

# BETTER LIVES, TOGETHER





**ZEN TECH**  
**INTERNATIONAL**  
B E R H A D



## ANNUAL REPORT 2025

### COVER CONCEPT RATIONALE

The 2025 Annual Report cover visualises the company's commitment to enriching lives through collective progress. The dynamic, flowing blue ribbons symbolise movement, growth, and the seamless integration of Zen Tech's solutions into everyday life, creating a sense of continuity and forward momentum. Illustrated within these ribbons are scenes of daily life capturing the diverse ways our infrastructure and technology solutions touch lives across different touchpoints. The bold typography of "**BETTER LIVES, TOGETHER**" emphasises partnership and shared value creation, positioning stakeholders as active participants in collective growth. The design communicates optimism, inclusivity, and purpose-driven development, celebrating not just financial performance but the broader impact we create for the communities we serve.

# 20<sup>th</sup>

#### ANNUAL GENERAL MEETING ZEN TECH INTERNATIONAL BERHAD

Date : 26 June 2026  
Time : 10:30 a.m.  
Venue : Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia



Scan this to view our Annual Report online.  
Our Annual Report, financial and other information about ZEN TECH INTERNATIONAL BERHAD at [www.ztech.com.my](http://www.ztech.com.my)

# TABLE OF CONTENTS



NOTICE OF ANNUAL  
GENERAL MEETING

:: 04



CORPORATE  
INFORMATION

:: 08



CORPORATE  
STRUCTURE

:: 09



PROFILE OF THE  
BOARD OF DIRECTORS

:: 12



KEY SENIOR  
MANAGEMENT'S PROFILE

:: 20



MANAGEMENT  
REPORT

:: 22



SUSTAINABILITY STATEMENT

:: 32



CORPORATE GOVERNANCE OVERVIEW STATEMENT

:: 57



ADDITIONAL COMPLIANCE INFORMATION

:: 80



STATEMENT ON RISK MANAGEMENT AND  
INTERNAL CONTROL

:: 84



AUDIT COMMITTEE REPORT

:: 92



FINANCIAL  
STATEMENTS

:: 99



ANALYSIS OF SHAREHOLDINGS

:: 186

PROXY FORM  
REQUEST FROM

# NOTICE OF ANNUAL GENERAL MEETING



## ZEN TECH INTERNATIONAL BERHAD

Registration No. 200401027289 (665797-D)

**NOTICE IS HEREBY GIVEN THAT** the Twentieth (20<sup>th</sup>) Annual General Meeting (“AGM”) of Zen Tech International Berhad (“ZTIB” or “the Company”) will be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Friday, 26 June 2026 at 10:30 a.m. or any adjournment thereof for the purpose of transacting the following businesses:

### AGENDA

#### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 31 December 2025, together with the Reports of the Directors and Auditors thereon. *(Please refer Explanatory Notes 1)*
2. To approve and ratify the additional payment of Directors’ fees and other benefits payable of up to RM400,000 for the period commencing from 30 November 2024 until the conclusion of the 20<sup>th</sup> AGM of the Company. **Ordinary Resolution 1**
3. To approve the payment of Directors’ fees and other benefits payable up to RM800,000 for the period commencing from the conclusion of the 20<sup>th</sup> AGM up to the conclusion of the 21<sup>st</sup> AGM of the Company. **Ordinary Resolution 2**
4. To re-elect the following Directors who retire in accordance with Clause 97.1 of the Company’s Constitution and who, being eligible, have offered themselves for re-election: -
  - (i) Dato’ Zhang Li **Ordinary Resolution 3**
  - (ii) Chow Hung Keey **Ordinary Resolution 4**
5. To re-appoint Messrs. Morison LC PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

## NOTICE OF ANNUAL GENERAL MEETING

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions: -

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** *Ordinary Resolution 6*

“THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons, firms or corporations and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed 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 continue to be in force until the conclusion of the next AGM of the Company.

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 54 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company.”

7. To transact any other business of which due notice has been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

**TAN TONG LANG** (MAICSA 7045482) (SSM PC No. 202208000250)

**LAU HOOI PIN** (MAICSA 7081620) (SSM PC No. 202408000447)

Company Secretaries

Kuala Lumpur  
30 April 2026

**Notes:**

1. A member, including an authorised nominee and an exempt authorised nominee which holds securities in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), may appoint one or more proxies to attend on the same occasion.
2. Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for an 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.
4. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an attorney duly authorised.
5. To be valid, the duly completed Form of Proxy must be deposited at the Company’s Share Registrar, Aldpro Corporate Services Sdn Bhd, at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Form of Proxy, other than the particular of the proxy have been duly completed by the member(s).
6. For the purpose of determining which member shall be entitled to attend the meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 15 June 2026. Only members whose name appears on the Record of Depositors as at 15 June 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her stead.
7. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 20<sup>th</sup> AGM will be put to a vote by way of poll.

**Explanatory Notes:**

**1. Audited Financial Statements for the Financial Period Ended 31 December 2025**

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act 2016 provide that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Therefore, this Agenda item is not put forward for voting.

**2. Ordinary Resolution 1: To approve and ratify the additional payment of Directors’ fees and other benefits**

At the 19<sup>th</sup> AGM held on 29 November 2024, the shareholders approved the payment of Directors’ fees and other benefits amounting to RM800,000 for the period from the conclusion of 19<sup>th</sup> AGM until the conclusion of the next AGM.

Subsequently, following the change in financial year end from 30 June 2025 to 31 December 2025, the timing for the next AGM was extended from December 2025 to June 2026. As a result of the extended period, the payment of Directors’ fees exceeded the earlier approved limit, resulting in additional Directors’ fees and other benefits of RM400,000 being incurred.

This resolution seeks shareholders’ ratification and approval of the additional payment of RM400,000, being the amount in excess of the earlier approved limit.

**3. Ordinary Resolution 2: To Approve the Payment of Directors’ Fees and Other Benefits Payable**

Section 230(1) of the Companies Act 2016 provides, amongst others, that “the fees” of the Directors and “any benefits” payable to the Directors of a public company or a listed company and its subsidiaries shall be approved at a general meeting.

The Board wishes to seek shareholders’ approval for the payment of a maximum aggregate amount of RM800,000 for Directors’ fees to the Directors of the Company for the period commencing from the conclusion of the 20<sup>th</sup> AGM up to the conclusion of the 21<sup>st</sup> AGM of the Company.

Directors’ benefits include allowances and other claimable benefits, which are calculated based on the current Board size and the number of scheduled meetings for the period commencing from the conclusion of the 20<sup>th</sup> AGM up to the conclusion of the 21<sup>st</sup> AGM of the Company.

If the proposed amount is insufficient (e.g., due to additional meetings or an enlarged Board size), approval will be sought at the next AGM for additional fees to cover the shortfall.

