with evolving market conditions and consumer sentiment.

- **Performance Monitoring**: Regular outlet and product performance reviews enable timely restocking of best-sellers, identifying slow-moving items, and optimizing inventory levels to enhance operational efficiency.

- **Supply Chain Management:** Recognizing the critical role of supply chain reliability, the Group maintains strong relationships with existing suppliers while actively sourcing and evaluating new suppliers to ensure continuity, quality, and cost efficiency.

- **Digital Strategy & E-Commerce**: To cater to the growing shift towards online shopping, we continue to strengthen our e-commerce capabilities, improving service delivery across digital platforms, and refining our digital marketing strategies to increase brand visibility and customer engagement.

The Group remains committed to mitigating risk through agile management, data-driven decision-making, and continuous improvement across all areas of the business. This resilience will enable us to navigate uncertainties while maintaining long-term business sustainability and value creation for our stakeholders.

Opportunities and Challenges

The Group's performance in FYE 2025 was less than expected, reflecting a challenging operating environment marked by cost inflation and softer consumer sentiment. In light of this, we are holding off on major expansion plans and focusing instead on strengthening cash reserves and improving operational efficiency.

Rising costs across raw materials, logistics, and labor continue to put pressure on profit margins. In response, the Group is intensifying efforts to manage costs, optimize inventory, and streamline operations to preserve profitability and cash flow.

While cautious on capital outlay, we continue to explore low-cost, high-impact initiatives. E-commerce live streaming has emerged as an effective and cost-efficient channel for engagement and sales, and tapping into this avenue whenever opportunities arise. We believe baby care and innerwear are essential products and demand although soft, remains relatively resilient. As such, we will continue to leverage on this with targeted promotions and digital outreach.

In parallel, the Group is exploring product diversification within adjacent categories such as modest fashion apparels, wellness items, and personal care products, are areas that align naturally with our existing customer base and brand proposition. These additions offer opportunities to enhance value per customer while deepening brand relevance.

We are also reviewing, whenever possible, collaborations with local partners and brand owners to widen our reach. While the road ahead remains uncertain, we are laying a strong foundation for sustainable recovery focusing on cash discipline, digital reach, and customer value.

ABOUT THIS STATEMENT

The Board of Directors of Asia Brands Berhad ("Board") is aware and committed to integrate our social responsibilities into our business strategies for the sustainable growth of the Group. As the Group work to increase stakeholders value through our core business, it will not neglect our responsibilities and will strive for the betterment of our employees and the community. Our sustainability practices and preparation of this Sustainability Statement ("this Statement") are guided by the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") Sustainability Reporting Guide and guidelines issued by the Global Reporting Initiative ("GRI") Standards.

This Statement focuses on our Group's sustainability practices focusing on the economic, environmental, and social impacts of our activities and initiatives in accordance with the GRI Standards, prioritizing our focus on reviewing our material issues and mapping out our route forward to embed sustainability throughout our business operations. This Statement covers the reporting period from 1 April 2024 to 31 March 2025 (FYE 2025) and based on material topics that we have identified. Our focus for FYE 2025 was on implementing our sustainability approaches which covers economic, environmental and communal other than governance. Our scope and boundaries cover all our entities and operations in Malaysia. The Group has not undertaken external assurance of this Statement for FYE 2025 but plans to do so in the near future in line with Bursa Malaysia's guidance.

This Statement contains certain forward-looking statements relating to future performance where such statements are premised on current assumptions and circumstances, which could change, hence they necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

MATERIALITY

Materiality, in sustainability terms, is not limited to matters that may have a significant financial impact on our Group but also includes matters that may influence our ability to meet present and future needs. Our definition of materiality is drawn from the guidelines provided by Bursa Securities where material issues are defined as such if they reflect an organization's significant economic, environment, and social impacts; or substantively influence the assessment and decisions of stakeholders.

The materiality assessment will be used in the following ways:
1. To identify the sustainability issues for the Group in terms of business value, risks and opportunities.
2. To understand how sustainability and key business issues intersect.
3. To plan future sustainability commitments and resource allocation
4. To support the Group's engagement with external stakeholders

The key stakeholder groups that have been identified includes our employees, shareholders, business partners, external interest groups and customers, to plan future sustainability commitments and resource allocation. Our goal is to understand and address the different needs of each group in order to build a sustainable and successful business.

Stakeholder Group	Key Areas of Concerns	Addressing these Concerns
Employees	• Career Development • Compensation, welfare and benefits • Work-life balance • Value diversity and equal opportunity • Working environment quality and safety	• Virtual Office / Flexi Hours • Staff Welfare Meetings • Talent Pool System • Staff Events and Functions • Provide skills development and training
Community and Public	• Quality products and services • Social Responsibility • Community development • Environment Awareness	• Donations and sponsorship • Employee volunteerism • Local employment creation • Education on Product Usage
Customers	• Product Quality • Product Pricing • Service Satisfaction • Customer Appreciation	• Responsible clothing design • Marketing Campaigns • Customer Focus Group • Customer Loyalty Program
Suppliers	• Procurement Process • Strategic Partnership • Suppliers' development • Payment Terms	• Group procurement policy and system • Yearly supplier evaluation • Inspection to Supplier Factories • Supply chain management
Investors and Shareholders	• Business direction and prospects • Corporate governance • Company performance • Return on Investment	• Announcements on Bursa Malaysia • Annual general meeting • Annual reports • Corporate website
Government and Regulators	• Regulatory compliance • Annual reporting and disclosure • Sustainability reporting	• Attend seminars • Support and Participation

SUSTAINABILITY GOVERNANCE

All matters related to sustainability in the Group are governed and managed across various levels in the organization. We strive to maintain the standards of corporate governance best suited to the needs and interests of our Group. Our Board has the ultimate responsibility and works together with the key senior management team to steer the Company's sustainability efforts and performance.

In line with sustainability, we ensure that the sustainability efforts are embedded in the strategic direction of the Group by involving all the pertinent Heads of Group Departments. The Sustainability & ESG Committee ('SESGC") was established and led by members of the Board and comprises members across key departments and operational units in various working groups responsible for implementing the initiatives within the organization. The SESGC is established to oversee the formulation, implementation and effective management of our sustainability matters in line with the strategies. The structure also encourages continuous improvement on the sustainability initiatives in the Group. The Group Managing Director provides regular updates to the Board on matters relating to key economic, environmental and social risks and opportunities concerning sustainability matters.

The following policies serve to embed our commitment towards responsible corporate governance across our operations:

Board Policies	Company Policies
1. Board Charter	1. Anti-Bribery and Corruption ("ABC") Policy
2. Code of Conduct and Ethics	2. Whistleblowing Policy & Procedures
3. Terms of Reference of the Audit and Risk Management Committee	3. Occupation Safety & Health Policy 4. Human Resources Policy
4. Terms of Reference of the Nomination and Remuneration Committee	5. Inventory Write off Policy 6. Procurement Policy
5. Sustainability	7. Laptop Policy
6. Director's Fit & Proper	8. Pricing Policy

The above policies are communicated to our employees on the Group's intranet/notice board to facilitate awareness, in addition to wider stakeholders including suppliers, contractors, business partners and associates on our corporate website. We require all employees to abide by these policies and our ethical standards as stipulated in our employee handbook as they deliver excellence for the Company. In encouraging high standards of honesty and integrity in decision-making and behaviour, we encourage employees to consider the ethical implications and all other aspects of our ethics programme before giving and receiving gifts, in their dealings with third parties such as stakeholders, partners, vendors, and the general public.

EMPLOYEE

The Group recognizes that employees are its most important asset and is committed to their welfare by continuously upgrading their skills to meet evolving requirements. To ensure high job satisfaction at all levels, the Group provides constant education and guidance. Investment in professional development is crucial for enhancing overall performance. The Group also strives to maintain a safe and healthy working environment, providing annual medical and hospitalization insurance to cover health screenings and medical needs. Adhering to local labor laws, the Group practices non-discriminatory recruitment and promotes the hiring of underprivileged groups, including individuals from deprived backgrounds. The Group is proud to foster a positive, distinct, and diverse culture, believing that a diverse team with equal opportunities inspires everyone to be true to themselves.

During the financial year, a free health screening was organized in collaboration with Avicenna Medicare Group Sdn Bhd under the Program Saringan Prihatin 3.0 and offered to all employees. The initiative received an encouraging response, with close to 100 employees taking part.

COMMUNITY

The Group encourages and supports employees' participation in community activities. Support given is mainly in the form of cash donation and products sponsorship by the Group to deserving welfare and charity organizations and children foundations. The Group has been putting a lot of efforts by holding positions and contributing donation to welfare and charity organization as part of the efforts of giving back to the society where the Group operates.

CUSTOMER

The Group prioritizes customer satisfaction by efficiently addressing their needs and responding promptly to their feedback, which helps us stay attuned to market trends. Our operators and promoters are trained to educate customers about our products, sharing relevant information and addressing concerns. We have also launched various marketing promotions, campaigns, activities, and loyalty programs to grow and retain our customer base across our outlets, retail boutiques and e-commerce platforms. These efforts enable customers to conveniently make informed product and brand choices.

SUPPLIER

We greatly value and respect our business partners, including suppliers, vendors, logistics providers, and retail operators, who have been instrumental in helping us achieve our financial objectives. Our emphasis on offering safety, assurance, and high-quality products and services underscores our commitment to excellence. We work closely with our partners, striving for mutual success and prosperity.

Additionally, the Group has initiated a Vendor Management Program, consolidating all our suppliers across major regions in the country into manufacturing and warehousing hubs. This initiative ensures faster delivery and response times to our customers within those regions.

ENVIRONMENT

We target to work towards a more environmental friendly production processes and to achieve minimal discharge of hazardous substances through continuous improvement of the supply chain. This means working closely with our vendor partners from design to finished products to reduce consumption and environmental impact as our effort to save both the environment and costs at the same time. We target to work towards a more environmental friendly production processes and to achieve minimal discharge of hazardous substances through continuous improvement of the supply chain. This means working closely with our vendor partners from design to finished products.

For our office building, we encourage our employees to turn off their computers, laptops and monitors if they are going to be away from their desk for a break or a long period of time. Majority of the office lightings that are not in used will also be switched off during lunch hours and past business hours. Aside from that, regular maintenance and upkeep are also conducted on all office equipment to keep them running efficiently. We continue to drive "no plastic bag" campaign for all in-store purchases and discourage any use of non-recyclable materials for packaging and transportation of products.

REGULATORY COMPLIANCE

The Group is committed to conducting lawful and ethical business practices and zero tolerance for unethical or illegal conduct. To ensure our behavior and communications are aligned, we encourage employees, suppliers and stakeholders to report any illegal or unacceptable behavior or non-compliance with the Groups Code of Ethics and the Anti-Bribery and Anti-Corruption Policy.

Whistleblowing practice is encouraged and is open to any employees, suppliers or third-parties, with the assurance that any report will be properly investigated and treated with confidentiality.

Group policies includes fit & proper to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and/or re-election of the Directors of the Group as well as sustainability to mandate the inclusion of environmental and social issues in the Group's business model.

In FYE 2023, Asia Brands was not subject to any occurrence of non-compliance with any regulatory requirements.

ESG REPORTING

Bursa Malaysia has officially launched its ESG Reporting Platform on 4 December 2023. This platform is a significant step in mandatory environmental, social, and governance (ESG) reporting for companies listed on the Main Market and ACE Market. The following has been reported for FYE2025.

Bursa #	Indicator	Measurement Unit	FYE 2024	FYE 2025
C1	**Anti-corruption**			
a	**Percentage of employees who have received training on anti-corruption by employee category**			
	Management	Percentage	0	0
	Executive	Percentage	0	0
	Non-executive/Technical Staff	Percentage	0	0
	General Workers	Percentage	0	0
b	Percentage of operations assessed for corruption-related risks	Percentage	0	0
c	Confirmed incidents of corruption and action taken	Number	0	0
C2	**Community/Society**			
a	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	57,480	7,250
b	Total number of beneficiaries of the investment in communities	Number	5	3
C3	**Diversity**			
a	**Percentage of employees by gender and age group, for each employee category**			
(i)	**Age Group by Employee Category**			
	Management Under 30	Percentage	0	0
	Management Between 30-50	Percentage	3	3
	Management Above 50	Percentage	2	3
	Executive Under 30	Percentage	12	13
	Executive Between 30-50	Percentage	34	46
	Executive Above 50	Percentage	8.5	13
	Non-executive/Technical Staff Under 30	Percentage	18.5	5
	Non-executive/Technical Staff Between 30-50	Percentage	16	11
	Non-executive/Technical Staff Above 50	Percentage	6	6
	General Workers Under 30	Percentage	0	0
	General Workers Between 30-50	Percentage	0	0
	General Workers Above 50	Percentage	0	0
(ii)	**Gender Group by Employee Category**			
	Management Male	Percentage	3	3.5
	Management Female	Percentage	2	3.5
	Executive Male	Percentage	9	10
	Executive Female	Percentage	46	62
	Non-executive/Technical Staff Male	Percentage	1	0
	Non-executive/Technical Staff Female	Percentage	39	21
	General Workers Male	Percentage	0	0
	General Workers Female	Percentage	0	0
b	**Percentage of directors by gender and age group**			
	Male	Percentage	67	73
	Female	Percentage	33	27
	Under 30	Percentage	0	0
	Between 30-50	Percentage	25	18
	Above 50	Percentage	75	82
C4	**Energy management**			
a	Total energy consumption	Megawatt	50.2	35.0
C5	**Health and safety**			
a	Number of work-related fatalities	Number	0	0
b	Lost time incident rate ("LTIR")	Rate	0	0
c	Number of employees trained on health and safety standards	Number	0	25

Bursa #	Indicator	Measurement Unit	FYE 2024	FYE 2025
C6	**Labour practices and standards**			
a	**Total hours of training by employee category**			
	Management	Hours	98	280
	Executive	Hours	224	960
	Non-executive/Technical Staff	Hours	0	0
	General Workers	Hours	0	48
b	**Percentage of employees that are contractors or temporary staff**	Percentage	0	0
c	**Total number of employee turnover by employee category**			
	Management	Number	1	8
	Executive	Number	26	79
	Non-executive/Technical Staff	Number	22	23
	General Workers	Number	0	0
d	**Number of substantiated complaints concerning human rights violation**	Number	0	0
C7	**Supply chain management**			
a	Proportion of spending on local suppliers	Percentage	92.5	100.0
C8	**Data privacy and security**			
a	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
C9	**Water**			
a	Total volume of water used	Megalitres	6.6	4.3
C10	**Waste Management**			
a	Total waste generated	Metric Tonnes	0.0	0.0
ai	Total waste diverted from disposal	Metric Tonnes	0.0	0.0
aii	Total waste directed to disposal	Metric Tonnes	0.0	0.0
C11	**Emission Management**			
a	Scope 1 emissions in tonnes of CO2e	Metric Tonnes	0.0	0.0
b	Scope 2 emissions in tonnes of CO2e	Metric Tonnes	0.0	0.0
c	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric Tonnes	0.0	0.0

CONCLUSION

FYE 2025 marked a year of continued progress in our ESG journey, underscoring our commitment to sustainability and responsible business practices. We are encouraged by the measurable improvements we achieved in environmental efficiency, health and safety, and the development of our people. These results reaffirm the value of our ongoing initiatives and the direction we have set.

At the same time, we are mindful of the areas where we fell short. The year has brought to light critical gaps particularly in formalizing our waste and emissions tracking, strengthening governance practices, and revitalizing our community engagement. Recognizing these gaps is the first step towards a meaningful progress, and we are committed to addressing them with a clear roadmap and structured targets in the years ahead.

Strengths

We are proud of the strides we made in enhancing environmental stewardship. Through deliberate efficiency measures, we have successfully reduced energy consumption by 30% and water usage by 35%, reflecting our drive towards a more sustainable operation. Our health and safety standards remained exemplary, with zero reported incidents for the second consecutive year. The introduction of a formal training program further strengthened our safety culture and reinforced our commitment to workforce wellbeing.

Investing in our people continued to be a priority. We significantly expanded training across all employee levels, with notable growth among executives and general workers, which we believe is vital for long-term capability development. Our commitment to supporting the local economy also strengthened, as we achieved 100% local sourcing in 2025. Furthermore, we maintained high standards of data security and governance, with no breaches or complaints reported. This demonstrates our dedication to operational integrity and stakeholder trust.

Areas for Improvement

While we take pride in our progress, we acknowledge that there are key areas where improvement is necessary. We did not have formal systems in place to track waste generation or carbon emissions in a comprehensive manner. Although we began measuring Scope 1 and 2 emissions, Scope 3 remained untracked due to the lack of a structured approach. We recognize the importance of building an integrated data collection and reporting framework to strengthen our environmental accountability.

In governance, we fell short of our expectations. No anti-corruption training was conducted, and no formal risk assessments were undertaken In FYE 2025, an area we are determined to address through clearer policy implementation and monitoring. Socially, our community investment efforts saw a significant reduction in funding and reach. This contraction does not reflect our values, and we are already working to re-establish impactful community partnerships.

We also noted challenges in workforce diversity and retention. While female representation improved at the executive level, participation among non-executive staff declined due to increased automation in operational roles. Additionally, the increase in management and executive turnover signals the need for deeper engagement and more structured career development initiatives. These are areas which we are focused on strengthening to create a more inclusive and resilient organization.

The financial statements of the Group and the Company have been drawn up in accordance with the provisions of the Companies Act 2016, MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The Directors take responsibility in ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year, and of the results and the cash flow position of the Group and the Company for that financial year then ended.

In preparing the financial statements, the Directors have ensured that:-

- the Group and the Company have adopted the appropriate accounting policies and applied them consistently;
- all statements are supported by reasonable and prudent judgments and estimates;
- MFRS Accounting Standards and IFRS Accounting Standards have been followed; and
- the financial statements are prepared on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company maintain proper accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to be complied with the regulatory requirements.

The Directors have overall responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

INTRODUCTION

The Board of Directors (the "Directors" or the "Board") and the management of Asia Brands Berhad ("ABB" or "Company") together with its subsidiary companies (the "Group") are committed to the maintenance of good corporate governance practices and procedures in conducting the affairs of the Group. The Board firmly believes that conducting the Group's business in a transparent and responsible manner, and following good corporate governance practices would serve the long-term interests of all the shareholders of the Company (the "Shareholders").