## NOTICE OF ANNUAL GENERAL MEETING

#### 4. Ordinary Resolutions 3 - 4: Re-election of Directors who retire in accordance with Clause 97.1 of the Company's Constitution

Clause 97.1 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Pursuant to Clause 97.1 of the Company's Constitution, Dato' Zhang Li and Mr. Chow Hung Keey shall retire at the forthcoming AGM of the Company.

The performance of the Directors who are recommended for re-election has been assessed through the Board's annual evaluation. The Nomination Committee and the Board are satisfied with the performance and effectiveness of Dato' Zhang Li and Mr. Chow Hung Keey who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 20<sup>th</sup> AGM of the Company.

#### 5. Ordinary Resolution 6: Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 6, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next AGM.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration at any time without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

There is no ordinary share issued pursuant to the general mandate granted to the Directors at the 19<sup>th</sup> AGM held on 29 November 2024 and which will lapse at the conclusion of the 20<sup>th</sup> AGM.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 54 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad: -

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)  
No individual is seeking election as a Director at the 20<sup>th</sup> AGM of the Company.
2. General mandate for issue of securities in accordance with Rule 6.04 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out under Explanatory Note.

# CORPORATE INFORMATION



## BOARD OF DIRECTORS

**Mr. Siva Kumar Kalugasalam**  
*Executive Director*

**YBhg Dato' Zhang Li**  
*Executive Director*

**Mr. Chow Hung Keey**  
*Executive Director*

**Mr. Edwin Silvester Das**  
*Senior Independent Non-Executive Director*

**Mr. Zhang Yang**  
*Non-Independent and Non-Executive Director*

**Mr. Wong Kok Fong**  
*Independent Non-Executive Director*

**Dato' Zaidi bin Mat Isa @ Hashim**  
*Independent Non-Executive Director*

**AUDIT COMMITTEE**

**Chairman**  
Wong Kok Fong

**Members**  
Edwin Silvester Das  
Dato’ Zaidi bin Mat Isa @ Hashim  
*(appointed as member on 26 August 2025)*

**NOMINATION COMMITTEE**

**Chairman**  
Edwin Silvester Das  
*(redesignated as Chairman on 10 November 2025)*

**Members**  
Dato’ Zaidi bin Mat Isa @ Hashim  
*(appointed as member on 29 November 2024)*

Wong Kok Fong  
*(ceased office on 29 November 2024 and re-appointed as member on 10 November 2025)*

**REMUNERATION COMMITTEE**

**Chairman**  
Edwin Silvester Das  
*(redesignated as Chairman on 29 November 2024)*

**Members**  
Wong Kok Fong  
*(ceased office on 29 November 2024 and re-appointed as member on 10 November 2025)*

Dato’ Zaidi bin Mat Isa @ Hashim  
*(appointed as member on 29 November 2024)*

**RISK MANAGEMENT AND INVESTMENT COMMITTEE**

**Chairman**  
Wong Kok Fong

**Members**  
Edwin Silvester Das  
Siva Kumar Kalugasalam  
*(appointed as member on 10 November 2025)*

**COMPANY SECRETARY**

Tan Tong Lang  
(MAICSA 7045482)  
(SSM PC No. 202208000250)

Lau Hooi Pin  
(MAICSA 7081620)  
(SSM PC No. 202408000447)

**AUDITORS**

Morison LC PLT  
Level 11-01, Uptown, No. 3, Jalan SS 21/39,  
Damansara Utama, 47400 Petaling Jaya,  
Selangor.  
Tel.: +603-7491 4419

**REGISTERED OFFICE**

B-21-1, Level 21, Tower B,  
Northpoint Mid Valley City,  
No. 1, Medan Syed Putra Utara,  
59200 Kuala Lumpur,  
W.P. Kuala Lumpur.  
Tel : +603-9770 2200  
Fax: +603-2201 7774  
Email: boardroom@boardroom.com.my

**CORPORATE OFFICE**

Unit No. 53-6 The Boulevard,  
Mid Valley City,  
Lingkaran Syed Putra,  
59200 Kuala Lumpur,  
W.P. Kuala Lumpur  
Tel: +603-2202 3330  
Fax: +603-2202 3337

**SHARE REGISTRAR**

**ALDPRO CORPORATE SERVICES SDN. BHD.**

B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
Wilayah Persekutuan, Malaysia  
Tel : +603-9770 2200  
Fax: +603-2201 7774  
Email: admin@aldpro.com.my

**PRINCIPAL BANKERS**

CIMB Bank Berhad  
Bank Islam Malaysia Berhad  
Bank Muamalat Malaysia Berhad  
Malayan Banking Berhad