The Board is committed to ensure that the applicable principles and recommendations as prescribed in the Malaysian Code on Corporate Governance ("MCCG") are applied throughout the Group so as to protect and enhance long-term shareholders' value and all stakeholders' interest.

This Corporate Governance Overview Statement ("Statement") discloses and affirms the manner and the extent in which the Group has applied the principles and complied with the recommendations set out in the MCCG throughout the financial year ended 31 March 2025 ("FYE 2025"). The detailed explanation on the application of the corporate governance practices is reported under the Corporate Governance Report which is published on the website of Bursa Malaysia Securities Berhad ("Bursa Securities") at http://www.bursamalaysia.com/market and the Company's website at www.asiabrands.com.my.

This Statement also serves as a compliance with paragraph 15.25 of the Main Market Listing Requirements of Bursa Securities ("Main LR").

In general, the Group has complied with all material aspects of the principles set out in the MCCG throughout FYE 2025 to achieve the intended outcome. However, the Company notes that the Board composition during FYE 2025 was a variation from Practice 5.2 (The Board comprises a majority of independent directors) and Practice 5.9 (The Board must have at least 30% women directors).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

1. Board 's Responsibilities in Meeting Objectives and Goals

1.1 The Board

The Board is responsible for the stewardship of business and affairs of the Company in order to enhance long-term shareholders' value. The Board is fully aware and understand their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation with an optimal corporate governance framework in order to safeguard shareholders' value.

The Group Managing Director is directly responsible for the day-to-day management of the business and operations, procuring new businesses and for the commercial and corporate performance of the Company within the parameters of good governance. Non-Executive Directors play a vital check and balance role by challenging and scrutinizing management's recommendations and proposals in an objective manner and bringing independent judgement to the decision-making process at the Board and Board Committee levels.

Reserved matters for Board's decision-making includes strategic issues and planning, significant acquisition and disposal, dividend policy, risk management, significant property transactions, review of the financial statements, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

The Board is also responsible for establishing the Group's goals and strategic directions, setting goals and targets for management and monitoring the achievement of goals and targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

Any member of the Board may request for independent professional advice in the discharge of his/her fiduciary duties by forwarding a request to the Group Managing Director who will then direct the same to an external service provider. The expenses incurred in this connection shall be borne by the Company.

None of the Directors or any entity connected with them had a material interest in any business, apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with the business of the Group during FYE 2025.

All Directors have completed the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Securities, comprising Part I (Director's Roles, Duties and Responsibilities) and Part II (Leading for Impact) ("MAP II"). During FYE 2025, all Directors attended MAP II.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(I) BOARD RESPONSIBILITIES (cont'd)

1. Board 's Responsibilities in Meeting Objectives and Goals (cont'd)

1.1 The Board (cont'd)

In addition, the Company Secretary and external auditors update the Board on the respective changes and amendments to regulatory requirements and laws, and accounting standards on a regular basis to assist Directors to keep them abreast of such latest changes in the regulatory requirements.

1.2 Chairman of the Board

The Chairman of the Board is held by a Non-Independent Non-Executive Director. The responsibilities of the Chairman are outlined in the Board Charter, which is published on the Company's website at www.asiabrands.com.my.

1.3 Roles of the Chairman and the Group Managing Director

The position of the Chairman and the Group Managing Director are held by two (2) different individuals. There is a clear division of responsibilities between the Chairman and the Group Managing Director to ensure that the Board remains balanced at all times.

The Chairman acts as the leader of the Board and is responsible for overseeing the effective discharge of the Board's supervisory role and facilitating the effective contribution of all Directors while the Group Managing Director focuses on the business and day-to-day management of the Company with all powers and discretion vested in him, from time to time, by the Board.

1.4 Company Secretary

The Board is supported by a qualified and competent Company Secretary who is a qualified Chartered Secretary under Section 235(2)(a) of the Companies Act 2016 and is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators.

Every Director has ready and unrestricted access to the advice and services of the Company Secretary in ensuring the effective functioning of the Board. The Directors are regularly updated and advised by the Company Secretary on new statutory and regulatory requirements issued by regulatory authorities, and its implications to the Company and the Directors in relation to their duties and responsibilities.

During FYE 2025, the Company Secretary has discharged her duties and responsibilities accordingly, and will continue to constantly keep herself abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretary in discharging her functions and duties.

1.5 Meetings of Board/ Board Committee

Relevant Board papers were disseminated to all the Directors at least five (5) business days in advance of the meeting so as to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or the Company, or to consult independent advisers, if they deemed necessary. As part of the integrated risk management initiatives, the Board also noted the decisions and salient issues deliberated by the Board Committees through minutes of these committees. Board meetings are conducted in accordance to a structured agenda.

Senior management are invited to attend Board meetings to provide their views and explanation on certain items on the agenda being tabled to the Board and to furnish clarification on issues that may be raised by the Directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(I) BOARD RESPONSIBILITIES (cont'd)

1. Board 's Responsibilities in Meeting Objectives and Goals (cont'd)

1.5 Meetings of Board/ Board Committee (cont'd)

If a Director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter will be dealt with at a Board meeting rather than a written resolution. All Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict, and shall abstain from voting as Directors on the relevant matters.

Minutes of meetings are properly recorded and accurately reflected the deliberations and decisions of the Board, including whether any director abstained from voting or deliberating on a particular matter.

Directors are expected to devote adequate time and focus to fulfilling their duties. Before candidates are appointed as Directors, they are required to disclose their external directorships to ensure that they have sufficient time to carry out their responsibilities on the Board.

To facilitate the Directors' time planning, an annual meeting calendar which provides the scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting is prepared and circulated to all the Directors before the beginning of every financial year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. This is to ensure that the Directors allocate sufficient time to discharge their duties effectively.

The Board meets at least four (4) times a year at quarterly intervals with additional Board meetings convened when necessary. Sufficient notice periods are given to the Board prior to each meeting. During FYE 2025, the Board convened four (4) meetings and the attendances of the Directors are as follows:-

Directors	No. of Meetings attended
Dato' Sri Tan Thian Poh	4/4
Ng Chin Huat	4/4
Kong Sau Kian	4/4
Lee Siok Yee	4/4
Dato' Dr. Lim Weng Khuan	4/4
Collin Tan Chin Yew	4/4

All Directors attended more than 50% of the Board meetings held during FYE 2025, being the minimum stipulated under Paragraph 15.05 of the Main LR. Additionally, the Board also approves non-material matters by way of circular resolutions.

2. Demarcation of Responsibilities

2.1 Board Charter

In discharging its duties, the Board is guided by its Board Charter which outlines the duties and responsibilities of the Board and the Board Committees. Matters specifically reserved for the Board and those delegated to Board Committees are clearly defined in the Board Charter.

The Board Charter sets out the composition and balance, roles and responsibilities and processes of the Board to ensure that all Board members acting on behalf of the Group are aware of their duties and responsibilities as Board members. The Board Charter is reviewed by the Board as and when required to ensure its relevance in assisting the Board in discharging its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities. The Board Charter is published on the Company's website at www.asiabrands.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(I) BOARD RESPONSIBILITIES (cont'd)

3. Good Business Conduct and Healthy Corporate Culture

3.1 Code of Conduct and Ethics

The Directors observe the Company Directors' Code of Ethics ("Code") promulgated by the Companies Commission of Malaysia, which governs the underlying core ethical values and commitment to lay standards of integrity, transparency, accountability and corporate social responsibility to be followed by the Directors in their business dealings.

The Board will periodically review and reassess the adequacy of the Code, and make such amendments to the Code as the Board may deem appropriate. The Code is available at the Company's website at www.asiabrands.com.my.

3.2 Whistleblowing

The Whistleblowing Policy adopted by the Company provides employees with proper reporting channels and guidance to disclose any wrongdoing or improper conduct relating to malpractices, unlawful conducts, any violation of established written policies.

The Whistleblowing Policy is also to ensure that fair treatment is provided to both the whistle-blower and the alleged wrongdoer when a disclosure of improper conduct is made either verbally or in writing.

The implementation of the policy enables better transparency and accessibility to our stakeholders to report any misconduct that may occur within the Group.

3.3 Anti-Bribery and Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption Policy prohibits all forms of bribery and corruption practices.

The Group adopts a zero-tolerance approach to bribery and corruption in all its forms, and is committed to conducting business free from any acts of bribery or corruption in upholding high standards of ethics and integrity.

3.4 Sustainability

The Board and Management are dedicated to advancing sustainability throughout the Group's activities and the communities it serves. The implementation of the Group's business sustainability practices is overseen by the Sustainability & ESG Committee ("SESGC'). The Board has adopted the TOR of the SESGC to formalise their roles and responsibilities, as well as composition and authority.

The Sustainability Statement in this Annual Report provides comprehensive information on the Group's sustainability governance framework and efforts.

(II) BOARD COMPOSITION

4. Objectivity of the Board's Decisions

4.1 Board Composition

The current Board comprises six (6) Directors, out of which, one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors.

The profiles of the Directors are set out in this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(II) BOARD COMPOSITION (cont'd)

4. Objectivity of the Board's Decisions (cont'd)

Board Composition (cont'd)

The Company has not been able to apply Practices 5.2 and 5.9 of the MCCG as the Board is of the view that application of both these Practices would require some time. Although less than half of the Board comprises independent directors, however, the Company fulfills the requirement of at least one-third (1/3) of the Board comprises independent directors as stipulated under paragraph 15.02(1) of the Main LR. There is currently one (1) female Director on the Board. The Board, taking into account the nature of the operations of the Group, considers its current size and composition to be adequate for effective decision-making and the ability to discharge the Board's priorities objectively with the balance of power and authority on the Board.

The Non-Executive Directors are independent of management and have no relationships that could materially interfere with the exercise of their independent judgment. Together, the Directors have wide range of experience in business, corporate, banking and financial experience.

The Board is of the opinion that the composition of the current Board has the required mix of skills and experience required to discharge the Board's duties and responsibilities. Collectively, the Directors combine their diverse commercial, regulatory, industry and financial experience to add value to the Board as a whole.

The Board is free to discuss all matters regarding the affairs of the Group, without any restrictions or limitations being imposed on any Director. Where matters discussed involve the interest of the Chairman, he shall state his interest and refrain from discussions and decision-making.

No individual or a company of individuals dominates the Board's decision making.

All the Directors have equal responsibility for the Group's operations and corporate accountability. The Independent Non-Executive Directors play a vital supporting role by contributing their knowledge and experience towards the development of the Group's objectives. They also provide a broader and independent view in the decision-making process.

To assist the Board in carrying out its duties and responsibilities, the Board has established the following Board Committees, each with clearly defined Terms of Reference in order to enhance corporate efficiency and effectiveness:-

(i) Audit and Risk Management Committee ("ARMC");
(ii) Nomination and Remuneration Committee ("NRC") and
(iii) Sustainability & ESG Committee ("SESGC').

4.2 Tenure of Independent Directors

The NRC assesses the independence of the Independent Directors and monitors their tenure annually.

Presently, Ms. Lee Siok Yee and Dato' Dr. Lim Weng Khuan are the Independent Non-Executive Directors of the Company who served the Board for a cumulative term of less than nine (9) years.

In accordance to Practice 5.3 of the MCCG, the tenure of an independent director should not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director.
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4.3 Appointment of Board and Senior Management

The NRC is responsible for the nomination and election process of new Directors and to evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in light of this evaluation, prepares a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the NRC shall:-

(i) consider candidates from a wide range of backgrounds;
(ii) consider candidates on merit, against objective criteria with due regard for the benefits of diversity on the Board, including gender; and
(iii) ensure that once appointed, appointees have enough time available to devote to the position of director.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(II) BOARD COMPOSITION (cont'd)

4. Objectivity of the Board's Decisions (cont'd)

Appointment of Board and Senior Management (cont'd)

For the appointment of a Chairman, the NRC shall consider the expected time commitment. A proposed Chairman's other significant commitments is also disclosed to the Board before the appointment, and any changes thereto is reported to the Board.

Prior to the appointment of a director, the proposed appointee shall be required to disclose any other business interests that may result in a conflict of interest in relation to the Company, and shall be required to report any future business interests which may develop post-appointment, that could result in a conflict of interest. Conflict of interest should be avoided to prevent potential damage to personal and the Group's interest and reputation.

During FYE 2025, the Board has taken into account the assessment by the NRC and is satisfied with the mix of skills and board composition level, therefore, no new Director is sourced and appointed to the Board.

In the event that a candidate is required for the appointment of director, the NRC will use variety of approaches and sources to ensure that it identifies that most suitable candidate and would not limit themselves solely on the recommendations from existing Board members, management or major shareholders.

4.4 Board Diversity

The Board acknowledges the recommendation of the MCCG in relation to the establishment of board room gender diversity policy. However, in the process of selecting Board members, the Company practices non-discrimination in any form, whether based on gender, age, ethnicity or religion as all candidates shall be given fair and square opportunity. The Board currently has one (1) female Director. However, there are 65.5% women in middle to senior management, a testament to the Group's commitment to gender diversity and successful implementation of the gender diversity principles, thus achieving a balanced gender ratio.

When the need arises, the Board would give more weightage on the appointment of female directors and senior management.

4.5 Nomination and Remuneration Committee ("NRC")

The NRC currently comprises three (3) Directors, the majority of whom are Independent Non-Executive Directors of the Company. The members of the NRC are as follows:

Name	Directorship	Designation
Dato' Dr. Lim Weng Khuan	Independent Non-Executive Director	Chairman
Lee Siok Yee	Independent Non-Executive Director	Member
Collin Tan Chin Yew	Non-Independent Non-Executive Director	Member

The principal objectives of the NRC are:-

(i) to assist the Board in the nomination of candidates for appointment as directors;
(ii) to assist the Board in overseeing the selection and assessment of the performance of the Directors of the Company on an on-going basis; and
(iii) to assist the Board in assessing the remuneration packages of the Group Managing Director and Group Chief Executive Officer.

The NRC also oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience, independence assessment of Independent Directors, reviews succession plans and boardroom diversity; oversees training courses for directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.

The Fit & Proper Policy was also adopted to serve as a guide to ensure all Directors of the Group have the requisite character, experience, integrity, competence, and time to effectively discharge their roles as Directors of the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(II) BOARD COMPOSITION (cont'd)

4. Objectivity of the Board's Decisions (cont'd)

Nomination and Remuneration Committee (cont'd)

Authority, duties and responsibilities of the NRC

The NRC is governed by its terms of reference ("TOR") which is available on the Company's website at www.asiabrands.com.my.

Summary of Activities of the NRC

During FYE 2025, the main activities carried out by the NRC included the following:-

(i) Recommended the re-election of retiring Director at the forthcoming annual general meeting.
(ii) Evaluated the effectiveness of the Board as a whole and of the Board Committees and the contribution and performance of each individual Director and key officers.
(iii) Reviewed the terms of office of ARMC.
(iv) Reviewed the overall composition of the Board.
(v) Reviewed the independence of the Independent Directors and assessed their ability according to the following criteria:-
   - the Independent Directors fulfill the definition of an independent director as set out under Paragraph 1.01 of Main LR.
   - the Independent Directors are able to exercise independent judgment and act in the best interest of the Company.
   - there must be no potential conflict of interest that the Independent Directors could have with the Company as they had not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the Main LR.
   - the Independent Directors have not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Non-Executive Chairman and Group Managing Directors, major shareholders or Management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with their duties and expected of them to carry out their duties as an Independent Director.
   - the Independent Directors do not derive any remuneration and benefits apart from Directors' fees and meeting allowances.

(vi) Reviewed the proposed payment of remuneration (including Directors' fees and meeting allowance) of the Non-Executive Directors to reflect the experience and time demanded to discharge their duties and responsibilities undertaken and recommended to the Board to propose to shareholders for approval.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(II) BOARD COMPOSITION (cont'd)

5. Overall Effectiveness of the Board

5.1 Annual Evaluation of the Board

The Board and Board Committees were assessed collectively, based on structure, processes and responsibilities. An annual assessment of the Board's effectiveness as a whole and the contribution of each individual Director in respect of FYE 2025 was carried out using customised questionnaires completed by each Director. The individual Directors self-assessed their commitment, integrity, skills, contribution, performance, character and personality, conflict of interest ("COI"), as well as understanding of the Group's ESG strategy. The results of the self-assessment by Directors and the Board's effectiveness as a whole were tabled to the NRC and the Board for review.

The criteria for Director's evaluation cover areas such as contributions to interaction, COI, roles and responsibilities and quality of input to enhance the Board's effectiveness. For Board and Board Committee assessment, the criteria include board structure and operations, their roles and responsibilities, succession planning and board governance.

The Board studied the results of evaluation and is generally satisfied with its current size, composition as well as the mix of skill sets and the independence of its Independent Non-Executive Directors.

The Board has also assessed the independence of the Independent Non-Executive Directors, taking into account the individual Director's ability to exercise independent judgment at all times and their contribution to the effective functioning of the Board, COI and is satisfied with the level of independence demonstrated by all the Independent Non- Executive Directors and their ability to act in the best interest of the Company.

Based on the assessment carried out for FYE 2025, the Board is satisfied with the level on independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

The Independent Directors are not employees and they do not participate in the day-to-day management of the Group. They bring an external perspective, constructively challenge and help to develop proposals on strategy, scrutinise the performance of Management in meeting approved goals and objectives and monitor the risk profile of the Company's business and the reporting of quarterly business performance.

(III) REMUNERATION

6. Remuneration of Directors and Senior Management

6.1 Remuneration Policy

The Board has a formal procedure to determine the remuneration of each Director which is reviewed from time to time against market practices. The Board ensures that the level of remuneration is sufficient to attract and retain Directors needed to run the Group successfully. The component part of remuneration has been structured to link rewards to corporate and individual performance for the Group Chief Executive Officer whilst Non-Executive Directors 'remuneration reflects their experience and level of responsibilities.

6.2 NRC

The NRC also recommends to the Board, the policy framework and remuneration and benefits extended to the Group Managing Director. Non-Executive Directors' remuneration is a matter to be decided by the Board as a whole, with the Directors concerned abstaining from deliberation and voting in respect of their remuneration.

The Terms of Reference of the NRC is available at the Company's website at www.asiabrands.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(III) REMUNERATION (cont'd)

6. Remuneration of Directors and Senior Management (cont'd)

6.3 Remuneration of Directors

The remuneration packages for both the Group Managing Director and senior management reward both corporate and individual performance and comprise both fixed and variable elements. The remuneration is competitive and consistent with industry standards as well as the complexity of the business and the role. The Group Managing Director does not deliberate on his own remuneration and abstained from deliberation at the meeting during the relevant agenda.