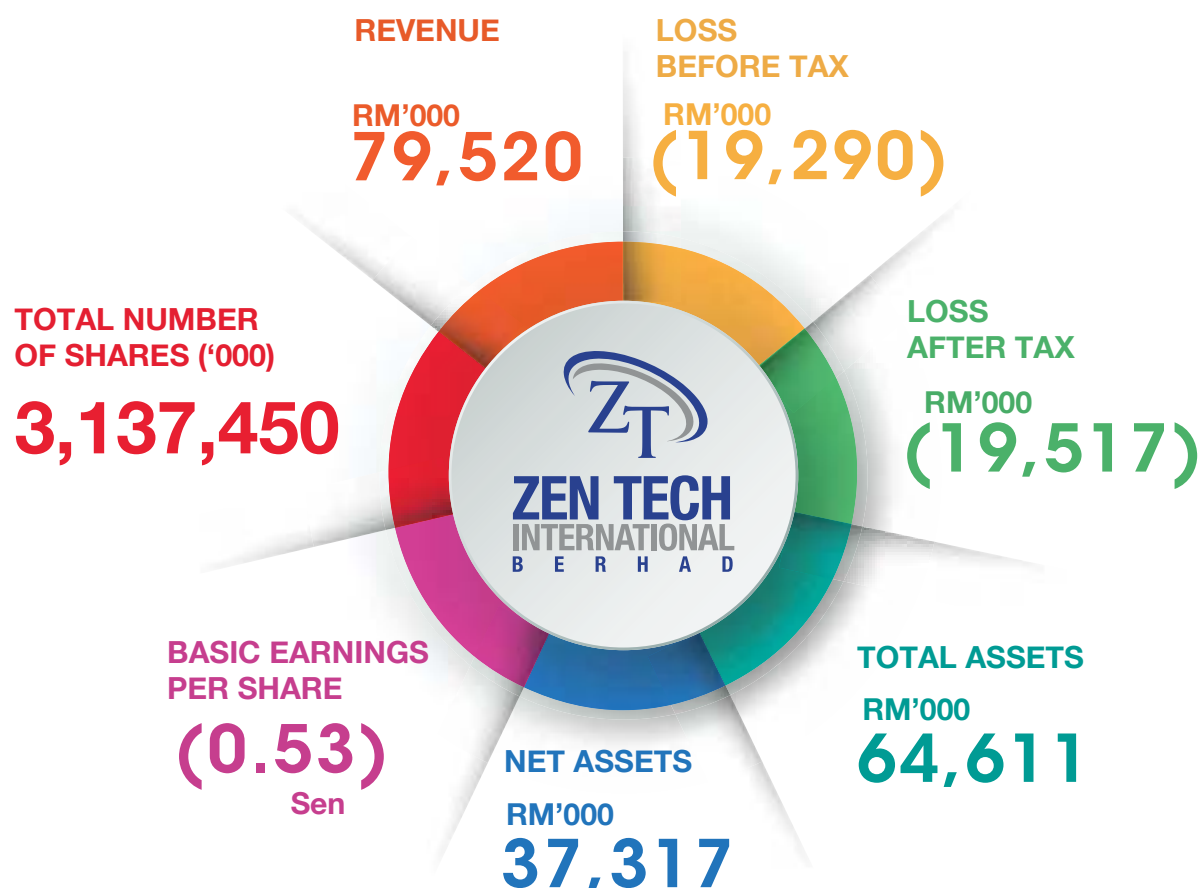
**LISTING**

**ACE Market of Bursa Malaysia Securities Berhad**

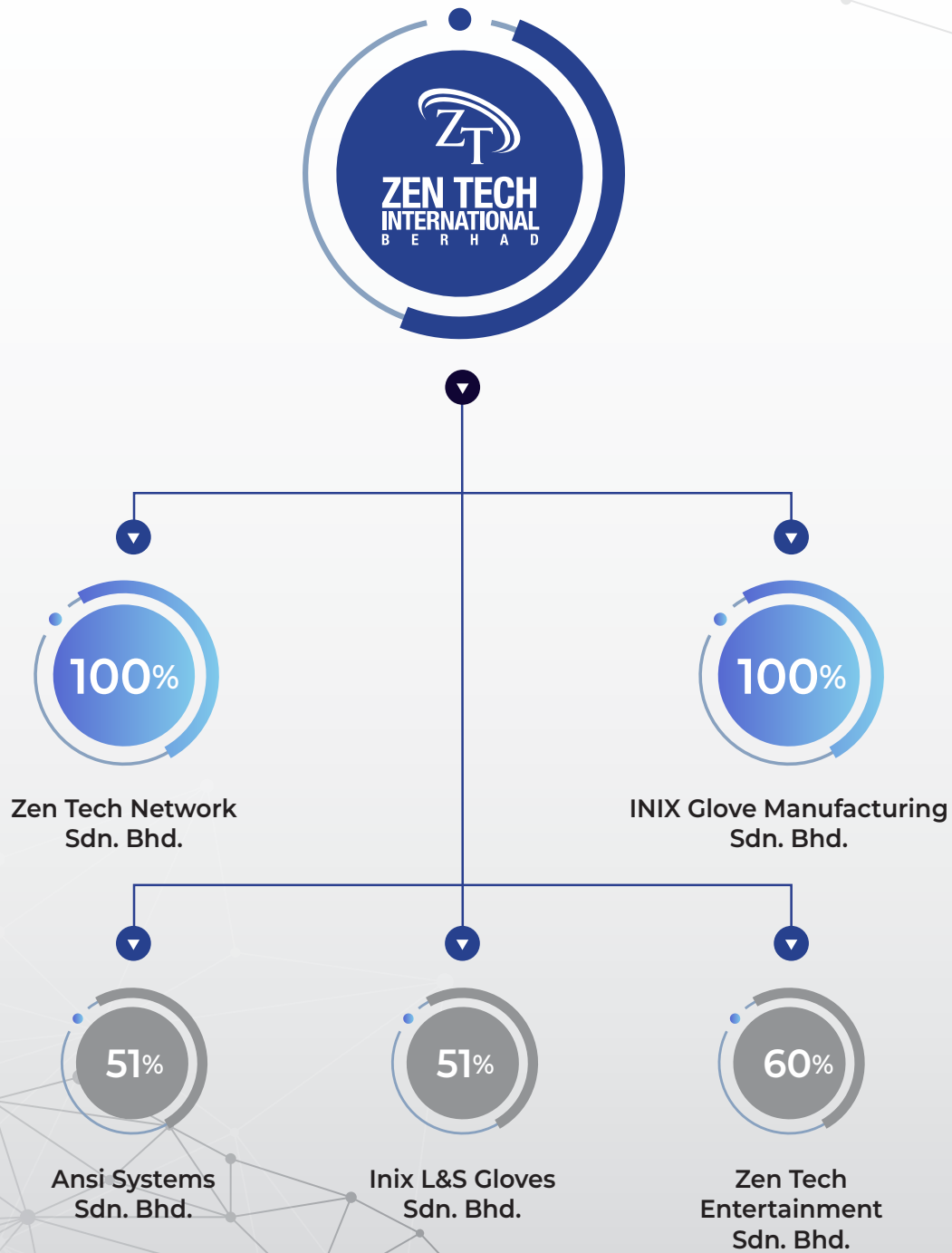
Stock Name: ZENTECH  
Stock Code: 0094

# 5-YEAR FINANCIAL HIGHLIGHTS

RM'000	01.02.2020	01.07.2021	01.07.2022	01.07.2023	01.07.2024
	to 30.06.2021	to 30.06.2022	to 30.06.2023	to 30.06.2024	to 31.12.2025
Revenue	18,235	26,480	31,674	49,291	79,520
(Loss) before tax	(10,011)	(3,723)	(11,288)	(10,667)	(19,290)
(Loss) after tax	(10,653)	(4,926)	(10,112)	(10,718)	(19,517)
(Loss) Attributed to Shareholders	(11,383)	(6,375)	(8,528)	(10,281)	(16,568)
Total assets	37,991	58,658	83,629	74,677	64,611
Total current liabilities	9,167	22,620	14,294	15,845	25,814
Total non-current liabilities	3,313	4,127	1,966	2,274	1,480
Net assets	25,511	31,911	67,368	56,557	37,317
Total number of shares ('000)	466,604	513,264	2,628,245	3,110,651	3,137,450
Net assets per share (RM)	0.054	0.062	0.025	0.018	0.012
Basic earnings per share (sen)	(2.44)	(1.24)	(0.32)	(0.33)	(0.53)



# GROUP STRUCTURE



# PROFILE OF THE BOARD OF DIRECTORS



## MR. SIVA KUMAR KALUGASALAM

**Executive Director**

**Date of Appointment: 17 August 2020**

Gender	Aged	Nationality
Male	56	Malaysian

Mr. Siva Kumar Kalugasalam was appointed as the Executive Director of Zen Tech International Berhad on 17 August 2020. He is a member of our Risk Management and Investment Committee.

Mr. Siva Kumar's experiences span over 28 years with Public Audit Firms and renowned corporate players in varied industries such as Aviation, Manufacturing, Construction, Security, Education, Talent Management, and International Trading (Import & Export) of FMCG who have local, regional and global presence.