The remuneration packages of the Non-Executive Directors comprise a fixed fee, meeting allowances and benefits that are not linked to financial results. The remuneration packages are structured to reflect the roles, responsibilities, experience required, and time demanded in discharging their duties and responsibilities. The remuneration payable to the Non-Executive Directors is subject to the approval of shareholders at the Company's annual general meeting ("AGM"). Directors who are also shareholders will abstain from voting at the AGM to approve their own remuneration

Received from the Company

Name of Directors	Fee/Salaries and other Emoluments	Bonus	EPF and SOCSO	Benefits in Kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Executive Director					
Ng Chin Huat	–	–	–	–	–
Non-Executive Directors					
Dato' Sri Tan Thian Poh	180.0	–	–	–	180.0
Kong Sau Kian	60.0	–	–	–	60.0
Dato' Dr. Lim Weng Khuan	40.0	–	–	–	40.0
Lee Siok Yee	40.0	–	–	–	40.0
Collin Tan Chin Yew	40.0	–	–	–	40.0
Total	**360.0**	–	–	–	**360.0**

Received from the Group

Name of Directors	Fee/Salaries and other Emoluments	Bonus	EPF and SOCSO	Benefits in Kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Executive Director					
Ng Chin Huat	436.4	–	44.5	5.9	486.8
Non-Executive Directors					
Dato' Sri Tan Thian Poh	–	–	–	–	–
Kong Sau Kian	–	–	–	–	–
Dato' Dr. Lim Weng Khuan	–	–	–	–	–
Lee Siok Yee	–	–	–	–	–
Collin Tan Chin Yew	–	–	–	–	–
Total	**436.4**	–	**44.5**	**5.9**	**486.8**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(III) REMUNERATION (cont'd)

6. Remuneration of Directors and Senior Management (cont'd)

6.4 Remuneration of Senior Management

The remuneration for the senior management are as follows:-

Range of Remuneration (RM)	Number of Senior Management
180,001 to 360,000	2
Above 360,000	1
Total	**3**

The Board is of the view that such disclosure of the key senior management's remuneration on a named basis raises personal security concerns on the part of the senior management personnel and could have adverse effect on the Company's talent retention due to employee poaching by competitors in the competitive industry. All senior management's remuneration packages are based on their scope of duty and responsibilities.

As explained above, the Board has decided not to apply Practice 8.2 of the MCCG which requires the disclosure of the remuneration of the top 5 Senior Management personnel on a named basis in bands of RM50,000. The alternative form of disclosure is set out above.

The NRC is of the view that the level of remuneration package of the senior management in respect of FYE 2025 is fair and reasonable to retain and reward the talents.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) AUDIT AND RISK MANAGEMENT COMMITTEE

7. Effective and Independent ARMC

7.1 ARMC and the Board are chaired by different individuals

The ARMC is chaired by Ms. Lee Siok Yee while the Chairman of the Board is Dato' Sri Tan Thian Poh.

7.2 Cooling-off Period of at least three (3) years for former Key Audit Partner

None of the ARMC members were former key audit partners within the cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

7.3 Assessment of External Auditors

The ARMC does not have specific policies and procedures to assess the suitability, objectivity and independence of the external auditors.

However, the ARMC undertakes an annual assessment of the suitability and independence of the external auditors. The ARMC meets with the external auditors to discuss their audit plan, audit findings and the Company's financial statements.The ARMC noted for FYE 2025, Reanda LLKG International PLT, the external auditors of the Company and of the Group, have provided their written assurance that they are, and have been, independent through the conduct of the audit engagement in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Upon completion of the assessment, the ARMC was satisfied with Reanda LLKG International PLT's technical competency in terms of suitability and independence during the financial year under review.

7.4 Financial Literacy of ARMC Members

The ARMC members possess a wide range of necessary skills and are financially literate. Their profiles are set out in the Director's Profile section of this Annual Report.

(II) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

8.1 Risk Management and Internal Control

The Board has established a risk management framework that outlines the Group's risk management system, defines Management's responsibilities and sets out the risk appetite and risk tolerance of the Group. Details of the framework are set out in the Statement of Risk Management and Internal Control in this Annual Report.

The Board has delegated the overall responsibility for reviewing and monitoring the adequacy and integrity of the Group's risk management and internal control framework to the ARMC. The ARMC is supported by the Risk Management Committee ("**RMC**") and the Internal Audit Department.

The RMC assists the ARMC to identify, assess, mitigate and monitor critical risks highlighted by business units and implement risk management policies and strategies approved by the Board. The Internal Audit Department, which undertakes the internal audit function, assists the ARMC to review, evaluate and monitor the effectiveness of the Group's governance, risk management and internal control processes.

The risk management framework is regularly reviewed by the Management and relevant recommendations are made to the ARMC and Board for approval.

The internal controls are tested for effectiveness and efficiency every financial year by the Internal Audit Department following risk-based approaches.

The Board reviewed the effectiveness of the Group's risk management and internal controls during FYE 2024 and confirmed that there was an ongoing process for identifying, evaluating and managing the significant risks faced by the Group during FYE 2025.

9. Effective Governance, Risk Management and Internal Control Framework

9.1 Internal Audit Function

The Directors acknowledged their responsibility in maintaining a reasonable sound system of internal controls covering financial, operational and compliance and risk management. This system is designed to manage, rather than eliminate the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the internal and external auditors.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system. An Internal Audit Planning Memorandum, setting out the internal audit work expected to be carried out is tabled to the ARMC.

The Group's Statement on Risk Management and Internal Control is disclosed in this Annual Report.

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

(I) COMMUNICATION WITH STAKEHOLDERS

10. Continuous Communication between the Company and Stakeholders

10.1 Effective, Transparent and Regular Communication

10.1.1 Dialogue between Companies and Investors

The Board recognises the importance of timely dissemination of information to shareholders and other interested parties to ensure that they are well informed of all major developments of the Group. Such information is communicated through various disclosures and announcements to Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases. This information can be assessed from the website of Bursa Securities at "www.bursamalaysia.com.my". In addition, interviews conducted from time to time by local journalists with the management of the Group are reported in the local newspapers and information on the Group and its business activities is available at the company's website at www.asiabrands.com.my.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

(I) COMMUNICATION WITH STAKEHOLDERS (cont'd)

10. Continuous Communication between the Company and Stakeholders (cont'd)

10.1 Effective, Transparent and Regular Communication (cont'd)

10.1.1 Dialogue between Companies and Investors (cont'd)

The Company's website incorporates an Investor Relations section which provides all relevant information on the Company and is accessible by the public. This Investor Relations section enhances the Investor Relations function by including analyst reports, all announcements made by the Company, annual reports as well as the corporate and governance structure of the Company.

10.1.2 Shareholder Communication Policy

The Board has put in place a Shareholder Communication Policy to facilitate the effective exercise of those rights by ensuring that the Company communicates effectively with its shareholders.

This Policy aims to promote effective communication with shareholders and encourage effective participation by shareholders at the Company's general meetings. To ensure a high quality of communication and level of clarity with all investors and other stakeholders, whilst complying with its statutory disclosure obligations, the Company endeavors to provide shareholders with ready and widespread access on a timely basis to matters that affect their investment in the Company; communicate in a clear, accurate and easy to understand manner with investors and other stakeholders.

The communication channels for shareholders are as follows:-

(i) Corporate Website

The Company believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner. The Company's website (www.asiabrands.com.my) has a dedicated "Investor Relations" section which carries information available to the shareholders.

The Company will continue to leverage on technology to broaden its channel of dissemination of information and enhance the quality of engagement with the shareholders.

(ii) Shareholders' Meeting

Annual general meetings and extraordinary general meetings of the Company are ideal opportunities to communicate with shareholders. Shareholders are encouraged to participate in general meetings.

(iii) Shareholders' Enquiries

Shareholders and investors may at any time request for the Company's public information. The Company provides a designated email address (info@asiabrands.com.my) for shareholders to make any enquiry.

(iv) Annual Reports

Annual Report remains a major channel of communication disclosing information not only on the Group's businesses, financials but also additional information such as the Company's mission and vision, operational performance, outlook and senior management team. The Board constantly improves the contents of the Annual Report to incorporate developments among others, in corporate governance and reports of Board Committees and ensure accuracy of the information as the Annual Report is a vital and convenience source of essential information for investors, shareholders and other stakeholders.

The Company aims to adopt integrated reporting based on the globally recognised framework in future in stages.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

(II) COMMUNICATION WITH STAKEHOLDERS (cont'd)

10. Continuous Communication between the Company and Stakeholders (cont'd)

10.1 Effective, Transparent and Regular Communication (cont'd)

The Shareholders Communication Policy will be reviewed regularly by management to ensure that it reflects current regulatory, community and investor requirements.

(III) CONDUCT OF GENERAL MEETINGS

11. Shareholders' Participation at General Meetings

11.1 Annual General Meeting ("AGM")

The main forum of dialogue with shareholders of the Company is the Company's AGM. The AGM represents the primary platform for direct two-way interactions between shareholders, Directors and senior management of the Company.

In compliance with Practice 13.1 of the MCCG, the Company gives its shareholders at least 28 days' notice prior to the AGM, so as to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The notice of AGM also provides detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.

In line with the Main LR, the Company has implemented poll voting for all the resolutions set out in the notices of general meetings. An independent scrutineer is appointed to observe the polling process and tabulate the polling results.

In part due to the COVID-19 pandemic, the Company held its 46th AGM virtually. Shareholders were able to participate remotely via live streaming webcast and vote in absentia using remote participation and voting facilities. The Company will continue to monitor developments in the market for more cost effective technology to enable shareholders to participate and vote at AGMs remotely.

11.2 Attendance of Directors at General Meetings

All Directors and the external auditors are expected to attend all shareholders' meetings to take questions raised by shareholders.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board dated 11 July 2025.

The Audit and Risk Management Committee ("ARMC") comprises the following members:-

Lee Siok Yee	*Chairman/ Independent Non-Executive Director*
Dato' Dr. Lim Weng Khuan	*Member/ Independent Non-Executive Director*
Kong Sai Kian	*Member/ Non-Independent Non-Executive Director*

MEETINGS

The ARMC held four (4) meetings during the financial year ended 31 March 2025 (FYE2025). The attendances of each ARMC member are as follows:-

Name of Member	Attendance
Lee Siok Yee	4/4
Dato Dr. Lim Weng Khuan	4/4
Kong Sau Kian	4/4

The Group Managing Director, Group Chief Executive Officer, Chief Financial Officer, and Finance Manager are invited to attend ARMC meetings. The external auditors are also invited to attend the ARMC meetings to present their audit plan and audit findings, and to assist the ARMC in its review of the year-end financial statements.

The ARMC Chairperson engages with senior management, the external and internal auditors to keep abreast of matters affecting the Company and its subsidiaries ("the Group"). Where significant issues are noted, the ARMC Chairman communicates and confers with the other members, either through emails or in meetings.

AUTHORITY, DUTIES AND RESPONSIBILITIES OF THE ARMC

The ARMC is governed by its Terms of Reference ("TOR") which is available on the Company's website at www.asiabrands.com.my.

SUMMARY OF WORK

The main work carried out by the ARMC for FYE 2025 in discharging its functions and duties in accordance with its TOR is summarised as follows:-

(a) Financial Reporting

- Reviewed the unaudited quarterly financial reports and year-end financial statements for FYE 2025 before tabling to the Board of Directors of the Company ("Board") for consideration and approval.
- Reviewed the financial performance and financial highlights of the Company and of the Group on a quarterly basis.
- Reviewed the audited financial statements, directors' reports and other significant accounting issues arising from the audit for FYE 2025 with the external auditors before they were presented to the Board for approval.
- In its review of the quarterly financial reports and year-end financial statements, discussed with management and the external auditors on the financial reporting standards applied, including the judgments exercised in the application of those standards and the critical accounting estimates and assumptions used in arriving at the reported amounts of items in the quarterly financial reports and year-end financial statements.
- Reviewed and recommended all the reports and statements for inclusion in the Company's 2024 Annual Report to the Board for approval.
- Reviewed and was satisfied with the solvency tests prepared by management prior to the declaration and payment of interim and final dividends for the financial year ended 31 March 2024 and FYE 2025.

(b) External Audit

- Reviewed the external auditors' audit planning memorandum in respect of the audit for the financial statements of the Company and the Group for FYE 2025.

SUMMARY OF WORK (cont'd)

(b) External Audit (cont'd)

- Reviewed and discussed the external auditors' audit report, the significant audit findings underlying their report, the areas of concern highlighted in the management letter, including management's response to the concerns raised by the external auditors.

- Noted that the external auditors did not report any actual, suspected or alleged fraud affecting the Group, and also there were no non-compliances.

- Evaluated the performance of the external auditors including suitability, objectivity and independence, taking into consideration their technical competencies, audit quality and manpower resource sufficiency to perform the audit of the Group. Also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group, and made recommendations to the Board on their reappointment and remuneration.

- Reviewed the audited financial statements of the Company and of the Group prior to tabling to the Board for approval.

- Reviewed the audit services and non-audit services provided by the external auditors and their corresponding fees incurred. The ARMC had concluded that the external auditors had remained independent during FYE 2025.

(c) Internal Audit

- Reviewed the internal audit plan for FYE 2025, which included a focused audit on Collection & Debtor Ageing processes. The audit assessed controls over debtor tracking, collection workflows, credit limit reviews, and compliance with MFRS 9. The review covered manual versus automated practices, credit suspension triggers, enforcement of late payment penalties, debtor discrepancy resolution timelines, and adequacy of Expected Credit Loss (ECL) modelling. Key focus areas included the evaluation of reconciliation accuracy, timeliness of credit assessments, and governance of delinquent account handling.

- Reviewed the Internal Audit Report for FYE 2025 on Collection & Debtor Ageing, which highlighted critical control gaps and operational inefficiencies. Audit issues identified included:

  (a) Manual tracking of debtor ageing reports and delay in reconciling discrepancies.
  (b) Lack of enforcement of late payment interest and outdated MFRS 9 training.
  (c) Inconsistent performance metrics for collections and overdue credit reviews.
  (d) Manual credit suspension processes and subjective delinquency classification.

  Recommendations included ERP system automation, enforcement of interest charges, performance-based KPIs, standardized delinquency definitions, refresher MFRS 9 training, and implementation of service-level agreements (SLAs) for discrepancy resolution. Management has agreed to implement all corrective actions progressively from the financial year ending 31 March 2026 onwards.

- Monitored the implementation of recommendations made by the internal auditors arising from its audits in order to obtain assurances that all key risks and control concerns have been fully addressed.

- Evaluated the performance of the internal audit department during FYE 2025 as well as their capability and competency to serve the Group in terms of technical competencies and manpower resource sufficiency

(d) Matters relating to related party transaction

- Took note of all the recurrent related party transactions ("RRPTs") reported on a quarterly basis.

- Reviewed and deliberated on all proposed RRPTs to be entered into by the Group to ensure that the proposed transactions to be entered into are in the best interest of the Group, fair, reasonable and on normal commercial terms, and not detrimental to the interests of the minority shareholders of the Company.

- Reviewed the circular to shareholders in relation to the proposed shareholders' mandate for RRPTs prior to its approval by the Board.

(e) Matters relating to risk management and internal control

- Noted the Risk Management Report of the Group for FYE 2025, which includes an overview of the significant risks impacting the Group and the measures taken by the risk management team and the management to address and manage the risks identified, the residual exposures along with an appropriate management action plan to manage or mitigate such exposures.

- Noted the key risks of the Group being the liquidity risk, collection risk, supply chain risk and market risk.

(f) Other matters

- Reviewed the re-appointment of external auditors during FYE 2025 and recommended to the Board to propose to shareholders the re-appointment of the external auditors at the annual general meeting of the Company.

- Reviewed the re-appointment of the external auditors or their affiliated firms to provide any non-audit services to the Group to ensure that their independence and objectivity as external auditors would not be impaired by the performance of such non-audit services

- Reviewed and recommended the Statement on Risk Management and Internal Control, Corporate Governance Report, Corporate Governance Overview Statement incorporating the ARMC Report, the Nomination and Remuneration Committee as well as Additional Compliance Information to the Board for approval and inclusion in the 2025 Annual Report.

- Reviewed the statement to shareholders in relation to the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company, prior to the submission to the Board for approval.

EVALUATION OF THE ARMC

For FYE 2025, an evaluation was carried out on the term of office, competency and performance of the ARMC.

TRAINING

Details of training programmes and seminars attended by each ARMC member during FYE 2025 are set out in this Annual Report.

INTERNAL AUDIT FUNCTION

The ARMC is aware that an adequately resourced internal audit function is essential to provide independent and objective advice on the effectiveness of the Group's internal controls to the ARMC and thereafter, to the Management.

The Group's internal audit function was performed in-house by the Internal Audit Department, which reports directly to the ARMC, and assists the ARMC in monitoring and evaluating the adequacy, efficiency and effectiveness of the risk management, the Group's internal control and governance processes in anticipating key business process exposure to risk.

A summary of work of the internal audit function for FYE 2025 are as follows: -

- Reviewed the policies and procedures governing the collection and debtor ageing processes, focusing on the adequacy and effectiveness of controls over debtor tracking, credit management, and compliance with MFRS 9 requirements. This includes evaluating the accuracy and timeliness of debtor ageing reports, enforcement of credit limits and late payment interest, and the consistency of performance monitoring across collection activities. The assessment also covered the appropriateness of manual versus automated practices, the clarity of delinquency definitions, and the adequacy of staff training on credit risk standards. These evaluations aim to enhance cash flow reliability, reduce credit risk exposure, and ensure alignment with regulatory and internal policy requirements.

- Assessed and evaluated the adequacy of the risk management practices, operational controls, compliance with regulatory requirements, management efficiency to ensure that the internal control system is sound and satisfactory.

- Carried out audits in accordance with the internal audit plan approved by the ARMC and other significant areas recommended by the management to the ARMC.

- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and correction actions on reported weaknesses were taken appropriately within the timeframe by the management.

- Presented the audit findings and corrective actions to be taken by management in the ARMC meetings.

- Reviewed RRPTs on a quarterly basis in accordance with the guidelines set out in the Circular to Shareholders for RRPTs of revenue or trading nature.

The costs incurred for the internal audit function in respect of FYE 2025 including staff costs and overheads amounted to RM20,000/-, which was the same as the previous financial year.