He has a Bachelor of Business in Accounting from University of Technology, Graduate Diploma in Business and Management from University of Sunshine Coast / Segi University and Master of Business Administration from University of Wales Trinity St David, UK. He is also a Fellow of the Institute of Public Accountants, Australia, a Fellow of the Institute Financial Accountants, UK, a Member of the Management Institute of Malaysia, a Fellow of the Chartered Management Institute, UK, a Member of Malaysian Institute of Human Resource Management, Chartered Audit Committee Director of the Institute of Internal Auditors Malaysia and Member of Institute of Corporate Directors Malaysia.

He was the Group Chief Executive Officer at APFT Berhad since mid-April 2019 until 31 July 2020. He started his career with APFT Berhad in 2016. In August 2018, he was appointed as the Chief Operating Officer. He was appointed as the Executive Director of Zen Tech International Berhad on 17 August 2020, overseeing the Finance and Operations of the Group. In March 2022, he was appointed as the Independent Non-Executive Director and Chairman of the Audit Committee of AHB Holdings Berhad a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

## PROFILE OF THE BOARD OF DIRECTORS

Dato' Zhang Li, is our Executive Director. She retired on 31 December 2018 and subsequently re-appointed as Executive Director on 15 February 2019.

Dato' Zhang Li has completed her education in Xiamen, China. She entered the business world in 1990 in Huadong, China, by operating a health supplements franchise. In 2003, Dato' Zhang Li was involved with a multilevel marketing company as its Marketing Advisor at Guan Fang International Marketing (M) Sdn Bhd and as a Director at Top Creation Property Sdn Bhd, which was involved in real estate development services. Dato' Zhang Li was the non-executive director of Raya International Berhad, a public company listed on the ACE Market of Bursa Malaysia Securities Berhad from 2008 to 2012.

Dato' Zhang Li has been a director of Top Creation Investment Ltd, a public company involved in property development in Melaka, since its admission on AIM of the London Stock Exchange in 2011. Currently, she does not hold directorship in any other public listed companies.



### DATO' ZHANG LI

Executive Director

Date of Appointment: 15 February 2019

Gender	Aged	Nationality
Female	66	China

## PROFILE OF THE BOARD OF DIRECTORS



### MR. CHOW HUNG KEEY

**Executive Director**

**Date of Appointment: 21 December 2021**

Gender	Aged	Nationality
Male	38	Malaysian

Mr. Chow Hung Keey, is our Executive Director and he was appointed to the Board on 21 December 2021.

Mr. Chow started his career with KPMG Malaysia in 2010 as an audit associate. In 2011, he joined CIMB Bank as a Relationship Manager, developing and maintaining relationship with the bank's high net worth clients. In 2012, he was promoted to Senior Relationship Manager.

From 2012 to 2019, Mr. Chow held executive and non-executive board positions in various listed companies, developing experience in overseeing business operations including of software development, system integration and information technology ("IT") management consultancy services as well as independent oversight of listed companies.

In 2019, Mr. Chow joined Shiya Sdn Bhd (a Bumiputera construction and property development company) as Financial Advisor before being promoted to Corporate Development Director in 2020. During this time, he developed relationship with industry players within the construction and property development industry. In 2021, he became the Executive Director of Zen Tech International Berhad, overseeing the company's business strategy and direction. In 2022, he became an Executive Director of AHB Holdings Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

Mr. Chow is a member of the Association of Chartered Certified Accountants, the Malaysian Institute of Accountants, the ASEAN Chartered Professional Accountant as well as an affiliate member of the Asian Institute of Chartered Bankers. He also has extensive experience in managing businesses and client relationships, having served in public listed companies as well as private companies engaged in various industries such as IT, air charter services, credit financing, furniture, automotive, manufacturing, healthcare, construction, and property development.

## PROFILE OF THE BOARD OF DIRECTORS

Mr. Edwin Silvester Das was appointed as Independent Non-Executive Director on 15 February 2019 and re-designated as Senior Independent Non-Executive Director on 17 October 2023. He is the Chairman of our Nomination Committee and Remuneration Committee, and members of Audit Committee and Risk Management and Investment Committee.

Mr. Edwin had a long and distinguished banking and corporate career for more than thirty-eight (38) years both in Malaysia and abroad, with exposure to banks and various types of industries locally and abroad.

Mr. Edwin is a graduate (Dean's List) from Southern Illinois University at Carbondale, Illinois, USA. He started his banking career in 1985 and worked in the USA, Europe, Africa, India, Sri Lanka and Malaysia. Throughout this time, he progressed rapidly up the ranks with hard work and measurable contributions in various banking, industrial and management sectors from Operational Banking to Corporate Recovery, Corporate Banking & Corporate Finance and Investment Banking, Restructuring, Human Resource and Management strategies which were under his portfolio.

Mr. Edwin is a Fellow with the Institute of Corporate Directors Malaysia.

He also served with Oracle Corporation (USA) as Industry Expert for the Financial Services Industry (FSI) before taking up a corporate role with an infrastructure company building highways in India. Thereafter, he moved on as a Board of Director with a bank in Sudan where he took the bank to greater heights.

In December 2020, Mr. Edwin was appointed as Executive Director / Chief Executive Officer of Jiankun International Berhad, a company engaged in property development and construction and is listed on Main Market of Bursa Malaysia Securities Berhad.



### MR. EDWIN SILVESTER DAS

**Senior Independent Non-Executive Director**  
**Date of Appointment: 15 February 2019**

Gender	Aged	Nationality
Male	68	Malaysian

## PROFILE OF THE BOARD OF DIRECTORS



Mr. Zhang Yang was appointed as the Managing Director on 17 January 2020. He was re-designated as Non-Independent Non-Executive Director on 18 September 2018. He holds a Doctorate, major in Business Management from Asian Institution of Management & Science, China.

Mr. Zhang Yang is the Sales Director of EMG Group of Companies in March 2013, he joined Fragrant Prosperity PLC as Operation Director in August 2013. Thereafter, he was the Chief Executive Officer in TF Marketing (HK) Limited in July 2015. Currently, he does not hold directorship in any other public listed companies.

### MR. ZHANG YANG

**Non-Independent and Non-Executive Director**  
**Date of Appointment: 17 January 2020**

Gender	Aged	Nationality
Male	42	China

## PROFILE OF THE BOARD OF DIRECTORS

Mr. Wong Kok Fong was appointed as Independent Non-Executive Director on 26 June 2023. He is the Chairman of Audit Committee and Risk Management and Investment Committee and members of Remuneration Committee and Nomination Committee.

Mr. Wong began his career as an Audit Clerk at Kok & Co in October 1989 which responsible for external auditing and tax. In June 1990, he worked as an Accounts Assistant at PJ Electronic Trading Sdn Bhd in which he was responsible for accounts payable and general ledger. Following this, he was lecturing at EU Institute a private college for 19 years, majoring in Cost and Management Accounting, Accounting and Booking keeping, and the head of Library Administration. He also worked as Finance Manager in a few companies such as Beau Heritage Sdn. Bhd., Sun Inns Groups of Hotels, Goh Ban Huat Berhad and BCB Berhad. In September 2010, he then joined Greenyield Berhad as Financial Controller. Currently, he is the Financial Controller in Jiankun International Berhad, a public company listed on Main Market of Bursa Malaysia Securities Berhad.