This report is made in accordance with a resolution of the Board dated 11 July 2025.

The Board of Directors of Asia Brands Berhad ("**Board**") is pleased to present the Company's Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 March 2025 (FYE 2025). The disclosure in this Statement is presented pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. This Statement outlines the nature and state of risk management and internal controls of the Group (comprising the Company and its subsidiary companies) during FYE 2025.

BOARD'S RESPONSIBILITIES

The Board acknowledges that proper risk management and internal control are important aspects of a company's governance, management and operations, and therefore, the Board is responsible for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets, in addition to setting the quality at the top and a culture towards effective risk management and internal control.

The Board also acknowledges its responsibilities for the adequacy and integrity of the system of internal controls of the Group and are fully aware that the system of internal control cannot totally eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit and Risk Management Committee ("ARMC"), which is empowered by its terms of reference, is to ensure that there is independent oversight of internal control and risk management. However, the Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of delegated oversight responsibilities.

MANAGEMENT RESPONSIBILITY

Management assists the Board in implementing the Group's approved policies and procedures on risk and control by identifying, evaluating, measuring, monitoring and reporting risks as well as the effectiveness of the internal control systems, taking appropriate and timely remedial actions as required. The management also assists in embedding risk management and internal control system in all aspects of the Group's activities.

RISK MANAGEMENT FRAMEWORK

There is an ongoing process of risk identification which involves identifying possible risk exposures arising from changes in the internal and external environment as well as operational conditions. The process, which was in place for the financial year under review and up to the date of issuance of this Annual Report, is supported by procedures, methodologies and evaluation criteria to ensure clarity and consistency of application across the Group. The Board has delegated its authority to the Risk Management Committee ("RMC") to formulate, review and determine the level of risk tolerance.

A briefing is presented to the ARMC on the significant risks impacting the Group and the measures taken by the RMC and management to address and manage such risks. Residual exposures were highlighted along with an appropriate management action plan to manage or mitigate such exposures. Any internal or external changes that may significantly impact the risks and controls spectrum is also highlighted.

The Board annually reviews and discusses the potential risk and risk tolerance with the RMC and management at Board meetings. The risk management control processes are reviewed by the RMC on an ongoing basis for identification and mitigation of the major risks within the Group.

RISK MANAGEMENT OVERSIGHT

The RMC, which comprises senior management from all business units and relevant heads of departments, oversees risk management matters within the Group. It is chaired by the Chief Financial Officer who reports to the ARMC on behalf of the RMC. The RMC meets on a quarterly basis and the Group's aggregated risk position and specific significant risk issues are reported to the ARMC on a half-yearly basis. The day-to-day risk management resides with the respective business units and support units, where action plans are developed and implemented to manage risks.

RISK MANAGEMENT PROCESS

The Group's risk management framework establishes the context of risk in relation to the Group's business and sets out the process for risk identification, measurement and treatment with continuous monitoring, review and communication. All key risks identified are captured in a risk template and reviewed by the heads of business and support units. The risk template includes detailed assessments of the risks as well as the corresponding mitigating controls implemented or to be implemented to deal with the risks. All risks are consolidated and presented for deliberation during the quarterly RMC meetings. The activities of the RMC and all its key findings are then presented to the ARMC at least twice a year for update and to ensure its continued application and relevance.

RISK APPETITE AND TOLERANCE

The Board, through the RMC, establishes the risk appetite and risk parameters for the Group. The Group's risk appetite forms an integral part of the Group's risk management framework as it sets the tone for risk taking in general as well as serves to provide direction in assessing whether the Group is operating within the acceptable limits in achieving its strategic objectives. The risk parameters are aligned to the Group's risk appetite, providing a guide for consistent evaluation of risks and prioritisation of risk mitigation actions to address the risks. The defined risk parameters, both financial and non-financial, are reviewed by management and the RMC as and when necessary, to ensure changes in circumstances or risk appetite are reflected fairly and in a timely manner in the risk parameters.

The risk measurement guidelines consist of qualitative measures to determine the financial and non-financial consequences of different risks based on their likelihood and impact. The risk control actions are designed and implemented based on the priority sequence articulated in the following three (3) large areas that define the positioning of which management is required to adopt or maintain in the operation of its business:

- The minimum liquidity position that the Group wants to have.
- The collection or credit position that the Group wants to maintain.
- The maximum levels of supply chain that the Group considers reasonable to accept.

KEY RISKS

The Group's financial performance and operations are influenced by a vast range of risk factors. The Group aims to mitigate the exposure through appropriate risk management strategies and internal controls. Principally, the key risks of the Group are as follows:

1. Liquidity Risk

The Group's exposure to liquidity risk arises primarily from the mismatches of the maturities of financial assets and liabilities.

The Group's funding requirement and liquidity risks are managed with the objectives of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimizes liquidity risk by keeping committed credit lines available.

Liquidity risk is managed on both the Group and entity basis. The primary objective of liquidity risk management is to ensure that the bank has sufficient access to funding, to support business activities and to meet contingencies. The Group uses several liquidity risk indicators/ratios for monitoring purposes. The management reviews the Group's liquidity ratios and deposit gathering activities regularly and maintains sufficient liquidity buffer as well as exploring alternative funding sources which would provide the Group with additional avenues to manage costs, volumes and maturities. Based on the Group's assessment, it was concluded that liquidity risk was lower following the action taken in the previous year.

2. Collection Risk

Collection risk is defined as the risk of a counterparty failing to complete its contractual obligations when they fall due. The consequent loss is either the amount of the debt not paid back or the loss incurred when the counterparty delays payment. Based on management's risk assessment, the Group's consignment business segment has a higher risk of receiving late payments compared to the outright and retail business segment.

The Group sell goods on trade credit, invoicing customers for payment at a later date. Collection risk management involves decisions based upon their customers' financial health, which can indicate their ability to pay on time. Extending the appropriate amount of credit (credit limit) to qualified customers may reduce the risk of late payments or defaults, both of which can expose the Group to financial challenges.

Collection risk management is the practice of determining creditworthiness – assessing new and returning customers for risk of late or non- payment. The Group performs due diligence to manage the risks that come with extending business credit. The Collection team maintains a framework for the identification, analysis and monitoring of collection risks arising within each business model.

In order to establish the status of the customer, the Group will use a combination of financial and non-financial variables. Some of the methods adapted by the Group are subjective in approach whilst others are more systematic as in the use of quantitative techniques to evaluate a credit against objective benchmark.

In order to minimize collection risk, the collection team together with key account management optimizes accounts receivable and limit bad debt losses as much as possible by using the following accounts receivable collections practices adapted during the COVID-19 pandemic and post COVID-19:-

- Use of analytics to assess accounts receivable portfolio.
- Renegotiating payment terms with customers.
- Streamlining the accounts receivable process.

3. Supply Chain Risk

Risks to the supply chain range from unpredictable natural threats to counterfeit products, and reach across quality, security, to resiliency and product integrity. Mitigation plans to manage these risks can involve logistics, cybersecurity, finance, and risk management disciplines; the goal being to ensure supply chain continuity in the event of a scenario which otherwise would have interrupted normal business and so profitability. Supply chain risk management attempts to reduce supply-chain vulnerability via a coordinated approach, involving all supply-chain stakeholders, which identifies and analyses the risk of failure points within the supply chain. As part of this, the Group regularly assesses its value chain nodes — Source, Make, and Deliver — to identify key risks, including supplier concentration.

While the benefits of strategic sourcing currently outweigh the drawbacks, procurement management remains vigilant of over-reliance on single suppliers and the need for adequate contingency arrangements. A balanced supplier management strategy, guided by the Group's risk appetite, is essential to ensure both operational resilience and service continuity

4. Market Risk

Market risk is closely linked to the liquidity risk. If the market is bad, there would only be outflow of cash with very minimum in flow. This risk is very dependent on the sales and marketing effectiveness, financing availability, market segment targeting, income level of the customers, general economy conditions, etc. This risk is very difficult to quantify and at best, is a judgmental call by the management.

STATEMENT OF INTERNAL CONTROL

The Group has established standard processes for identifying, assessing and managing the key risks faced by the Group. These include periodic testing of the effectiveness and efficiency of internal control procedures as well as updating the system of internal controls when there are changes to the business environment and/or regulatory guidelines. These processes have been in place for FYE 2025 and up to the date of approval of this Statement.

The Group's internal control systems are embedded within the operating activities, inter alia, the following key elements which provide effective governance and oversight of internal control:

- **Organisation Structure**

  The current organisation structure enables a clear reporting line from lower management level up to the Board. Job functions and areas of responsibilities of certain employees are outlined in the job description and authority charts. The Group practices an "open-door" policy that allows matters to be identified and resolved in a timely and efficiently manner. The Board and its various Board Committees are all governed by clearly defined terms of references.

- **Integrity and Ethical Values**

  The Group is committed to upholding a strong culture of integrity and ethical values. The Code of Conduct and Ethics for Directors ("the Code") describe the standards of conduct and ethical behavior for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company. The Group strongly believes that the appropriate standards of conduct and ethical behavior are fundamental to the preservation of the Company's reputation and the success of its operations and to the exercise of their duties and responsibilities as Directors of the Company. The Code applies to all Directors and employees, who are required to acknowledge that they have read and understood the Code upon commencement of employment. The Code is reviewed as and when necessary to ensure it remains current and relevant in addressing any ethical issues that may arise within the organisation.

- **Policies and Procedures**

  Elements of internal control have been embedded and documented in the form of policies and standard operating procedures, which provide guidance and direction for proper management and governance of operations and business activities of the Group. Continuous reviews are carried out on the adequacy, appropriateness and comprehensiveness of standard operating procedures developed to govern the business processes and activities of the Group, to ensure compliance with applicable laws and regulations, to resolve operational deficiencies as well as significant changes and development in business and operational environment.

- **Strategic Business Direction**

  The Group's business objectives are communicated throughout the organisation through its business plan, management meetings and interaction between the Group Chief Executive Officer, management and employees.

STATEMENT OF INTERNAL CONTROL (cont'd)

- **Risk Identification**

  The Board is fully aware of the principal risks faced by the Company and the Group and has put in place the appropriate controls to identify, evaluate and manage these risks through the involvement of the Group Chief Executive Officer in the day-to-day operations of the Group. The performance of the Company and the Group is monitored through strategic, management and operational level meetings. Significant matters identified during these meetings are highlighted to the Board on a timely basis.

  Reviews carried out by the ARMC on the adequacy and effectiveness of the internal control systems concerning operational issues reported by the internal and external auditors and attributable actions taken by management in respect of the findings to provide assurance that control procedures are in place and are being followed as intended.

  Reviews carried out by the RMC on the adequacy and effectiveness of the risk management system and the mitigation controls to manage the key risk areas reported by the risk management function to provide assurance that the systems are operating as intended in order to manage the overall risk exposures of the Group. Internal control and key risks related matters which warranted the attention of the Board were conveyed by the ARMC and RMC to the Board.

- **Board Committees**

  The Board has established several Board committees to assist in discharging its duties. These include the ARMC, the Nomination and Remuneration Committee and the Sustainability & ESG Committee. These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

- **Limits of Authority**

  The Group has clear limits of authority which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority will be reviewed from time to time in terms of suitability, relevance and applicability with business operations and activities.

- **Financial Budgeting**

  Annual budgets and forecasting exercise are prepared in advance for the following financial year, which encompasses formulation of business strategies, development of annual business plans and budgets, and establishment of KPIs to evaluate the overall performance of its business units at the start of each financial year. These budgets are subject to review by the senior management prior to tabling to the Board for approval. Actual performance is reviewed against the budget with detailed explanations provided for material variances.

  The Group's actual performances are tracked and assessed against the set target through systematic internal reviews. This enables prompt identification of variances and the implementation of corrective actions where necessary. The Group's strategic direction is also refined through a rigorous assessment process that considers evolving market conditions, emerging trends and significant business risks. This proactive approach ensures the Group remains agile, resilient, and well-positioned to seize opportunities while mitigating challenges in a dynamic business environment.

- **Performance Review**

  Senior management meetings are held to discuss the Group's financial performance, business development, operational and corporate issues. Additionally, comprehensive information on financial performance, achievement of key performance indicators and progress of key projects are communicated by senior management to the Board on a quarterly basis. Meetings involving the Group Chief Executive Officer, senior management and heads of department are regularly held and any significant matters are escalated to the Board.

- **Information TechnologyManagement**

  Comprehensive management information systems exist throughout the Group. These systems enable management to make decisions in an accurate and timely manner towards meeting the business objectives. The Group had undertaken continuous development and improvement on the information technology systems and platforms to support the operational efficiency in various operational activities. The Group is proactively monitoring and implementing layers of new controls to protect its critical business systems against the ever-evolving cyber threat landscape and challenges.

  The Group maintains a dedicated team of Information Technology ("IT") professionals, combining in-house expertise and outsourced specialists, who implement IT security policies and procedures aligned with globally recognized data security standards and industry-recommended practices. Independent, external assessments are conducted semi-annually to ensure that the IT systems are robust, effective and continuously improved to reinforce the Group's cyber resilience.

STATEMENT OF INTERNAL CONTROL (cont'd)

- **Internal Audit Function**

  The internal audit function of the Group is performed in-house and undertaken by the Internal Audit Department that reports to the ARMC. The ARMC reviews the annual internal audit plan co-developed by the Internal Audit Department and the management. Applying a risk-based approach, periodic internal audit visits have been carried out to review the adequacy and integrity of key internal controls of the Group's business to provide an independent assurance on the systems of internal control. The Internal Audit Department reports to the ARMC on the adequacy and effectiveness of the Group's governance, risk management and internal control systems.

  The activities of the Internal Audit Department during FYE 2025 are disclosed in the Audit and Risk Management Committee Report included in this Annual Report.

  Our internal auditors have carried out and completed the internal audit review based on the Internal Audit Plan for FYE 2025 approved by the ARMC. The results of the internal audit review were satisfactory, having found no major control weaknesses which may pose significant risk exposures to the Group's operations during the financial year under review. The internal auditors have also carried out subsequent follow up reviews on the agreed action plans, which have been commented and agreed by the management to address the relevant findings highlighted in the internal audit reports and noted that most of the agreed action plans have been/are being implemented.

- **Whistleblowing Policy**

  The Group has put in place a Whistleblowing Policy which allows, supports and encourages its employees and third parties to report and disclose any improper or illegal activities within the Group. The Whistleblowing Policy applies to the Directors and employees of the Group as part of Group's commitment to promote and maintain high standards of transparency, accountability and ethics in the conduct of its business and operations, with an established process for reporting anyone found to be abusing or circumventing processes and controls of the Group. All staff are accorded the opportunity to report via the whistle-blowing mechanism with the assurance that the report will be dealt with confidentially and that the reporter's identity is protected. There was no report received throughout FYE 2025 that warranted the implementation of the whistleblowing exercise.

- **Anti-Bribery and Anti-Corruption Policy**

  The Group adopts a zero-tolerance approach to bribery and corruption in all its forms. It is committed to conducting business dealings, relationships and operations free from any acts of bribery or corruption in upholding high standards of ethics and integrity and to comply with applicable laws and regulatory requirements related to corporate liability in terms of anti-bribery and anti-corruption. The Group has established an Anti-Bribery and Anti-Corruption Policy which prohibits all forms of bribery and corruption practices. It is mandatory for all employees to read and understand the policy. All business partners including consultants and contractors are required to acknowledge and agree to comply with the Group's anti-bribery and anti-corruption policy.

- **Commitment to Environment, Social and Corporate Governance ("ESG")**

  The Group established the Sustainability & ESG Committee in May 2023, which is spearheaded by the Group Chief Executive Officer and comprises key senior management personnel. The Board is the ultimate authority over the Group's sustainability strategy and governance, reviewing and approving all sustainability-related policies and initiatives. To further enhance the Board's oversight of sustainability matters, an Independent Director has been invited to be a member of the Sustainability & ESG Committee, who will provide further insights on sustainability from the perspective of external stakeholders and from a governance standpoint. The Sustainability Committee reports its progress to the Board annually in relation to the Group's sustainability initiatives and the holistic approach taken to identify and manage the material sustainability matters that represent our ESG risks and opportunities.

The ARMC holds regular meetings with management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management.

The Board together with the management will continuously assess the suitability, adequacy and effectiveness of the Group's system of internal controls and will take corrective measures to enhance the system, as and when necessary.

Assurance Provided by the Group Chief Executive Officer and Chief Financial Officer

In line with the Guidelines, the Group Chief Executive Officer and Chief Financial Officer have provided assurance to the Board that to the best of their knowledge, the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, based on the Risk Management Framework adopted by the Group, to meet the Group's objectives during the financial year under review.

After considering the assurances of the Group Chief Executive Officer and Chief Financial Officer, the Board is of the opinion that the risk management processes and system of internal control are adequate and sound to provide reasonable assurance to protect and safeguard the shareholders' investments and the Group's assets.

During the financial year, no major internal control issue was identified that may result in any material loss or uncertainty that would require disclosure in this Annual Report. All major risks affecting the Group will be continuously monitored with necessary measures taken to mitigate them. The Group's risk management and system of internal control will be constantly reviewed and strengthened to ensure its adequacy and effectiveness in safeguarding shareholders' investments and the Group's assets.

Review by the External Auditors

The External Auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3") *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the FYE 2025, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report of the Group, in all material respects :

(a) has not been prepared 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, or

(b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problem disclosed in the Annual Report will, in fact, remedy the problems.

Conclusion

The Board is satisfied with the adequacy and effectiveness of the risk management and internal control system to safeguard shareholders' investments and the Group's assets, and confirms that there is a continuous process in place to identify, evaluate and manage the significant risks that may affect the achievement of business objectives. The process which has been instituted throughout the Group is updated and reviewed from time to time to suit the changes in the business environment, and this ongoing process has been in place for the whole FYE 2025 and up to the date of issuance of this Annual Report.

This Statement is made in respect of FYE 2025 and in accordance with a resolution of the Board passed on 11 July 2025.

Status of utilisation of proceeds from any corporate proposal

The Company did not undertake any fund raising corporate exercise during the financial period.

Audit and Non-audit fees paid to external auditors for the financial year

During the financial year ended 31 March 2025 (FYE 2025), the amount of audit and non-audit fees paid/payable by the Group and the Company to the external auditors and its affiliate for services rendered to the Company and its subsidiaries are as follows:

	Group (RM)	Company (RM)
Audit services	159,000	45,000
Non-Audit services	52,200	9,500

Recurrent Related Party Transactions

Details of the recurrent related party transactions are disclosed under Note 28 of the financial statements in this Annual Report.

Material Contracts

Save as disclosed under Note 28 of the financial statements in this Annual Report, there were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and/or major shareholders' interest which were still subsisting as at the end of FYE 2025 or which were entered into since the end of the previous financial year.

FINANCIAL STATEMENTS

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Subsidiaries

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

Financial Results

	Group RM	**Company RM**
Profit for the financial year attribute to:		
Owners of the Company	2,977,472	2,374,578
Non-controlling interests	19,002	-
	2,996,474	2,374,578

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year.

Dividends

Since the end of the previous financial year, the Company paid:

(i) a final dividend of 0.5 sen per ordinary share totalling RM1,163,238 in respect of the financial year ended 31 March 2024 on 28 June 2024.

(ii) an interim dividend of 0.5 sen per ordinary share totalling RM1,163,238 in respect of the financial year ended 31 March 2025 on 13 December 2024.

On 29 May 2025, the Board of Directors has approved a final dividend of 1.0 sen per ordinary share totalling RM2,326,476 for the financial year ended 31 March 2025. The final dividend was paid on 26 June 2025. The final dividend will be accounted for in the shareholders' equity as appropriation of retained profits in the financial year ending 31 March 2026.

Issue of Shares and Debentures

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

Options Granted Over Unissued Shares

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

Directors

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

Dato' Sri Tan Thian Poh*
Ng Chin Huat*
Kong Sau Kian
David Tan Chin Wee (Alternate Director to Dato' Sri Tan Thian Poh)
Lee Siok Yee
Dato' Dr. Lim Weng Khuan
Collin Tan Chin Yew

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year until the date of this report are:

Lee Yean Fung
Kok Tai Meng
Wong Hing Ming

* Director of the Company and its subsidiaries

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2024	**Bought**	**Sold**	**At 31.3.2025**
Interests in the Company				
Direct interests :				
Dato' Sri Tan Thian Poh	59,000	–	–	59,000
Ng Chin Huat	1,300,000	–	–	1,300,000
Indirect interests :				
Dato' Sri Tan Thian Poh [a]	74,413,172	–	–	74,413,172
Ng Chin Huat [b]	77,114,954	–	–	77,114,954

Notes:

[a] *Deemed interest by virtue of his interests held in Trackland Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*
[b] *Deemed interest by virtue of his interests held in Everest Hectare Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

By virtue of their interests in the shares of the Company, Ng Chin Huat and Dato' Sri Tan Thian Poh are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in shares of the Company and of its related corporations during the financial year.

The interests and deemed interests in the shares of the Company and of its related corporations of those who were Directors of the subsidiaries of the Company at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2024	**Bought**	**Sold**	**At 31.3.2025**
Interests in the Company				
Direct interests :				
Kok Tai Meng	300,000	–	–	300,000
Lee Yean Fung	600,000	–	–	600,000

None of the other Directors of the subsidiaries in office at the end of the financial year had any interest in shares of the Company and of its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors or the fixed salary of a full time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 28 to the financial statements.

The Directors' benefits are as follows:

	Group RM	**Company RM**
Directors of the Company		
Fees	360,000	360,000
Salaries and other emoluments	437,718	-
Defined contribution plan	43,200	-
Estimated money value of benefits-in-kind	5,897	-
	846,815	360,000

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares of the Company or any other body corporate.

Indemnity and Insurance Costs

During the financial year, Directors and officers of Asia Brands Berhad, together with its subsidiaries, are covered under the Directors and Officers Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total amount of Directors and Officers Liability Insurance effected for the Directors and officers of the Group was RM3,000,000. The total amount of premium paid for the Directors and Officers Liability Insurance by the Group was RM8,650.

There was no indemnity given to or insurance effected for the auditors of the Company.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that:

   (i) all known bad debts have been written off and adequate provision made for doubtful debts, and

   (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

   (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

   (ii) that would render the values attributed to current assets in the financial statements of the Group and of the Company misleading, or

   (iii) 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, or

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

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

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

   (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

(d) 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 which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

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

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

Auditors

The auditors, Reanda LLKG International PLT, have expressed their willingness to continue in office.

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

	Group RM	Company RM
Audit fees	159,000	45,000
Non-audit fees	52,200	9,500
	211,200	54,500

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 11 July 2025.

NG CHIN HUAT

KONG SAU KIAN

KUALA LUMPUR

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 57 to 109 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 11 July 2025.

NG CHIN HUAT	**KONG SAUKIAN**

KUALA LUMPUR

STATUTORY DECLARATION

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

I, Kok Tai Meng (MIA Membership No. CA30027), being the Officer primarily responsible for the financial management of Asia Brands Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 57 to 109 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in the)
Federal Territory on 11 July 2025)

KOK TAI MENG

Before me,

AMIR BIN ISMAIL (NO. W800)
Commissioner for Oaths

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Asia Brands Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 57 to109.

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 then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matters
<u>Impairment assessment on goodwill and trademarks</u> Please refer to Note 2(d) for Significant Accounting Judgements, Estimates and Assumptions, Note 3(f) for accounting policies of intangible assets and Note 8 for Intangible Assets. The carrying values of goodwill and trademarks of the Group as at 31 March 2025 are RM26.7 million and RM131.0 million respectively. Goodwill and trademarks with indefinite life are subject to annual impairment testing. We focused on these areas as the determination of recoverable amounts of cash-generating-unit based on value-in-use calculations by management involved a significant degree of judgement and assumptions.	Our audit procedures included, amongst others: • Assessed reliability of management's forecast through the review of past trends of actual financial performances against previous forecasted results; • Assessed key assumptions on which the cash flow projections are based, by amongst others, comparing them against business plans, historical results and market data; • Evaluated appropriateness of discount rate used to determine present value of cash flows and whether the rate used reflects current market assessments of time value of money and risks specific to the asset; • Performed sensitivity analysis on key assumptions to evaluate impact on the impairment assessment; and • Assessed adequacy and reasonableness of disclosures in the financial statements.

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

Key Audit Matters (Cont'd)

Key audit matters (Cont'd)	How our audit addressed the key audit matters (Cont'd)
Inventories valuation The carrying amount of finished goods of the Group as at 31 March 2025 is RM63.7 million. As described in the accounting policies in Note 3(g) to the financial statements, inventories are carried at the lower of cost and net realizable value. Assessing valuation of inventories is an area of significant judgment as there is a risk in estimating the net realisable value of the inventories, as well as assessing which items may be slow-moving or obsolete. Due to the significance of inventories and the corresponding uncertainty inherent in such an estimate, we considered this as a key audit matter. Please refer to Note 2(d) for Significant Accounting Judgements, Estimates and Assumptions and the disclosures of inventories in Note 11 to the financial statements.	Our audit procedures included, amongst others: • Reviewed historical ageing of inventories; • Checked effectiveness of controls associated with existence and condition of inventories by attending inventory counts at financial year end in selected locations; • Identified and assessed a sample of aged and obsolete inventories; • Analysed level of slow-moving inventories and the associated provision; • Tested expected volume and price of future sales of inventories by reviewing price of a sample of inventories sold after the reporting date; • Reviewed historical accuracy of inventory provisioning and level of inventory write-offs during the financial year; and • Assessed adequacy and reasonableness of disclosures in the financial statements.
Recognition of right-of-use assets and lease liabilities As at 31 March 2025, the Group had recognised right-of-use assets and lease liabilities for leases of Group with carrying amounts of RM14.8 million and RM18.1 million respectively. We determined this to be a key audit matter because it requires management to exercise significant judgements for specific assumptions applied in determining right-of-use assets and lease liabilities. The specific assumptions include the determination of appropriate discount rates and assessment of lease terms, including renewal and termination options of the leases. Please refer to Note 3(e) for accounting policies of leases, Note 5 for Right-of-use Assets and Note 16 for Lease Liabilities.	Our audit procedures included, amongst others: • Obtained an understanding of design and implementation of key controls pertaining to recognition of right-of-use assets and lease liabilities; • Assessed appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs; • Assessed appropriateness of the assumptions applied in determining the lease terms of the lease liabilities, including renewal and termination options of the leases; and • Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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.

REANDA LLKG INTERNATIONAL PLT
202506000003
(LLP0041599-LCA) & AF 1082
Chartered Accountants

LAI WONG CHUNG
Approved Number: 03277/08/2026 J
Chartered Accountant

KUALA LUMPUR

11 July 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
ASSETS					
Non-Current Assets					
Plant and equipment	4	14,984,644	15,560,219	–	–
Right-of-use assets	5	14,756,982	18,148,162	–	–
Investments in subsidiaries	6	–	–	244,729,664	244,730,070
Investments in a joint venture	7	–	–	–	–
Intangible assets	8	157,704,868	157,704,868	–	–
Deferred tax assets	9	1,700,000	2,700,000	–	–
Other receivables	10	2,924,174	3,140,594	–	–
		192,070,668	197,253,843	244,729,664	244,730,070
Current Assets					
Inventories	11	63,699,593	82,046,569	–	–
Trade receivables	12	25,275,499	29,464,552	–	–
Other receivables	10	5,308,725	5,734,994	1,500	1,500
Amounts due from subsidiaries	13	–	–	9,000	4,753
Tax recoverable		315,397	306,587	–	–
Cash and bank balances	14	10,578,478	12,147,289	159,463	112,237
		105,177,692	129,699,991	169,963	118,490
Total Assets		297,248,360	326,953,834	244,899,627	244,848,560
EQUITY					
Share capital	15	198,278,656	198,278,656	198,278,656	198,278,656
Retained earnings		41,142,904	40,491,908	46,353,197	46,305,095
Equity attributable to owners of the Company		239,421,560	238,770,564	244,631,853	244,583,751
Non-controlling interests		106,125	87,123	–	–
Total Equity		239,527,685	238,857,687	244,631,853	244,583,751
LIABILITIES					
Non–Current Liabilities					
Lease liabilities	16	11,717,295	15,382,672	–	–
Hire purchase liabilities	17	–	22,721	–	–
Term Loan	18	–	3,750,000	–	–
Deferred tax liabilities	9	50,000	90,335		
		11,767,295	19,245,728	–	–
Current Liabilities					
Trade payables	19	4,700,417	14,620,281	–	–
Other payables	20	5,631,235	8,780,033	237,495	234,530
Amounts due to subsidiaries	13	–	–	30,279	30,279
Lease liabilities	16	6,424,191	6,159,066	–	–
Hire purchase liabilities	17	22,721	125,651	–	–
Term Loan	18	3,750,000	5,000,000	–	–
Bank borrowings	21	25,409,389	34,165,388	–	–
Tax payable		15,427	–	–	–
		45,953,380	68,850,419	267,774	264,809
Total Liabilities		57,720,675	88,096,147	267,774	264,809
Total Equity and Liabilities		297,248,360	326,953,834	244,899,627	244,848,560

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

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Revenue	22	171,554,230	194,960,420	3,000,000	5,125,000
Cost of sales		(76,283,070)	(83,336,619)	–	–
Gross profit		95,271,160	111,623,801	3,000,000	5,125,000
Other income		2,156,669	2,171,074	–	151
Selling and distribution expenses		(85,768,663)	(95,610,242)	–	–
Administrative expenses		(4,518,434)	(4,458,424)	(625,422)	(1,246,837)
Net gain on impairment of financial instruments		(99,014)	(191,841)	–	(427)
Profit from operations		7,041,718	13,534,368	2,374,578	3,877,887
Finance costs		(2,501,644)	(2,765,641)	–	–
Share of loss of equity-accounted joint venture, net of tax		–	(1)	–	–
Profit before tax		4,540,074	10,768,726	2,374,578	3,877,887
Taxation	23	(1,543,600)	(2,256,445)	–	–
Profit for the financial year representing total comprehensive income for the financial year	24	2,996,474	8,512,281	2,374,578	3,877,887
Profit for the financial year representing total comprehensive income for the financial year attributable to:					
Owners of the Company		2,977,472	8,477,131	2,374,578	3,877,887
Non-controlling interests		19,002	35,150	–	–
		2,996,474	8,512,281	2,374,578	3,877,887
Earnings per share					
Basic and diluted earnings per ordinary share (sen):	25	1.28	3.64		

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

Group	Note	Attributable to Owners of the Company <Non-Distributable> Share Capital RM	<Distributable> Retained Earnings RM	Total RM	Non-controlling Interests RM	Total Equity RM
At 1 April 2024		198,278,656	40,491,908	238,770,564	87,123	238,857,687
Profit for the financial year, representing total comprehensive income for the financial year		-	2,977,472	2,977,472	19,002	2,996,474
Transactions with owners:						
Dividends to owners of the Company	27	-	(2,326,476)	(2,326,476)	-	(2,326,476)
At 31 March 2025		198,278,656	41,142,904	239,421,560	106,125	239,527,685

Group	Note	Attributable to Owners of the Company <Non-Distributable> Share Capital RM	<Distributable> Retained Earnings RM	Total RM	Non-controlling Interests RM	Total Equity RM
At 1 April 2023		198,278,656	36,667,729	234,946,385	51,973	234,998,358
Profit for the financial year, representing total comprehensive income for the financial year		-	8,477,131	8,477,131	35,150	8,512,281
Transactions with owners:						
Dividends to owners of the Company	27	-	(4,652,952)	(4,652,952)	-	(4,652,952)
At 31 March 2024		198,278,656	40,491,908	238,770,564	87,123	238,857,687

Company	Note	Attributable to Owners of the Company <Non-Distributable> Share Capital RM	<Distributable> Retained Earnings RM	Total Equity RM
At 1 April 2024		198,278,656	46,305,095	244,583,751
Profit for the financial year, representing total comprehensive income for the financial year		-	2,374,578	2,374,578
Transactions with owners:				
Dividends to owners of the Company	27	-	(2,326,476)	(2,326,476)
At 31 March 2025		198,278,656	46,353,197	244,631,853
At 1 April 2023		198,278,656	47,080,160	245,358,816
Profit for the financial year, representing total comprehensive income for the financial year		-	3,877,887	3,877,887
Transactions with owners:				
Dividends to owners of the Company	27	-	(4,652,952)	(4,652,952)
At 31 March 2024		198,278,656	46,305,095	244,583,751

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

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash Flows From Operating Activities					
Profit before tax		4,540,074	10,768,726	2,374,578	3,877,887
Adjustments for:					
Bad debts written off on:					
- Amount due from subsidiaries		–	–	–	4,736
- Trade receivables		7,055	–	–	–
Waiver of debt on amounts due to subsidiaries		–	–	–	(149)
Depreciation of plant and equipment		2,741,519	2,610,404	–	–
Depreciation of right-of-use assets		6,812,753	6,917,096	–	–
Fair value gain on short term investments		(96,470)	(191,254)	–	–
Impairment losses on:					
- Investments in subsidiaries		–	–	–	711,000
- Trade receivables		99,014	191,841	–	–
- Amounts due from subsidiaries		–	–	–	427
Interest expense		2,501,644	2,765,641	–	–
Inventories written down		56,261	231,110	–	–
Inventories written off		312,529	215,223	–	–
Plant and equipment written off		5,632	2,022	–	–
Dividend Income		–	–	(3,000,000)	(5,125,000)
Loss/(Gain) on lease modification		482,161	(67,408)	–	–
Income from subleasing right-of-use assets		(676,171)	(722,953)	–	–
Interest income		(332,370)	(185,961)	–	–
Operating profit/(loss) before working capital changes		16,453,631	22,534,487	(625,422)	(531,099)
Changes in working capital:					
Inventories		17,978,186	(7,979,831)	-	-
Receivables		4,956,548	(3,385,619)	-	-
Payables		(13,068,662)	(6,836,502)	2,965	22,877
		9,866,072	(18,201,952)	2,965	22,877
Cash generated from/(used in) operations		26,319,703	4,332,535	(622,457)	(508,222)
Interest paid		(2,501,644)	(2,765,641)	–	–
Tax paid		(577,318)	(1,220,947)	–	–
		(3,078,962)	(3,986,588)	–	–
Net cash from/(used in) operating activities		23,240,741	345,947	(622,457)	(508,222)
Cash Flows From Investing Activities					
Net advances to subsidiaries		–	–	(4,247)	(9,916)
Interest received		332,370	185,961	–	–
Dividend received		–	–	3,000,000	5,125,000
Acquisition of plant and equipment		(2,171,576)	(7,211,609)	–	–
Net redemptions of short term investments		96,470	191,254	–	–
Proceeds from liquidation of a subsidiary		–	–	406	–
Investment in subsidiaries		–	–	–	(5,003)
Net cash (used in)/from investing activities		(1,742,736)	(6,834,394)	2,996,159	5,110,081

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash Flows From Financing Activities					
Dividends paid to owners of the Company	27	(2,326,476)	(4,652,952)	(2,326,476)	(4,652,952)
Net repayment to a related party		–	(2,515,785)	–	–
Net repayment to subsidiaries		–	–	–	(3,372)
Repayment of term loan		(5,000,000)	(1,250,000)	–	–
Payment of lease liabilities		(6,858,690)	(6,662,533)	–	–
Payment of hire purchase liabilities		(125,651)	(140,756)	–	–
Net changes in bankers' acceptance		(8,755,999)	19,970,574	–	–
Net cash used in financing activities		(23,066,816)	4,748,548	(2,326,476)	(4,656,324)
Changes in cash and cash equivalents		(1,568,811)	(1,739,899)	47,226	(54,465)
Cash and cash equivalents at the beginning of the financial year		10,772,289	12,512,188	112,237	166,702
Cash and cash equivalents at the end of the financial year	14	9,203,478	10,772,289	159,463	112,237
Cash Outflows For Leases As A Lessee					
Included in net cash from operating activities:					
Payment relating to short term leases	24	2,117,573	2,591,479	–	–
Payment relating to variable lease payments not included in measurement of lease liabilities	24	1,801,149	1,807,995	–	–
Interest paid in relation to lease liabilities	24	1,010,391	980,685	–	–
Interest paid in relation to hire purchase liabilities	24	3,309	8,823	–	–
Included in net cash from financing activities:					
Payment of lease liabilities		6,858,690	6,662,533	–	–
Payment of hire purchase liabilities		125,651	140,756	–	–
Total cash outflows for leases		11,916,763	12,192,271	–	–

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

1. Corporate Information

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

The principal place of business and registered office of the Company are located at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 6.

These financial statements were authorised for issue by the Board of Directors on 11 July 2025.