He is a Fellow member of the Association of Chartered Certified Accountant (ACCA) and a member of the Malaysian Institute of Accountants (MIA).



### MR. WONG KOK FONG

**Independent Non-Executive Director**  
**Date of Appointment: 26 June 2023**

Gender	Aged	Nationality
Male	58	Malaysian

## PROFILE OF THE BOARD OF DIRECTORS



### DATO' ZAIDI BIN MAT ISA @ HASHIM

**Independent Non-Executive Director**  
**Date of Appointment: 27 March 2024**

Gender	Aged	Nationality
Male	57	Malaysian

Dato' Zaidi bin Mat Isa @ Hashim was appointed as Independent Non-Executive Director on 27 March 2024. He is the member of our Audit Committee, Nomination Committee and Remuneration Committee.

Dato' Zaidi is an experienced entrepreneur and dynamic corporate figure. Dato' Zaidi has an extensive involvement within the local corporate scenes, with over twenty-two (22) years of experience in various senior roles in private and public listed entities. Dato' Zaidi was formerly the Group Managing Director of Kedah based Darulaman Consolidated (M) Berhad and its subsidiaries from 1995 to 2000. From 2002 to 2005, Dato' Zaidi was appointed as Chief Executive Officer of MyPrima Group of Companies which specializes in media advertisement, branding and marketing.

In 2006 till 2016, Dato' Zaidi was also appointed as the Director of Investment of Eco Marine Group, a company which specialize in property development and real estate management in Klebang, Melaka.

From 2015 to 2017, Dato' Zaidi also served as the Executive Director of the Company where he was responsible for governmental relations and the overall strategic growth of the Company. From 2016 to 2017, he also served as the Independent Non-Executive Director of NWP Holdings Berhad. Subsequently from 2017 to 2021, he served as the Independent Non-Executive Chairman of Metronic Global Berhad. From 2017 to September 2023, he was appointed as an Independent Non-Executive Chairman in Key Alliance Group Berhad.

Presently, Dato' Zaidi is the Non-Independent and Non-Executive Director of SMTrack Berhad, a public company listed on Main Market of Bursa Malaysia Securities Berhad.

## PROFILE OF THE BOARD OF DIRECTORS

### ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

#### Family Relationship with any Director and / or Major Shareholder

None of the Directors of the Company has family relationships with any Director and/or major shareholder with the exception of: -

- Mr. Zhang Yang is the son of Dato' Zhang Li, the Executive Director of Zen Tech International Behad.

#### Conflict of Interest

None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company or its subsidiaries.

#### Conviction of Offences (within the past 5 years, other than traffic offences)

None of the Directors have any conviction for offences (other than traffic offence, if any) and have not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial period ended 31 December 2025 save for the following Directors were publicly reprimanded and fined by Bursa Malaysia Securities Berhad on 31 July 2024 for breached of Rule 16.13(b) of the ACE Market Listing Requirements:-

1. Dato' Zhang Li
2. Mr. Siva Kumar Kalugasalam
3. Mr. Edwin Silvester Das
4. Mr. Zhang Yang

#### Number of Board Meetings attended in the financial period ended 31 December 2025

The details of the Directors' attendance at Board meetings are set out on page 66 of the Annual Report.



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# KEY SENIOR MANAGEMENT'S PROFILE

## MR. SIVA KUMAR KALUGASALAM

Executive Director

Mr. Siva Kumar is responsible for the Finance, Management and Operations of Zen Tech International Berhad. He also oversees the operations of the Glove Division.

The profile of Mr. Siva Kumar is shown under Director's Profile on Page 12 of this Annual Report.

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## YBHG DATO' ZHANG LI

Executive Director

Dato' Zhang Li is responsible of the Finance and Management of Zen Tech International Berhad. She also oversees the Business Development in China.

The profile of Dato' Zhang Li is shown under Director's Profile in Page 13 of this Annual Report.

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## MR. CHOW HUNG KEEY

Executive Director

Mr. Chow Hung Keey is responsible for the business strategy and direction of Zen Tech International Berhad. The profile of Mr. Chow Hung Keey is shown under Director's Profile in Page 14 of this Annual Report.



## KEY SENIOR MANAGEMENT'S PROFILE

### TEO XIONG SHENG

Operations Director (Glove)

Mr Teo Xiong Sheng is a Director and shareholder as well as the Operations Director of Inix L&S Gloves Sdn Bhd ("INIX L&S") since 14 May 2019. He oversees the production department and supervises and coordinates the repair and maintenance of production equipment. In 2019, he co-founded INIX L&S with his uncle, Teo Yoek Leong, and is responsible in overseeing the production processes and quality control standards. He has accumulated 14 years of experience in engineering and manufacturing in the glove industry, which will drive the expansion of the Group's Glove Business.

Presently, he does not hold any directorship in any other public listed companies or listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company, nor any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial period ended 31 December 2025.....

### TEO YOEK LEONG

Marketing Director (Glove)

Mr. Teo Yoek Leong is a Director and shareholder as well as the Marketing Director of INIX L&S since 14 May 2019. He is responsible for the formulation and implementation of the Company's sales and marketing strategies. He retired in 2014 and, in 2019, co-founded INIX L&S with his nephew, Teo Xiong Sheng, and is responsible for INIX L&S Sales and Marketing.

Presently, he does not hold any directorship in any other public listed companies or listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company, nor any

conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial period ended 31 December 2025.....

### TEO XIONG XUAN

Factory Manager

Teo Xiong Xuan is an Engineering and Operations professional with a Bachelor of Engineering (Hons) in Electronics, majoring in Nanotechnology, from Multimedia University (MMU), Malaysia. He had over eight (8) years of progressive experience in manufacturing, quality assurance, and project engineering across Malaysia and Singapore, with a strong track record in glove manufacturing and engineering services.

Teo Xiong Xuan was appointed on 2 April 2025 as the Factory Manager at INIX L&S. He has previously led Quality Assurance and Quality Control functions, ensuring regulatory compliance, product quality, and the effective resolution of customer issues. His background includes substation, security system, and lighting/control system projects, covering design coordination, site management, material planning, and vendor performance. He is skilled in supply chain and inventory management, cost control, process optimisation, and cross-functional communication, consistently contributing to operational efficiency and continuous improvement.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial period ended 31 December 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS



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On behalf of the Board of Directors of Zen Tech International Berhad (“ZTIB” or the “Group”), I present the consolidated Management Discussion and Analysis for the eighteen-month financial period ended 31 December 2025 (“FPE 2025”). This MDA integrates the Group’s financial results, key corporate developments, a detailed review of global glove market supply and demand dynamics, and the macroeconomic forces that affected pricing and order behaviour during the period. It explains how these external conditions interacted with our strategic responses and operational performance as we reposition the Group for improved resilience and future profitability.

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ZTIB is listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) under the Industrial Products category.

## OVERVIEW OF GROUP BUSINESS AND OPERATIONS

After navigating a highly volatile and challenging 2025, the Malaysian rubber glove industry is well-positioned for a meaningful rebound in 2026, supported by recovering global demand, gradual inventory normalisation, and strategic market shifts such as supply rationalisation and product differentiation. Early signs of margin recovery and improved operational efficiency, together with episodic regional supply disruptions, should help bolster utilisation and pricing, although the pace and durability of the recovery will depend on raw-material and energy cost trends, rationalisation of lower-cost capacity, and ongoing geopolitical and logistical developments.

## MANAGEMENT DISCUSSION AND ANALYSIS

After the pandemic, wearing gloves became common in settings beyond hospitals, such as stores, restaurants, and labs. This kept demand higher than it was before 2020. The healthcare industry remains the largest buyer, with a market share of 50% to 77.9%. This is because the population is getting older, more surgeries are being done, and people are getting ready for pandemics.

Strict rules about worker safety, especially in the US (OSHA) and Europe (REACH), are making specialised protective gloves more popular in the chemical, oil and gas, and automotive industries. Asia-Pacific (China, India) and parts of South America/Africa are becoming new high-growth areas due to rapid industrialisation and improved access to healthcare. APAC is expected to have the highest CAGR of 8.5% through 2030.


The market experienced excess supply after many new producers entered the market between 2020 and 2022. But this is slowly improving, and by 2026, overcapacity is expected to decline by about 35%. US tariffs on Chinese goods have helped Malaysian producers regain some market share, but China remains a major, low-cost player. More people want gloves that are better for the environment and break down naturally, so manufacturers are investing in research and development of these materials. To improve production efficiency and quality control, and to reduce reliance on human labor, manufacturers are investing in AI and automation.

### **Glove Manufacturing Business**

As we look ahead to 2026, ZTIB is exceptionally well-positioned to capitalise on the anticipated robust growth in the Malaysian rubber glove industry, which is projected to see global demand rise to approximately 398 billion pieces. This surge follows the challenges of 2025, marked by inventory correction and oversupply. Key drivers, such as heightened hygiene awareness due to global health crises and rising healthcare spending in emerging markets, will likely drive organic growth rates of 5–8% annually. Moreover, the imminent U.S. tariffs on Chinese-made medical gloves set to reach 100% in January 2026 present a significant opportunity for ZTIB to capture market share in the U.S. while we expand our footprint in non-healthcare sectors, including food and beverage, beauty, tattooing, and electronics manufacturing.

This diversification strategy will help reduce our reliance on fluctuations in healthcare demand. As global stockpiles deplete, we anticipate rising utilisation rates among manufacturers, projecting these to reach between 70% and 90% by late 2025 into 2026. However, we acknowledge the challenges posed by ongoing pricing competition from cost-leading Chinese manufacturers in non-U.S. markets, as well as sustained oversupply. Average selling prices (ASPs) are expected to stabilise or see slight increases of USD 1–2 per 1,000 pieces due to rising raw material and energy costs, although a stronger Malaysian Ringgit may impact our competitiveness.

As highlighted by the Malaysian Rubber Gloves Manufacturers Association (MARGMA) in a statement made on 28 March 2026, the industry is indeed experiencing a shift toward normalisation. MARGMA emphasized that the improvements in margins and earnings in 2026 will be supported by a stronger cost structure, which aligns with our outlook for the year.



In response to these dynamics, ZTIB's management has outlined several key strategic priorities. We will invest in automation to enhance production efficiency, lower unit costs, and improve product quality. Operational improvements are essential to ensuring uptime and containing production costs, while diversifying our product offerings into higher-margin categories to capture lucrative market segments.

Strengthening our supply chain resilience is paramount. We will strengthen relationships with suppliers and implement strategic inventory buffers to mitigate risks from raw material volatility and potential logistical disruptions. Additionally, maintaining disciplined pricing strategies will be crucial to protecting our margins amidst competitive pressures.

As the industry approaches the end of its normalisation phase, ZTIB anticipates a more stable and profitable landscape compared to previous years. We recognise the importance of effective communication with stakeholders, customers, suppliers, and investors—building confidence in our commitment to operational excellence and long-term sustainability.

Moreover, our focus on innovations in sustainability and compliance to meet the increasing demands for environmental and social governance will differentiate ZTIB in a competitive marketplace. We believe that our adaptability to evolving consumer needs and market dynamics positions us uniquely to thrive in this burgeoning landscape.

We are strategically aligned to leverage growth opportunities in the rubber glove sector. We are determined to enhance our operational efficiencies, diversify our product lines, and maintain a solid footing in the market, contributing to our economic recovery and public health imperatives. Our concentrated efforts will ensure that we remain competitive leaders in a vital industry, ready to navigate market complexities while promoting resilience and sustainability for a prosperous future.

#### Global Rubber Gloves Market Overview:

The global disposable gloves market size was valued at USD 23.16 billion in 2025 and is projected to grow from USD 27.07 billion in 2026 to USD 57.11 billion by 2034, exhibiting a CAGR of 9.80% during the forecast period. Southeast Asia dominated the disposable gloves market with a market share of 53.3% in 2025. Moreover, the disposable gloves market in the U.S. is projected to grow significantly, reaching an estimated value of USD 3,728.5 million by 2032, driven by the surge in chronic diseases coupled with the rise in the country's aging population.

The emergence of COVID-19 has reinforced the importance of personnel hygiene and sanitation in maintaining robust public healthcare. Gloves, especially the ones that are utilized in the medical sector, conduct a crucial part in safeguarding the healthcare employees from infectious diseases. Since the beginning of the pandemic, demand for healthcare personnel protective equipment (PPE) has skyrocketed. Even though the adverse influence of the coronavirus has significantly decreased comparatively to the preliminary stage of the pandemic, demand for healthcare PPE, involving medical gloves, continues to maintain its sturdiness. This trend is predicted to continue owing to the emergence of new, more contagious virus variations. Additionally, governments and regulatory bodies across the globe are adopting stricter industrial safety regulations, thus creating new opportunities for the disposable gloves market growth.

Source: <https://www.fortunebusinessinsights.com/disposable-gloves-market-106777>



# MANAGEMENT DISCUSSION AND ANALYSIS

## **E-Commerce Solution Business**

The Group is committed to its IT segment and continues to enhance its market presence, thereby strengthening its long-term sustainability and growth trajectory.

Our ongoing initiatives to explore innovative e-commerce solutions for both the retail and service sectors are steadily positioning the Group as a significant player in the industry. As we expand our reach, our goal is to serve a wider audience by implementing affiliate marketing programs for our products and services.