2. Basis of Preparation

(a) Statement of compliance

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

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

		Effective for annual periods beginning on or after
Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*	Amendments to the Classification and Measurement of Financial Instrument	1 January 2026
Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11		1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 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	Deferred until further notice

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group and the Company intend to adopt the abovementioned accounting standards and amendments, if applicable, when they become effective.

The initial application of the abovementioned accounting standards and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

<u>MFRS 18 *Presentation and Disclosure in Financial Statements*</u>

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*, which retains majority of the requirements of MFRS 101 and complementing them with new requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 introduces new key requirements as follows:

i. <u>Statements of Profit or Loss and Other Comprehensive Income</u>: The standard requires reclassification of all income and expenses within the statements of profit or loss into five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard also requires to present a newly-defined operating profit subtotal, and the net profit will not change.

ii. <u>Statements of Cash Flows</u>: The standard requires to disclose the starting point for cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and the optionality around classification of cash flows from dividends and interest are removed.

iii. <u>Management-defined Performance Measures ("MPMs") and guidance on Aggregation and Disaggregation:</u> The standard requires MPMs are disclosed in a single note in the financial statements and enhanced guidance is provided on aggregation and disaggregation of financial information.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statements of profit or loss and the statements of cash flows. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 3.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed below:

<u>Extension options and incremental borrowing rate in relation to leases (Note 5)</u>

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

2. Basis of Preparation (Cont'd)

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

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

Impairment of goodwill and trademarks (Note 8)

The Group tests annually whether goodwill and trademarks have suffered any impairment. When value in use calculations are undertaken, management estimates the expected future cash flows from the cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment losses.

Deferred tax assets (Note 9)

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

Inventories valuation (Note 11)

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

Measurement of expected credit losses ("ECL") (Note 31(b)(i))

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 historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward-looking information.

Other than trade receivables, the Group and the Company assess the credit risk of other receivables at each reporting date on an individual basis, to determine whether or not there have been significant increases in credit risk since the initial recognition of these assets. To determine whether there is a significant increase in credit risks, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. Where there is a significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer.

In assessing credit risks for purposes of applying the ECL model, the Group considers the need to incorporate forward-looking factors and to estimate the probability of default, which are likely to be judgmental and subject to estimation uncertainties.

3. Material Accounting Policy Information

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

3. Material Accounting Policy Information (Cont'd)

(a) Basis of consolidation (Cont'd)

(v) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint ventures are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated onconsolidation

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

Unrealised gains arising from transactions with equity-accounted joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencytransactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve (" FCTR ") in equity.

3. Material Accounting Policy Information (Cont'd)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method.The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 3(i)(i)) where the effective interest rate is applied to the amortised cost.

b) Fair value through profit or loss

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

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

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 3(i)(i)).

Financial liabilities

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

Amortised cost

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

3. Material Accounting Policy Information (Cont'd)

(c) Financial instruments (Cont'd)

(iii) Financial guarantee contracts

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

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

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

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

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

(v) Offsetting

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

(d) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net in profit or loss.

3. Material Accounting Policy Information (Cont'd)

(d) Plant and equipment (Cont'd)

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use.

Plant and equipment are depreciated based on the principal annual rates as follows:

Computer equipment	30%
Display counters	10%
Office equipment	10%
Renovation	20%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

(e) Leases

(i) Definition of alease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

i. the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

ii. the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

iii. the customer has the right to direct the use of the asset. The customer has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

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

3. Material Accounting Policy Information (Cont'd)

(e) Leases (Cont'd)

(ii) Recognition and initial measurement

(a) As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

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

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

3. Material Accounting Policy Information (Cont'd)

(e) Leases (Cont'd)

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right- of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9 *Financial Instruments* (see Note 3(i)(i)).

(f) Intangible assets

(i) <u>Goodwill</u>
Goodwill which arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted joint ventures.

(ii) <u>Other intangible assets</u>
Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) <u>Subsequent expenditure</u>
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) <u>Amortization</u>
Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

3. Material Accounting Policy Information (Cont'd)

(g) Inventories

Finished goods are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis and comprises the purchase price and incidental costs incurred in bringing the inventories to their present location and condition.

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

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(i) Impairment

(i) Financial assets

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

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and finance lease receivable are always measured at an amount equal to lifetime expected credit loss.

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

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

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

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

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

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

3. Material Accounting Policy Information (Cont'd)

(i) Impairment (Cont'd)

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, finance lease receivable and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash- generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. Material Accounting Policy Information (Cont'd)

(k) Employee benefits (Con'd)

(ii) Defined contribution plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.The unwinding of the discount is recognised as finance cost.

(m) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group and the Company recognise revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

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

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

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue is recognized upon the transferring goods or services to customer and is the net amount of commission made by the Group.

(ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Dividend income

Dividend income is recognized in profit or loss on the date that the Group's or the Company's right to received payment is established.

(v) Income from money market fund

Income from money market fund is recognised when the right to receive payment is established.

3. Material Accounting Policy Information (Cont'd)

(n) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

(o) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Earnings per ordinary share

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

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

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

3. Material Accounting Policy Information (Cont'd)

(q) Operating segments

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

(r) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(s) Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group 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 recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Plant and Equipment

Group 2025 Cost	Computer Equipment RM	Display Counters RM	Office Equipment RM	Renovation RM	Motor Vehicles RM	Total RM
At 1 April 2024	1,377,940	39,251,514	399,561	3,419,997	201,007	44,650,019
Additions	157,617	1,898,560	4,099	–	111,300	2,171,576
Written off	–	(6,200)	–	–	–	(6,200)
At 31 March 2025	1,535,557	41,143,874	403,660	3,419,997	312,307	46,815,395
Accumulated depreciation						
At 1 April 2024	1,269,039	23,953,268	310,115	3,359,056	198,322	29,089,800
Charge for the financial year	66,938	2,604,461	39,209	22,665	8,246	2,741,519
Written off	–	(568)	–	–	–	(568)
At 31 March 2025	1,335,977	26,557,161	349,324	3,381,721	206,568	31,830,751
Carrying amount						
At 31 March 2025	199,580	14,586,713	54,336	38,276	105,739	14,984,644

4. Plant and Equipment (Cont'd)

Group	Computer Equipment RM	Display Counters RM	Office Equipment RM	Renovation RM	Motor Vehicles RM	Total RM
2023						
Cost						
At 1 April 2023	1,607,451	33,630,780	359,398	4,036,648	201,007	39,835,284
Additions	36,515	7,077,925	49,010	48,159	–	7,211,609
Written off	(266,026)	(1,457,191)	(8,847)	(664,810)	–	(2,396,874)
At 31 March 2024	1,377,940	39,251,514	399,561	3,419,997	201,007	44,650,019
Accumulated depreciation						
At 1 April 2023	1,481,305	22,919,204	280,492	4,000,031	193,216	28,874,248
Charge for the financial year	53,530	2,490,084	38,463	23,221	5,106	2,610,404
Written off	(265,796)	(1,456,020)	(8,840)	(664,196)	–	(2,394,852)
At 31 March 2024	1,269,039	23,953,268	310,115	3,359,056	198,322	29,089,800
Carrying amount						
At 31 March 2024	108,901	15,298,246	89,446	60,941	2,685	15,560,219

5. Right-of-use Assets

Group	Buildings RM	Motor vehicles RM	Total RM
Cost			
At 1 April 2023	39,837,350	633,758	40,471,108
Additions	13,809,553	–	13,809,553
Modification	(1,272,377)	–	(1,272,377)
Disposals	(2,995,796)	–	(2,995,796)
At 31 March 2024 / 1 April 2024	49,378,730	633,758	50,012,488
Additions	7,875,353	–	7,875,353
Modification	(1,521,866)	–	(1,521,866)
Sublease	(4,202,438)	–	(4,202,438)
Termination of sublease	1,270,524	–	1,270,524
At 31 March 2025	52,800,303	633,758	53,434,061
Accumulated depreciation			
At 1 April 2023	24,626,558	320,672	24,947,230
Depreciation for the financial year	6,772,916	144,180	6,917,096
At 31 March 2024 / 1 April 2024	31,399,474	464,852	31,864,326
Depreciation for the financial year	6,740,144	72,609	6,812,753
At 31 March 2025	38,139,618	537,461	38,677,079
Carrying amount			
At 31 March 2024	17,979,256	168,906	18,148,162
At 31 March 2025	14,660,685	96,297	14,756,982

5. Right-of-use Assets (Cont'd)

The Group leases its retail stores, warehouse and office building. The leases typically run for a period of two to three years, with an option to renew the lease after that dates.

6. Investments in Subsidiaries

	Company 2025 RM	2024 RM
Unquoted shares, at cost	321,253,747	321,254,153
Less: Accumulated impairment losses	(76,524,083)	(76,524,083)
	244,729,664	244,730,070

Movements in allowances for impairment losses on investments in subsidiaries are as follows:

	Company 2025 RM	2024 RM
At 1 April	76,524,083	75,813,083
Impairment loss recognized	-	711,000
At 31 March	76,524,083	76,524,083

During the financial year:

a) PT Anakku Jaya Indonesia was dissolved on 13 March 2025.

During the previous financial year:

a) the Company acquired 100% equity interest in SPVSB, comprising 2 ordinary shares for a cash consideration of RM1 from AUSB, a wholly owned subsidiary of the Company. Consequently, SPVSB became a wholly owned subsidiary of the Company.
b) the Company acquired 100% equity interests in Isoho 365 Sdn. Bhd. for a total cash consideration of RM5,000.
c) the Group incorporated a private company limited by shares known as PT Anakku Jaya Indonesia, a company incorporated in Indonesia. The issued and fully paid shares of PT Anakku Jaya Indonesia is IDR10,000,000,000 (equivalent to RM3,000,000) comprising 10,000 ordinary shares of which 99% and 1% had been issued to AKSB and BPSB respectively, wholly owned subsidiaries of the Group.
d) ABG, Bumcity, Diesel Marketing and MJSB, wholly owned subsidiaries of the Company, completed its share capital reduction by RM1,981,900, RM697,400, RM2,983,000 and RM186,700 respectively, via set-off against amounts due from the Company pursuant to Section 117 of the Companies Act 2016.

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2024 %	2024 %	Principal activities
Direct holding:				
Anakku Sdn. Bhd. (“AKSB”)	Malaysia	100	100	Trading and retailing in baby wear, care and related products through heavy traffic outlets (‘HTO’), distributors as well as retailing boutique outlets.

6. Investments in Subsidiaries (Cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2025 %	2024 %	Principal activities
Direct holding:				
Baby Palace Sdn. Bhd. ("BPSB")	Malaysia	100	100	Trading and retailing in baby wear, care and related products through HTO, distributors as well as retailing boutique outlets and providing sub-licensing services.
GB Marketing Sdn. Bhd. ("GB Marketing")	Malaysia	100	100	General trading, retailing and distribution of consumer and pet products.
Isoho 365 Sdn. Bhd. ("ISOHO")	Malaysia	100	100	Trading and retailing in baby wear, care and related products through HTO, distributors as well as retailing boutique outlets.
Generasi Global Gemilang Sdn. Bhd. ("GGGSB")	Malaysia	51	51	Trading and retailing in clothings.
Audrey Sdn. Bhd. ("AUSB")	Malaysia	100	100	Trading and retailing in lingerie and ladies wear, care and related products through HTO, distributors as well as retailing boutique outlets.
Generasi Prestasi Sdn. Bhd. ("GPSB")	Malaysia	100	100	Trading and retailing in lingerie and ladies wear, baby and children wear, care and related products through HTO, distributors as well as retailing boutique outlets.
Asia Brands HR Services Sdn. Bhd. ("ABHR")	Malaysia	100	100	Providing share services function including finance, human resources, IT, administrative and others.
Simple Plan Venture Sdn. Bhd. ("SPVSB")	Malaysia	100	100	Investment holding
Asia Brands Global Sdn. Bhd. ("ABG")	Malaysia	100	100	In liquidation
Antioni Sdn. Bhd. ("Antioni")	Malaysia	100	100	In liquidation
Asia Brands Assets Management Sdn. Bhd. ("ABAM")	Malaysia	100	100	In liquidation
Bumcity Sdn. Bhd. ("Bumcity")	Malaysia	100	100	In liquidation
Diesel Marketing Sdn. Bhd. ("Diesel Marketing")	Malaysia	100	100	In liquidation
Mickey Junior Sdn. Bhd. ("MJSB")	Malaysia	100	100	In liquidation

6. Investments in Subsidiaries (Cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2025 %	2024 %	Principal activities
Indirect Holding:				
Held through BPSB Labu Labu Marketing Sdn. Bhd. (formerly known as Pet Hero World Sdn. Bhd.) ("LBMSB")	Malaysia	100	100	Retail and distribution of pet products.
Held through AKSB and BPSB PT Anakku Jaya Indonesia	Malaysia	–	100	Dissolved

7. Investments in A Joint Venture

	Group 2025 RM	2024 RM
Investment in shares	–	1
Share of post-acquisition reserves	–	(1)
	–	–

Details of joint venture is as follows:

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2025 %	2024 %	Principal activities
Indirect Holding:				
Held through SPVSB Baby Borong Sdn. Bhd.	Malaysia	–	50	Trading and retailing of any kind of product over the internet.

On 14 September 2023, the Group through its wholly-owned subsidiary, SPVSB, completed the acquisitions of 50% equity interests in Baby Borong Sdn. Bhd. for a total cash consideration of RM1. On 16 October 2024, the Group through its wholly-owned subsidiary, SPVSB, completed the disposal of 50% equity interests in Baby Borong Sdn. Bhd. for a total cash consideration of RM1.

Nature of relationship with the Group
The joint venture provides the Group with strategic access to e-commerce retail and wholesale in Malaysia.

Summarised financial information
The following table summarises the information of the Group's material joint venture, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint venture.

7. Investments in A Joint Venture (Cont'd)

Summarised financial information (Cont'd)

	Group 2025 RM	2024 RM
Baby Borong Sdn Bhd		
Summarised financial information		
As at 31 March		
Current assets	–	1,817,168
Current liabilities	–	(1,981,577)
Net Asset	–	(164,409)
Included in the above assets and liabilities:		
Cash and cash equivalents	–	291,375
Current financial liabilities (excluding trade and other payables and provisions)	–	(909,415)
Financial year ended 31 March		
Loss from continuing operations	–	(164,411)
Total comprehensive expenses	–	(164,411)
Included in the total comprehensive expense are:		
Revenue	–	3,606,757
Reconciliation of net assets to carrying amount		
As at 31 March		
Group's share of net assets	–	–
Carrying amount in the statements of financial position	–	–
Group's share of results, after consolidation adjustments		
Financial year ended 31 March		
Group's share of loss for the year	–	(1)
Group's share of total comprehensive expense	–	(1)

Unrecognised share of losses

The Group has not recognised losses totalling Nil (2024: RM82,205) in the current financial year and Nil (2024: RM82,205) cumulatively, since the Group has no obligation in respect of these losses.

8. Intangible Assets

Group	Goodwill RM	Trademarks RM	Total RM
Cost			
At 1 April 2023/31 March 2024/31 March 2025	36,068,397	131,000,000	167,068,397
Accumulated impairment losses			
At 1 April 2023/31 March 2024/31 March 2025	9,363,529	–	9,363,529
Carrying amount			
At 1 April 2023/31 March 2024/31 March 2025	26,704,868	131,000,000	157,704,868

(a) Description of material intangible assets

Intangible assets represent the trademarks for the brands of "Anakku" and "Audrey" for the Group's specialised wear, care and related products through HTO that were acquired in business combinations. The useful lives of the trademarks are estimated to be indefinite because management believes there is no foreseeable limit to the period over which brands are expected to generate net cash inflow for the Group.

(b) Impairment testing for cash-generating unit ("CGU") containing goodwill and trademarks

For purpose of impairment testing, goodwill and trademarks are allocated to the Group's operating divisions which represent the lowest CGU level within the Group at which the goodwill and trademarks are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and trademarks allocated to each CGU are as follows:

	2025		2024	
	Goodwill RM	Trademarks RM	Goodwill RM	Trademarks RM
Group				
Baby wear	13,237,911	113,000,000	13,237,911	113,000,000
Lingerie wear	13,466,957	18,000,000	13,466,957	18,000,000
	26,704,868	131,000,000	26,704,868	131,000,000

8. Intangible Assets (Cont'd)

(b) Impairment testing for cash-generating unit ("CGU") containing goodwill and trademarks (Cont'd)

Key assumptions used in value in use calculations

The recoverable amounts of the CGUs in respect of goodwill and trademarks were determined using the value in use approach. Cash flow projections used were based on financial budgets approved by the management covering a 3-year period (2024: 3-year period) for baby wear CGU and 3-year period (2024: 3-year period) for lingerie wear CGU.

The key assumptions used for the value in use calculations are:

	Gross Margin		Growth Rate		Discount Rate		Terminal Growth Rate	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Baby wear	53%	53%	5.0%	5.0%	5.8%	6.0%	5.0%	5.0%
Lingerie wear	66%	69%	2.5%	2.5%	4.5%	5.2%	2.5%	2.5%

(i) Budgeted gross margin

The basis used to determine the budgeted gross margin is the average gross margins achieved in recent years immediately before the budgeted year and after incorporating the effects of merchandising improvement and new marketing strategies.

(ii) Growth rate

The basis used to determine the growth rate is the revenue growth achieved in recent years taking into account the increase in consumer spending as a result of merchandising improvement and new marketing strategies.

(iii) Discount rate (pre-tax)

Reflects risks specific to each CGU.

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

Based on the impairment assessment performed by the Group, there is no impairment losses recognised for goodwill and trademarks during current financial year.

A reasonable possible change in the key assumptions would not result in any impairment.