## **BOARD COMMITMENT**

The Board is responsible for ensuring the effective maintenance of a robust internal control and risk management system within the Group. To facilitate this, the Risk Mitigation & Compliance Monitoring (“RMCM”) Framework has been established to define the Group’s risk tolerance levels and actively identify, assess, and monitor key business risks. This framework empowers senior management, operational managers, and employees to understand and manage risks effectively while promoting awareness of the importance of adhering to company policies as well as applicable laws and regulations.

## **SUSTAINABILITY PRACTICE**

The Directors are cognisant of the influence of the Group’s operations on the environment, economy, and society in which we operate. Sustainability is a ubiquitous element of the Group’s strategy to generate long-term value for shareholders and other stakeholders. The Group is acutely aware of the need to adopt business practices that foster business continuity, as well as to engage in viable economic activities. We are certain that the Group’s dedication to implementing meaningful sustainability practices, maintaining high standards of governance, ethics, and integrity, and investing in the development of human capital will position us for future growth in our pursuit of generating value for our shareholders and other stakeholders. The Sustainability Statement of this Annual Report outlines the Group’s strategy for implementing sustainability practices.

## **FINANCIAL RESULTS REVIEW**

### **Performance Analysis at Group Level**

The Group changed its financial year from 30 June 2025 to 31 December 2025. The financial statements cover an 18-month period. Despite ongoing challenges and uncertainties, the Group achieved a satisfactory result for the period ended 31 December 2025. This achievement is particularly noteworthy, given the oversupply of gloves, Chinese manufacturers continue to expand production, particularly in Southeast Asia (Vietnam, Indonesia), Chinese rivals are undercutting Malaysian manufacturers with prices roughly 15% lower, keeping Average Selling Prices (ASPs) under pressure intermittent operational disruptions caused by supply chain challenges related to raw materials and the increasing operational costs.

The Group recorded revenue of RM79.520 million for FPE 2025 (18 Months), prorated to 12 months at approximately RM53.013 million, compared with RM49.291 million registered in the financial year ended 30 June 2024 (“FYE 2024”). Group revenue surged due to demand for our rubber gloves, increasing by RM3.722 million, or 7.0%, pro rata over 12 months for the year compared to the previous year.

	<b>18 Months</b>	<b>FYE 2024</b>
	<b>FPE 2025</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	79,520	49,291
(Loss) before interest & taxation	(19,006)	(10,423)
(Loss) before taxation	(19,290)	(10,667)
Net (Loss)	(19,517)	(10,718)
Net (Loss) attributable to equity holders	(16,568)	(10,281)
Net cash from (used in) operations	4,230	(4,332)
Total Shareholder's fund	49,664	65,955

Segmental contributions to Operating Profit

	<b>18 Months</b>	<b>FYE 2024</b>
	<b>FPE 2025</b>	<b>RM'000</b>
<b>Segment</b>	<b>RM'000</b>	<b>RM'000</b>
Gloves	77,790	45,474
E-Commerce	1,730	3,817

Despite the increase in revenue, the Group recorded a loss before tax of RM19,290 million. This increase in losses was primarily due to the impairments of Impairment Loss on Investment in Associate Companies of RM6.125 million, Loss on Disposal of Subsidiary of RM3.875 million, Depreciation Expenses of RM8.016 million, and the rising cost of raw materials related to the glove manufacturing segment and volatile exchange rate factors that we are actively addressing.

	<b>As of 18 Months Ended</b>	<b>As of</b>
	<b>31 December 2025</b>	<b>30 June 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Non-Current	47,546	52,288
Current	17,065	22,389
<b>Total Assets</b>	<u>64,611</u>	<u>74,677</u>
<b>Equity &amp; Liabilities</b>		
Equity	37,317	56,557
Non-Current Liabilities	1,480	2,275
Current Liabilities	25,814	15,845
<b>Total Equity and Liabilities</b>	<u>64,611</u>	<u>74,677</u>

Over 18 months, the Group's current assets totalled RM17.065 million comprising RM7.437 million in trade receivables and RM4.972 million in other receivables. During this period, the inventories were valued at RM3.975 million. Non-current assets were registered at RM47.546 million; these assets have decreased annually primarily due to the planned depreciation of assets over 18 months, a strategic decision to ensure the company's long-term health.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group's other payables are valued at RM9.272 million in FPE 2025, and trade payables are registered at RM11.322 million. Compared with both trade and other payments, they have increased due to higher production. However, we are to manage payables and instil confidence with our vendors.

The Group has made a strategic investment in its operations, taking on a short-term borrowing of RM2.492 million to meet working capital requirements for the glove manufacturing segment. This investment is a clear indication of the company's commitment to its operations and the security of its financial position.

### OPERATIONAL REVIEW BY BUSINESS SEGMENT

The Group's business segments are as follows:

1. Gloves - Manufacturing of rubber gloves
2. Software and books - Involved in software development and system integration.

Segment	18 Months FPE 2025 RM'000	FYE 2024 RM'000	FYE 2023 RM'000	FYE 2022 RM'000	FPE 2021 RM'000
Gloves	77,790	45,474	24,142	24,366	10,285
E-Commerce	1,730	3,817	7,532	2,113	7,650

#### Glove Manufacturing Segment

The manufacturing segment of the Group has been a pillar, continues to thrive, and remains the largest contributor to the Group's revenue. During the period, the Management has added 2 production lines, which will contribute an additional 216 million pieces.

#### Software and Books

This segment reported revenue of RM1.73 million for FPE 2025, the decrease in revenue was mainly due to the expiration of various contracts.



### ANTICIPATED OR KNOWN RISKS

#### i. RISK

The Group is exposed to operational and financial risks arising from its activities and the use of financial instruments. These risks are monitored quarterly by two entities: the Board's Risk Management and Investment Committee ("RMIC") and management.

Led by the Executive Directors, Management has convened on multiple occasions to identify, address, and manage critical risks that could significantly affect daily factory operations. The committee also assesses the effectiveness of existing risk mitigation measures and recommends additional actions as necessary. Management is confident that operational and financial risks have been adequately mitigated through these ongoing efforts.

#### ii. LIQUIDITY RISK

The Group and Company's liquidity risk primarily arises from maturity mismatches between financial assets and liabilities. To address this, the Group maintains access to revolving bank facilities totalling RM3.0 million, of which RM2.492 million (83%) was utilised during the financial period under review.

The Group's financial strategy emphasizes stable funding and operational flexibility, primarily through the strategic use of standby revolving credit facilities. To further strengthen its funding structure, the Group:

- a) Regularly secures committed funding from both capital markets and financial institutions.
- b) Prudently incorporates short-term funding options into its portfolio.

This approach is designed to ensure continuous access to funds while maintaining cost-effectiveness in the Group's financial operations.