9. Deferred Tax Assets/(Liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2025 RM	Assets 2024 RM	Liabilities 2025 RM	Liabilities 2024 RM	Net 2025 RM	Net 2024 RM
Plant and equipment	–	–	(1,322,615)	(1,066,140)	(1,322,615)	(1,066,140)
Right-of-use assets	–	–	(3,504,859)	(4,298,660)	(3,504,859)	(4,298,660)
Inventories	56,640	56,640	–	–	56,640	56,640
Trade receivables	137,962	156,839	–	–	137,962	156,839
Finance lease receivables	–	–	(800,739)	(850,054)	(800,739)	(850,054)
Accruals	282,614	700,994	–	–	282,614	700,994
Lease liabilities	4,323,994	5,154,860	–	–	4,323,994	5,154,860
Unutilised tax losses	2,477,003	2,755,186	–	–	2,477,003	2,755,186
Tax assets/(liabilities)	7,278,213	8,824,519	(5,628,213)	(6,214,854)	1,650,000	2,609,665
Set off of tax	(5,578,213)	(6,124,519)	5,578,213	6,124,519	–	–
Net tax assets/ (liabilities)	1,700,000	2,700,000	(50,000)	(90,335)	1,650,000	2,609,665

Movement in temporary differences during the year:

Group	At 1 April 2023 RM	Recognised in profit or loss (Note 23) RM	At 31 March 2024 RM	Recognised in profit or loss (Note 23) RM	At 31 March 2025 RM
Plant and equipment	(899,512)	(166,628)	(1,066,140)	(256,475)	(1,322,615)
Right-of-use assets	(3,651,661)	(646,999)	(4,298,660)	793,801	(3,504,859)
Inventories	44,282	12,358	56,640	–	56,640
Trade receivables	110,797	46,042	156,839	(18,877)	137,962
Finance lease receivables	–	(850,054)	(850,054)	49,315	(800,739)
Accruals	547,594	153,400	700,994	(418,380)	282,614
Lease liabilities	3,776,280	1,378,580	5,154,860	(830,866)	4,323,994
Unutilised tax losses	4,230,220	(1,475,034)	2,755,186	(278,183)	2,477,003
	4,158,000	(1,548,335)	2,609,665	(959,665)	1,650,000

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Unutilised tax losses	11,148,843	11,950,229	366,293	366,293
Unabsorbed capital allowances	519,997	511,055	–	–
	11,668,840	12,461,284	366,293	366,293

In accordance with the provision of Finance Act 2021, the unutilised tax losses are available for utilisation in the next ten (10) years, for which, any excess at the end of the tenth (10^{th}) year, will be disregarded. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries and the Company can utilise the benefits.

9. Deferred Tax Assets/(Liabilities) (Con'd)

The expiry of the unutilised tax losses is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unrecognised unutilised tax losses				
Financial year 2028	10,748,496	11,758,257	366,293	366,293
Financial year 2031	–	48,474	–	–
Financial year 2032	13,860	53,369	–	–
Financial year 2033	90,129	90,129	–	–
Financial year 2035	296,358	–	–	–
	11,148,843	11,950,229	366,293	366,293
Recognised unutilised tax losses				
Financial year 2028	10,320,843	12,167,693	–	–

10. Other Receivables

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Non-current					
Finance lease receivables	10.1	2,924,174	3,140,594	–	–
Current					
Finance lease receivables	10.1	412,239	401,296	–	–
Other receivables		87,918	12,505	–	–
Deposits		4,650,763	4,914,171	1,500	1,500
Prepayments		157,805	407,022	–	–
		5,308,725	5,734,994	1,500	1,500
		8,232,899	8,875,588	1,500	1,500

10.1 Finance Lease Receivables

	Note	Group 2025 RM	Group 2024 RM
At 1 April		3,541,890	–
Addition		4,878,609	3,718,749
Termination		(4,647,734)	–
Interest income	24	203,008	111,141
Lease payment received		(639,360)	(288,000)
At 31 March		3,336,413	3,541,890
Finance lease receivable analysed as:			
Repayable after 12 months		2,924,174	3,140,594
Repayable within 12 months		412,239	401,296
		3,336,413	3,541,890

The Group leases a warehouse to a third party. The lease contains an initial non-cancellable period of three years, with fixed annual rents. Subsequent renewals are negotiated with the lessee and renewal period is three years.

10. Other Receivables (Cont'd)

10.1 Finance Lease Receivables (Cont'd)

This lease transfers substantially all the risk and rewards incidental to the right-of-use asset arising from head lease. Residual value risk of the warehouse is not significant. These leases do not include buy-back agreements or residual value guarantees

The lease payments to be received are as follows:

	Group	
	2025 RM	**2024 RM**
Less than 1 year	576,000	576,000
1 to 2 years	576,000	576,000
2 to 3 years	597,000	597,000
3 to 4 years	612,000	612,000
4 to 5 years	612,000	612,000
More than 5 years	255,000	255,000
Total undiscounted lease payments	3,228,000	3,228,000
Unguaranteed residual value	707,774	979,934
Unearned interest income	(599,361)	(666,044)
Net investment in lease	3,336,413	3,541,890

11. Inventories

	Group	
	2025 RM	**2024 RM**
Finished goods	63,699,593	82,046,569
Recognised in profit or loss:		
Inventories recognised as cost of sales	76,283,070	83,336,619
Inventories written down	56,261	231,110
Inventories written off	312,529	215,223

12. Trade Receivables

	Group	
	2025 RM	**2024 RM**
Trade receivables	26,028,007	30,118,046
Less: Allowance for impairment losses	(752,508)	(653,494)
	25,275,499	29,464,552

Included in trade receivables is an amount of Nil (2024: RM912,294) due from a joint venture which is unsecured with credit term of Nil (2024: 120 days).

13. Amounts Due from/(to) Subsidiaries

	Company	
	2025 RM	2024 RM
Amount due from subsidiaries		
Non-trade related		
Non-interest bearing	5,117,934	5,113,687
Less: Accumulated impairment losses	(5,108,934)	(5,108,934)
	9,000	4,753
Amount due to subsidiaries		
Non-trade related		
Non-interest bearing	30,279	30,279

The amounts due from/(to) subsidiaries are unsecured and repayable on demand.

14. Cash and Cash Equivalents

	Group		Company	
	2025 RM	2024 RM	2024 RM	2024 RM
Cash and bank balances	10,578,478	12,147,289	159,463	112,237
Cash and cash equivalents in the statements of financial position	10,578,478	12,147,289	159,463	112,237
Less:				
Bank balances pledged for term loan	(1,375,000)	(1,375,000)	–	–
Cash and cash equivalents in the statements of cash flow	9,203,478	10,772,289	159,463	112,237

Included in cash and cash equivalents is an amount of RM1,375,000 (2024: RM1,375,000) pledged to a financial institution as security for credit facilities granted to a subsidiary as disclosed in Note 18.

15. Share Capital

	Group and Company			
	Number of Shares		Amount	
	2025	2024	2025 RM	2024 RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares At 1 April/31 March	232,647,600	232,647,600	198,278,656	198,278,656

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.

16. Lease Liabilities

	Group 2025 RM	2024 RM
Non-current		
Lease liabilities	11,717,295	15,382,672
Current		
Lease liabilities	6,424,191	6,159,066
Total lease liabilities	18,141,486	21,541,738

The movement of lease liabilities during the financial year is as follows:

	Note	Group 2025 RM	2024 RM
At 1 April		21,541,738	15,734,503
Additions		7,875,353	13,809,553
Modifications		(4,416,915)	(1,339,785)
Interest expenses	24	1,010,391	980,685
Payments of principal		(6,858,690)	(6,662,533)
Payments of interest expense		(1,010,391)	(980,685)
At 31 March		18,141,486	21,541,738

The maturities of the lease liabilities as at the end of the reporting period are as follows:

	Group 2025 RM	2024 RM
Within 1 year	6,424,191	6,159,066
More than 1 year but not later than 2 years	4,280,700	4,785,691
More than 2 years but not later than 5 years	5,342,105	7,124,107
More than 5 years	2,094,490	3,472,874
	18,141,486	21,541,738

17. Hire Purchase Liabilities

	Group 2025 RM	2024 RM
Minimum lease payments		
Within 1 year	22,862	128,960
More than 1 year but not later than 2 years	–	22,862
Total minimum lease payments	22,862	151,822
Less: Amounts representing finance charges	(141)	(3,450)
Present value of minimum lease payments	22,721	148,372

17. Hire Purchase Liabilities (Cont'd)

	Group 2025 RM	Group 2024 RM
Present value of payments		
Within 1 year	22,721	125,651
More than 1 year but not later than 2 years	–	22,721
Present value of minimum lease payments	22,721	148,372
Non-current	–	22,721
Current	22,721	125,651
	22,721	148,372

18. Term Loan

	Group 2025 RM	Group 2024 RM
Current liabilities	3,750,000	5,000,000
Non-current liabilities	–	3,750,000
	3,750,000	8,750,000

The term loan bore interest rate at 5.96% (2024: 5.95%) per annum at the end of the reporting period and is repayable by 8 equal quarterly instalments of RM1,250,000 each between 2024 and 2025. The term loan is secured by:

(a) a charge over all cash deposits deposited or to be deposited from time to time by AKSB and income, yields, returns, profit, hibah, hadiyyah, dividend accruing thereon together with a Cash Deposit Agreement duly executed in the Bank's favour for all monies owing or payable under the facilities;

(b) a charge over the Finance Service Reserve Account of AKSB; and

(c) corporate guarantee by the Company.

The term loan contained the following financial covenants which the Group need to comply with:

(i) Leverage ratio of AKSB shall not exceed 2.50 times; and

(ii) Leverage ratio of the Group shall not exceed 2.50 times.

19. Trade Payables

Credit terms of trade payables of the Group ranging from 0 to 60 days (2024: 0 to 60 days) from date of invoice.

Included in trade payables of the Group is an amount of Nil (2024: RM491,184) due to a company controlled by close members of the family of a Director and an amount of Nil (2024: RM456,497) due to subsidiaries of a company with significant influence over the Company.

20. Other Payables

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Other payables	1,576,638	2,814,583	7,295	10,330
Accruals	3,612,220	5,552,773	230,200	224,200
Deposits received	442,377	412,677	–	–
	5,631,235	8,780,033	237,495	234,530

21. Bank Borrowings

	Group 2025 RM	Group 2024 RM
Current		
Secured		
Bankers' acceptance	25,409,389	34,165,388

The bankers' acceptance is secured by the following:

(a) negative pledge over certain subsidiaries' present and future assets; and

(b) corporate guarantee by the Company.

22. Revenue

	Group 2025 RM	Group 2024 RM	Company 2024 RM	Company 2024 RM
Revenue from contracts with customers:				
Sales of goods	167,783,561	190,723,299	–	–
Commission income from consignment sales	3,770,669	4,237,121	–	–
Other revenue:				
Dividend income from subsidiaries	–	–	3,000,000	5,125,000
Total Revenue	171,554,230	194,960,420	3,000,000	5,125,000

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customers and coincides with the delivery of products and acceptance by customer. The general credit terms granted to customers range from 0 to 90 days (2024: 0 to 90 days).

23. Taxation

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expenses:				
Current year	501,394	755,609	–	–
Under/(Over) provision in prior year	82,541	(47,499)	–	–
Total current tax recognised in profit or loss	583,935	708,110	–	–
Deferred tax expenses:				
Relating to origination and reversal of temporary differences	959,665	1,548,335	–	–
Total deferred tax recognised in profit or loss (Note 9)	959,665	1,548,335	–	–
	1,543,600	2,256,445	–	–

Income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	4,540,074	10,768,726	2,374,578	3,877,887
At statutory tax rate of 24%	1,089,618	2,584,494	569,899	930,693
Income not subject to tax	(58,385)	(84,615)	(720,000)	(1,230,036)
Expenses not deductible for tax purposes	620,013	342,989	150,101	299,343
Deferred tax assets not recognised during the financial year	73,272	24,578	–	–
Utilisation of deferred tax assets previously not recognised	(263,459)	(563,502)	–	–
Under/(Over) provision of current tax in prior year	82,541	(47,499)	–	–
	1,543,600	2,256,445	–	–

24. Profit for the Financial Year

Profit for the financial year is determined after charging/(crediting):

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
Audit fees				
- Reanda LLKG International PLT	159,000	159,000	45,000	45,000
- under provision in prior years				
Non-audit fees				
- Reanda LLKG International PLT	5,000	5,000	5,000	5,000
- Local affiliate of Reanda LLKG International PLT	47,200	55,600	4,500	4,500
Bad debts written off on:				
- trade receivables	7,055	–	–	–
- Amounts due from subsidiaries	–	–	–	4,736
Depreciation of plant and equipment	2,741,519	2,610,404	–	–
Depreciation of right-of-use assets	6,812,753	6,917,096	–	–
Fair value gain on short term investments	(96,470)	(191,254)	–	–
Impairment losses on:				
- Investments in subsidiaries	–	–	–	711,000
- Trade receivables	99,014	191,841	–	–
- Amounts due from subsidiaries	–	–	–	426
Interest expense on:				
- Bankers' acceptance	1,153,213	1,197,882	–	–
- Bank overdraft	1,754	7,707	–	–
- Lease liabilities	1,010,391	980,685	–	–
- Hire purchase liabilities	3,309	8,823	–	–
- Term Loan	332,977	570,544	–	–
Inventories written down	56,261	231,110	–	–
Inventories written off	312,529	215,223	–	–
Plant and equipment written off	5,632	2,022	–	–
Net foreign exchange gain	(138,392)	(34,614)	–	–
Interest income on:				
- Finance lease receivables	(203,008)	(111,141)	–	–
- Others	(129,362)	(74,820)	–	–
Waiver of debt on amounts due to subsidiaries	–	–	–	(149)
Expenses/(income) arising from leases				
Expenses relating to short-term leases (Note a)	2,117,573	2,591,479	–	–
Expenses relating to variable leases payments not included in the measurement of lease liabilities	1,801,149	1,807,995	–	–
Loss/(Gain) on lease modification	482,161	(67,408)	–	–
Income from subleasing right-of-use assets	(761,967)	(755,035)	–	–

Note a

The Group leases retail stores with contract terms of 1 year or less. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

25. Earnings per Share

Basic earnings per ordinary share

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

	Group	
	2025 RM	2024 RM
Profit for the financial year attributable to owners of the Company	2,977,472	8,477,131
Weighted average number of ordinary shares at 31 March	232,647,600	232,647,600
Basic earnings per ordinary share (in sen)	1.28	3.64

Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as the basic earnings per ordinary share, as the Group has no dilutive potential ordinary shares during the current and prior financial years.

26. Employee Benefit Expenses

	Group		Company	
	2025 RM	2024 RM	2024 RM	2024 RM
Salaries, wages and others	7,533,266	12,385,182	382,680	365,830
Defined contribution plan	795,370	1,341,106	–	–
	8,328,636	13,726,288	382,680	365,830

The employee benefits expenses including key management personnel are disclosed in Note 28(c).

27. Dividends

Dividends recognised by the Company:

	Sen per share	Total Amount RM	Date of payment
2025			
Final 2024 ordinary share	0.5	1,163,238	28 June 2024
Interim 2025 ordinary share	0.5	1,163,238	13 December 2024
		2,326,476	
2024			
Final 2023 ordinary share	1.0	2,326,476	15 June 2023
Interim 2024 ordinary shar	1.0	2,326,476	15 December 2023
		4,652,952	

On 29 May 2025, the Board of Directors has approved a final dividend of 1.0 sen per ordinary share totalling RM2,326,476 for the financial year ended 31 March 2025. The final dividend was paid on 26 June 2025. The final dividend will be accounted for in the shareholders' equity as appropriation of retained profits in the financial year ending 31 March 2026.

28. Related Party Disclosures

(a) Identifying related parties

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

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

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	2025	**2024**
	RM	**RM**
Transactions with a joint venture		
Sales of goods	(2,093,738)	(1,395,183)
Transactions with a company in which a Director of the Company has substantial financial interest		
Rental of warehouse	339,840	420,480
Rental of office	155,880	155,880
Transactions with a company controlled by close members of the family of a Director		
Purchase of goods	136,974	3,145,544
Transactions with a company controlled by a Director		
Purchase of goods	–	1,784,470
Transactions with subsidiaries of a company with significant influence over the Company		
Purchase of goods	–	1,700,599

(c) Compensation of key management personnel

The key management personnel compensation is as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
Executive:				
Salaries and other emoluments	437,718	583,153	–	–
Defined contribution plan	43,200	50,400	–	–
Benefits in kind	5,897	6,500	–	–
	486,815	640,053	–	–
Non-Executive:				
Fees	360,000	360,000	360,000	360,000
	846,815	1,000,053	360,000	360,000

28. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel (Cont'd)

The key management personnel compensation is as follows (Cont'd):

	Group		Company	
	2024 RM	2024 RM	2024 RM	2024 RM
Directors of subsidiaries				
Salaries and other emoluments	458,552	617,818	–	–
Defined contribution plan	54,960	73,860	–	–
	513,512	691,678	–	–
Benefits in kind	23,761	26,745	–	–
	537,273	718,423	–	–
Other key management personnel				
Salaries and other emoluments	255,654	241,159	–	–
Defined contribution plan	30,527	31,080	–	–
	286,181	272,239	–	–
Benefits in kind	11,100	11,100	–	–
	297,281	283,339	–	–
	1,681,369	2,001,815	360,000	360,000

29. Operating Segments

(a) Operating segments information is not provided as the Group is principally engaged in wholesale, retail and distribution of ready-made casual wear, baby and children wear, lingerie and ladies wear and their related accessories which are substantially within a single business segment.

(b) Geographical information:
The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

(c) Major customer:
There is no single customer that contributed 10% or more to the Group's revenue.

30. Reconciliation of liabilities arising from financing activities

Group 2025	At 1 April RM	Net changes from financing cash flows RM	Acquisition of new lease RM	Other changes RM	At 31 March RM
Lease liabilities	21,541,738	(6,858,690)	7,875,353	(4,416,915)	18,141,486
Hire purchase liabilities	148,372	(125,651)	–	–	22,721
Term loan	8,750,000	(5,000,000)	–	–	3,750,000
Bankers' acceptance	34,165,388	(8,755,999)	–	–	25,409,389
	64,605,498	(20,740,340)	7,875,353	(4,416,915)	47,323,596
2024					
Amounts due to a related party	2,515,785	(2,515,785)	–	–	–
Lease liabilities	15,734,503	(6,662,533)	13,809,553	(1,339,785)	21,541,738
Hire purchase liabilities	289,128	(140,756)	–	–	148,372
Term loan	10,000,000	(1,250,000)	–	–	8,750,000
Bankers' acceptance	14,194,814	19,970,574	–	–	34,165,388
	47,734,230	9,401,500	13,809,553	(1,339,785)	64,605,498

Company 2025	At 1 April RM	Net changes from financing cash flows RM	Other changes RM	At 31 March RM
Amounts due to subsidiaries	30,279	–	–	30,279
2024				
Amounts due to subsidiaries	5,882,800	(3,372)	(5,849,149)	30,279

31. Financial Instruments

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

Group	Carrying amount RM	AC RM
2025		
Financial Assets		
Trade receivables	25,275,499	25,275,499
Other receivables	4,738,681	4,738,681
Cash and cash equivalents	10,578,478	10,578,478
	40,592,658	40,592,658
Financial Liabilities		
Trade payables	(4,700,417)	(4,700,417)
Other payables	(5,631,235)	(5,631,235)
Term loan	(3,750,000)	(3,750,000)
Bank borrowings	(25,409,389)	(25,409,389)
	(39,491,041)	(39,491,041)

Group	Carrying amount RM	AC RM
2024		
Financial Assets		
Trade receivables	29,464,552	29,464,552
Other receivables	4,926,676	4,926,676
Cash and cash equivalents	12,147,289	12,147,289
	46,538,517	46,538,517
Financial Liabilities		
Trade payables	(14,620,281)	(14,620,281)
Other payables	(8,780,033)	(8,780,033)
Term loan	(8,750,000)	(8,750,000)
Bank borrowings	(34,165,388)	(34,165,388)
	(66,315,702)	(66,315,702)

31. Financial Instruments (Cont'd)

(a) Categories of financial instruments (Cont'd)

Company	Carrying amount RM	AC RM
2025		
Financial Assets		
Other receivables	1,500	1,500
Amounts due from subsidiaries	9,000	9,000
Cash and cash equivalents	159,463	159,463
	169,963	169,963
Financial Liabilities		
Other payables	(237,495)	(237,495)
Amounts due to subsidiaries	(30,279)	(30,279)
	(267,774)	(267,774)
2024		
Financial Assets		
Other receivables	1,500	1,500
Amounts due from subsidiaries	4,753	4,753
Cash and cash equivalents	112,237	112,237
	118,490	118,490
Financial Liabilities		
Other payables	(234,530)	(234,530)
Amounts due to subsidiaries	(30,279)	(30,279)
	(264,809)	(264,809)

31. Financial Instruments (Cont'd)

(b) Financial risk management

The Group has exposure to the following risks from its financial instruments:-

- Credit risk
- Liquidity risk
- Market risk

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer, short term investments and cash and cash equivalents. The Company's exposure to credit risk arises principally from financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. Certain customers based on initial assessment are required to provide payment assurances such bank guarantees or transact on cash basis until creditability is established before credit is extended or provided.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

Concentration of credit risk

The Group's major concentration of credit risk related to the amounts owing by 6 customers (2024: 5 customers) which constituted approximately 61% (2024: 58%) of its trade receivables as at the end of the reporting period.

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 to 90 days based on credit terms granted.

The Group uses an allowance matrix to measure ECLs of trade receivables.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

		Group	
	Gross amount RM	Loss allowance RM	Net balance RM
2025			
Current (not past due)	14,864,783	(145,671)	14,719,112
1-30 days past due	6,828,092	(82,044)	6,746,048
31-60 days past due	2,164,669	(66,176)	2,098,493
61-90 days past due	675,700	(83,760)	591,940
More than 90 days past due	1,494,763	(374,857)	1,119,906
	26,028,007	(752,508)	25,275,499
2024	16,116,331	(104,766)	16,011,565
Current (not past due)			
1-30 days past due	7,853,153	(65,191)	7,787,962
31-60 days past due	2,917,192	(66,343)	2,850,849
61-90 days past due	2,261,666	(289,824)	1,971,842
More than 90 days past due	969,704	(127,370)	842,334
	30,118,046	(653,494)	29,464,552

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	Lifetime ECL RM	Credit impaired RM	Total RM
Balance at 1 April 2023	461,653	–	461,653
Net remeasurement of loss allowance	191,841	–	191,841
Balance at 31 March 2024/1 April 2024	653,494	–	653,494
Net remeasurement of loss allowance	99,014	–	99,014
Balance at 31 March 2025	752,508	–	752,508

Cash and cash equivalents

The cash and cash equivalents are held with banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Finance lease receivable

Risk management objectives, policies and processes for managing the risk

The Group manages credit risk on finance lease receivable together with its leasing arrangements.

Exposure to credit risk, credit quality and collateral

At the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amounts in the statements of financial position. Credit risk associated with finance lease receivable is mitigated because it is secured over the leased warehouse. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee. There have not been any significant changes in the quality of the collateral held for finance lease receivable.

Recognition and measurement of impairment loss

None of the finance lease receivable at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessee operates, together with the value of collateral held over the finance lease receivable, the Directors consider that no finance lease receivable is impaired.

Short-term investments

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

During the financial year, the Group has only invested in money market fund and average short term investment is approximately RM2,755,000 (2024: RM3,813,000). As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

There is no history of default on the money market fund and there are no indicators that this fund may default. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks and financial institutions in respect of credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM 29,159,389 (2024: RM42,915,388) representing the outstanding credit facilities of the subsidiaries as at the end of the reporting period.

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The financial guarantees are provided as credit enhancements to the subsidiaries' secured banking facilities.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- the subsidiary is unlikely to repay its credit obligation to the banks or financial institutions in full; or
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers advances to its subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payables, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full;
- The subsidiary's advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

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

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

<u>Inter-company advances (Cont'd)</u>

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances.

Company	Gross carrying amount RM	Impairment loss allowances RM	Net balances RM
2025			
Low credit risk	9,000	–	9,000
Credit impaired	5,108,934	(5,108,934)	–
	5,117,934	(5,108,934)	9,000
2024			
Low credit risk	4,753	–	4,753
Credit impaired	5,108,934	(5,108,934)	–
	5,113,687	(5,108,934)	4,753

The movement in the allowance for impairment in respect of subsidiaries' advances during the year is as follows:

	Company 2025 RM	2024 RM
Lifetime ECL		
At 1 April	5,108,934	5,108,508
Net remeasurement of loss allowance	–	426
At 31 March	5,108,934	5,108,934

(ii) Liquidity risk

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

The Group's funding requirement and liquidity risks are managed with the objectives of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimizes liquidity risk by keeping committed credit lines available.

Liquidity risk is managed on both the Group and entity basis. The primary objective of liquidity risk management is to ensure that the Group has sufficient access to funding, to support business activities and to meet contingencies. The Group uses several liquidity risk indicators/ratios for monitoring purposes. The management reviews the Group's liquidity ratios and deposit gathering activities regularly and maintain sufficient liquidity buffer as well as exploring alternative funding sources which would provide the Group with additional avenues to manage costs, volumes and maturities.

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

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

Group	Carrying amount RM	Contractual interest rate/ Discount rate	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
2025							
Non-derivative financial liabilities							
Trade payables	4,700,417	–	4,700,417	4,700,417	–	–	–
Other payables	5,631,235	–	5,631,235	5,631,235	–	–	–
Lease liabilities	18,141,486	4.45%-5.20%	20,134,250	7,170,338	4,746,677	5,999,803	2,217,432
Hire purchase liabilities	22,721	3.78%-4.35%	22,862	22,862	–	–	–
Term Loan	3,750,000	5.96%	3,808,375	3,808,375	–	–	–
Bankers' acceptance	25,409,389	4.66%-5.40%	25,409,389	25,409,389	–	–	–
	57,655,248		59,706,528	46,742,616	4,746,677	5,999,803	2,217,432
2024							
Non-derivative financial liabilities							
Trade payables	14,620,281	–	14,620,281	14,620,281	–	–	–
Other payables	8,780,033	–	8,780,033	8,780,033	–	–	–
Lease liabilities	21,541,738	4.45%-5.20%	24,305,070	7,060,024	5,418,384	8,090,879	3,735,783
Hire purchase liabilities	148,372	3.78%-4.35%	151,822	128,960	22,862	–	–
Term Loan	8,750,000	5.95%	9,157,295	5,346,784	3,810,511	–	–
Bankers' acceptance	34,165,388	4.66%-5.40%	34,165,388	34,165,388	–	–	–
	88,005,812		91,179,889	70,101,470	9,251,757	8,090,879	3,735,783

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM	Contractual interest rate/ Discount rate	Contractual cash flows RM	On demand or within 1 year RM
Company				
2025				
Non-derivative financial liabilities				
Other payables	237,495	–	237,495	237,495
Amounts due to subsidiaries	30,279	–	30,279	30,279
Financial guarantees*	–	–	29,159,389	29,159,389
	267,774		29,427,163	29,427,163
2024				
Non-derivative financial liabilities				
Other payables	234,530	–	234,530	234,530
Amounts due to subsidiaries	30,279	–	30,279	30,279
Financial guarantees*	–	–	42,915,388	42,915,388
	264,809		43,180,197	43,180,197

* Being corporate guarantees granted for credit facilities of certain subsidiaries which will only be encashed in the event of default by the subsidiaries.

(iii) Market risks

Market risk is the risk that changes in market prices, such as interest rates and other prices that will affect the Group's financial position or cash flows.

(a) Interest rate risk

The Group's finance lease receivable and fixed rate borrowings are exposed to a risk of change in their fair value due to changes in market interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in market interest rates. Short term investment is not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

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

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks (Cont'd)

(a) Interest rate risk (Cont'd)

Exposure to interest rate risk (Cont'd)

	2025 RM	2024 RM
Group		
Floating rate instruments		
Financial Liabilities		
- Term loan	(3,750,000)	(8,750,000)
- Bank borrowings	(25,409,389)	(34,165,388)
	(29,159,389)	(42,915,388)
Fixed rate instruments		
Financial Assets		
- Finance lease receivable	3,336,413	3,541,890
Financial Liabilities		
- Lease liabilities	(18,141,486)	(21,541,738)
- Hire purchase liabilities	(22,721)	(148,372)
	(18,164,207)	(21,690,110)
	(14,827,794)	(18,148,220)

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change in 0.50% (2024: 0.50%) interest rate at the end of the reporting period would have increased/(decreased) the Group' profit before tax/equity by RM145,797 (2024: RM214,577) respectively, arising mainly as a result of lower/higher interest expense on floating rate financial instruments. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate/profit yield risk or currency risk), regardless whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting similar financial instruments traded in the market.

The Group's price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices.

The Group is exposed to price risk arising from investments in money market fund held by the Group. The Group's exposure to price risk is immaterial as all investments are invested in money market fund. Hence, sensitivity analysis is not presented.

(c) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The Company provides financial guarantees to banks for credit facilities granted to its subsidiaries. The fair value of such guarantees is negligible as probability of the subsidiaries defaulting on the credit lines is remote.

32. Capital Management

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

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

	Group	
	2025	**2024**
	RM	**RM**
Lease liabilities	18,141,486	21,541,738
Hire purchase liabilities	22,721	148,372
Term loan	3,750,000	8,750,000
Bank borrowings	25,409,389	34,165,388
	47,323,596	64,605,498
Less: Cash and cash equivalents	(10,578,478)	(12,147,289)
Net debt	36,745,118	52,458,209
Total equity	239,527,685	238,857,687
Debt-to-equity ratio	15%	22%

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

The Group complies with Bursa Malaysia Securities Berhad Main Market Listing Requirement to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) of more than 25% of the share capital (excluding treasury shares) of the Company and maintain such shareholders' equity at not less than RM40 million.

ANALYSIS OF SHAREHOLDINGS
as at 30 June 2025

Total Number of Issued Shares	:	232,647,600
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED CAPITAL
1 - 99	405	35.56	12,663	0.01
100 – 1,000	144	12.64	72,008	0.03
1,001 - 10,000	433	38.02	1,679,768	0.72
10,001 – 100,000	122	10.71	3,940,360	1.69
100,001 –11,632,379*	32	2.81	54,729,159	23.52
11,632,380 and above**	3	0.26	172,213,642	74.02
TOTAL	**1,139**	**100.00**	**232,647,600**	**100.00**

* Less than 5% of Issued Holdings
** 5% and above of Issued Holdings

DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

		No. of shares beneficially held			
Name of Directors	**Nationality**	**Direct**	**%**	**Indirect**	**%**
Dato' Sri Tan Thian Poh	Malaysian	59,000	0.03	74,413,172^	31.99
Ng Chin Huat	Malaysian	1,300,000	0.56	77,114,954#	33.15
Kong Sau Kian	Malaysian	–	–	–	–
Collin Tan Chin Yew	Malaysian	–	–	–	–
Lee Siok Yee	Malaysian	–	–	–	–
Dato' Dr. Lim Weng Khuan	Malaysian	–	–	–	–
David Tan Chin Wee *(Alternate Director to Dato' Sri Tan Thian Poh)*	Malaysian	–	–	–	–

^ Deemed interest by virtue of his direct interest in Trackland Sdn. Bhd. via Section 8 of the Companies Act 2016.
# Deemed interest by virtue of his direct interest in Everest Hectare Sdn. Bhd. via Section 8 of the Companies Act 2016.

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

		No. of shares beneficially held			
Name of Shareholders	**Nationality/ Incorporated in**	**Direct**	**%**	**Indirect**	**%**
Everest Hectare Sdn. Bhd.	Malaysia	77,114,954	33.15	–	–
Ng Chin Huat	Malaysian	1,300,000	0.56	77,114,954*	33.15
Yap Su P'ing	Malaysian	–	–	77,114,954*	33.15
Trackland Sdn. Bhd.	Malaysia	74,413,172	31.99	–	–
Dato' Sri Tan Thian Poh	Malaysian	59,000	0.03	74,413,172^	31.99
Ng Tiong Seng Corporation Sdn. Bhd.	Malaysia	20,685,516	8.89	–	–

* Deemed interest by virtue of his/ her direct interest in Everest Hectare Sdn. Bhd. via Section 8 of the Companies Act 2016
^ Deemed interest by virtue of his direct interest in Trackland Sdn. Bhd. via Section 8 of the Companies Act 2016

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

NO.	NAME	NO. OF SHARES HELD	%
1.	Kenanga Nominees (Tempatan) Sdn. Bhd. *pledged securities account for Everest Hectare Sdn. Bhd.*	77,114,954	33.15
2.	Trackland Sdn. Bhd.	74,413,172	31.99
3.	Ng Tiong Seng Corporation Sdn. Bhd.	20,685,516	8.89
4.	Pembinaan Teknikhas Sdn. Bhd.	11,560,000	4.97
5.	Choo Bay See	10,359,000	4.45
6.	Haba Entity Sdn. Bhd.	7,056,000	3.03
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB for Soo Heng Chin (PB)*	3,600,000	1.55
8.	Regina Leong	2,602,699	1.12
9.	CIMB Group Nominees (Tempatan) Sdn. Bhd *CIMB Commerce Trustee Berhad for Affin Hwang Multi-Asset Fund 3*	2,500,000	1.07
10.	Mercsec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ho Lih Meng*	2,373,500	1.02
11.	Ng Kiew Ann	2,000,000	0.68
12.	Kenanga Nominees (Tempatan) Sdn. Bhd *Rakuten Trade Sdn. Bhd. for Regina Leong*	1,531,700	0.66
13.	Chang Wai Pong	1,424,000	0.61
14.	Hon Siew Chin	1,300,000	0.56
15.	Ng Chin Huat	1,300,000	0.56
16.	Lembaga Tabung Amanah Warisan Negeri Terengganu	1,057,400	0.45
17.	Ng Pooi Cheng	999,800	0.43
18.	Chong Chea Chea	907,600	0.39
19.	Lee Yean Fung	600,000	0.26
20.	Lai Thiam Poh	561,100	0.24
21.	Tay Chee Kien	426,100	0.18
22.	Kok Tai Meng	300,000	0.13
23.	Mercsec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ho Lih Meng*	250,000	0.11
24.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tee Chee Chiang*	243,600	0.10
25.	Phang Wah Seng	243,000	0.10

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (cont'd)

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
26.	Chong Teck Seng	215,600	0.09
27.	Maybank Nominees (Tempatan) Sdn. Bhd. *Law Kiung Siong*	210,000	0.09
28.	Qiu Kaihui	200,000	0.09
29.	Shin Kao Jack	166,400	0.07
30.	Affin Hwang Nominees (Tempatan) Sdn. Bhd *Pledged Securities Account for Eng Chong Him(M01)*	150,060	0.06

PROXY FORM

(Please refer to the notes below before completing this form)

ASIA BRANDS

ASIA BRANDS BERHAD [Company No : 197501000740 (22414-V)]
(Incorporated in Malaysia)

Number of shares held	
CDS Account No.	

*I/We ....
(FULL NAME IN BLOCK LETTERS)

NRIC / Passport / Company No. ....

Of ....
(FULL ADDRESS)

being a member of **ASIA BRANDS BERHAD** ("**Company**"), hereby appoint:

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/ or failing *him/ her,

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us and on *my/our behalf at the Fiftieth Annual General Meeting of the Company to be held at the Conference Room of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan on Thursday, 28 August 2025 at 9:00 a.m. or at any adjournment thereof.

My/ Our proxy(ies) is / are to vote as indicated below:

ORDINARY BUSINESS	**Resolution**	**FOR**	**AGAINST**
Approval for payment of Directors' fees and benefits	1		
Re-election of Dato' Dr. Lim Weng Khuan as Director	2		
Re-election of Lee Siok Yee as Director	3		
Re-appointment of Messrs Reanda LLKG International PLT as Auditors of the Company.	4		
Ordinary Resolution 1 Authority to issue and allot shares pursuant to the Companies Act 2016.	5		
Ordinary Resolution 2 Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature with Ng Tiong Seng Corporation Sdn Bhd.	6		
Ordinary Resolution 3 Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature with Trackland Sdn Bhd and/or its affiliates including Herming Marketing Sdn Bhd and Siang Poh Knitting Sdn Bhd.	7		
Ordinary Resolution 4 Proposed Renewal of Share buy Back Authority of up to 10% of the total number of issued shares of the Company	8		

(Please indicate with an "X" in the appropriate spaces how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit or, at his/her discretion.)

Dated this .... day of 2025

....
Signature of Shareholder

**Strike out whichever is not desired. (Unless otherwise instructed the proxy may vote as he thinks fit)*

Fold this flap for sealing

Notes:

a. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 August 2025 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at this Meeting.*

b. *A member entitled to attend and vote at this Meeting is entitled to appoint any person as his proxy to attend and vote instead of him. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.*

c. *A member may appoint more than one (1) proxy to attend at the same meeting. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

d. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

e. *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds*

f. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised.*

g. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of attorney or authority, shall be deposited at the registered office of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.*

Then fold here

Affix
Stamp
Here

ASIA BRANDS BERHAD
[Company No: 197501000740 (22414-V)]

Lot 10449, Jalan Nenas
Batu 4½, Kampung Jawa
41000 Klang, Selangor Darul Ehsan

1st fold here