#### iii. INTEREST RATE RISK

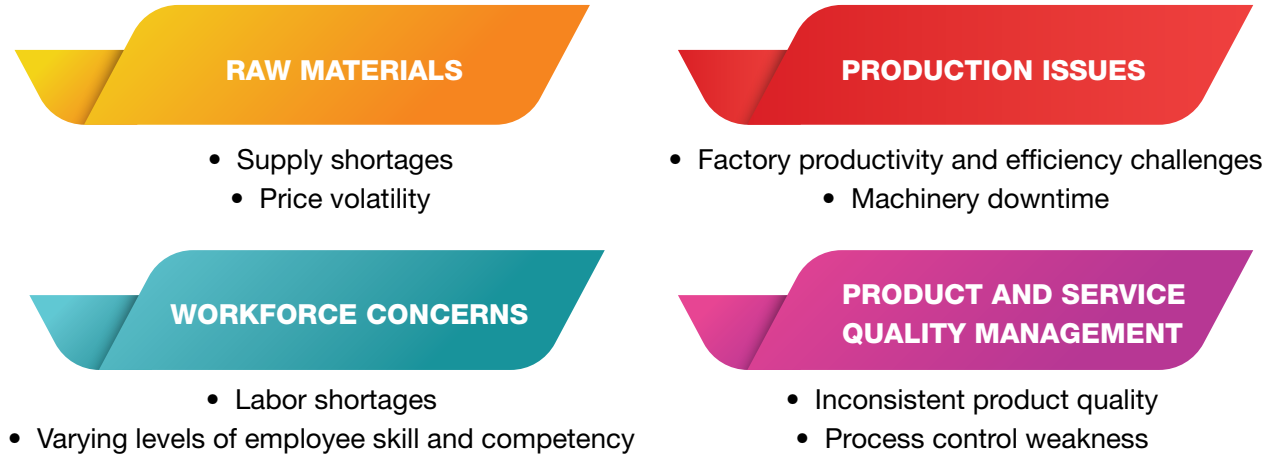
The Group is exposed to market risks, primarily arising from potential interest rate fluctuations that may affect its loans and borrowings. Despite possible changes in the bank's base financing rate, the Group anticipates that any resulting impact on its financial position would be minimal. This confidence reflects the effectiveness of the strategies implemented to mitigate interest rate risk.



## MANAGEMENT DISCUSSION AND ANALYSIS

### iv. OPERATIONAL RISK

In its daily operations, the Group faces several operational risks:



These factors collectively impact the Group's ability to maintain consistent operations and meet quality standards in its products and services.

### v. FOREIGN EXCHANGE RISK

Given its international operations, the Group is exposed to foreign exchange risks resulting from currency fluctuations. To mitigate this risk, the Group employs a natural hedge strategy by:

- Aligning revenue generation and expense incurrence in the same currency within each operational region.
- This approach effectively minimizes the financial impact of exchange rate fluctuations. Consequently, the Group does not expect to incur significantly realized foreign exchange gains or losses, despite ongoing currency market volatility.

This strategy enables the Group to maintain financial stability across its diverse geographical operations.

## GROWTH & STRATEGY

Despite significant challenges in the current global economic environment—including inflation, rising interest rates, and supply chain disruptions—the Group remains resilient. We recognise that these factors may impact our growth plans; however, we are prepared to navigate these uncertainties. In the face of these challenges, we remain steadfast in our commitment to closely monitor global trends. Our ongoing emphasis on cost reduction and operational efficiency will support the continued stability of our financial position.

The Group will continue implementing strategies proven effective in the previous fiscal year, focusing on enhancing efficiency, reducing costs, and adopting industry best practices.

Our commitment to innovation and quality remains strong. We are optimistic about the future of the glove industry and are investing in expanding our production capabilities. We believe that by maintaining this focus, we will drive sustainable growth and continue to meet the evolving needs of our customers.

In addition, the Group is actively reviewing and exploring a range of new sourcing options as part of its strategy to broaden business opportunities. By evaluating alternative suppliers, markets, and partnerships, the Group aims to diversify its supply chain and tap into emerging opportunities. These efforts are intended to enhance competitiveness, support growth initiatives, and ensure the Group remains agile in responding to evolving market demands.

## FUTURE PROSPECTS

In addition, the Group is actively reviewing and exploring a range of new sourcing options as part of its strategy to broaden business opportunities. By evaluating alternative suppliers, markets, and partnerships, the Group aims to diversify its supply chain and tap into emerging opportunities. These efforts are intended to enhance competitiveness, support growth initiatives, and ensure the Group remains agile in responding to evolving market demands.

### Outlook

At ZTIB, we are optimistic about our continued financial growth, driven by several key factors shaping our strategic direction.

Firstly, the demand for our high-quality gloves remains robust across existing markets, and we are excited to announce our strategic expansion into new regions. This proactive approach allows us to tap into a wider customer base, enhancing our market presence and driving sales growth. Additionally, we are actively exploring new opportunities in emerging markets and innovative sectors, ensuring we remain at the forefront of industry trends and identify potential avenues for expansion.

Secondly, we have made significant ongoing investments in our production capacity. This initiative will not only enable us to meet the surging demand for our innovative glove solutions but also enhance our operational efficiency. By streamlining our production processes, we aim to uphold the standards of excellence our customers expect while fostering sustainable growth.

Moreover, our steadfast commitment to innovation and product development is central to our strategy. We understand that staying ahead of the competition requires continuous improvement and creativity. Therefore, we are dedicated to introducing the latest and most advanced glove solutions, ensuring we continue to captivate and meet our customers' needs.

While we acknowledge the challenges posed by rising input costs and ongoing supply chain disruptions, we are taking a proactive stance to mitigate these impacts. We are securing long-term supply contracts and optimizing our operations to reduce costs while maintaining quality.

Our foremost goal is to maintain our competitive advantage in the marketplace and continue enhancing our financial performance. At ZTIB, we are confident that with our strategic initiatives, commitment to excellence, and focus on new opportunities, we will navigate the challenges ahead and capitalize on the prospects that lie before us, driving sustained growth well into the future.

## MANAGEMENT DISCUSSION AND ANALYSIS



### DIVIDEND

In evaluating dividend payments, the Group has carefully considered factors such as available funds, retained earnings, capital commitments, overall financial health, distributable reserves, and other relevant considerations. For the FPE 2025, the Board of the Company has decided not to recommend the payment of a dividend.

### APPRECIATION TO OUR STAKEHOLDERS

We sincerely thank all our stakeholders, including shareholders, suppliers, bankers, and service providers, for your ongoing partnership and patience during this challenging time. Above all, we are deeply grateful to our employees. Your dedication and commitment to our operations and customers are invaluable. The resilience shown by our team is the foundation for our future success. We appreciate your trust and support as we work together to improve the company's outlook.

This statement is made in accordance with a resolution of the Board passed on 27 April 2026.

**Siva Kumar Kalugasalam**  
Executive Director

# SUSTAINABILITY STATEMENT



This Sustainability Statement outlines the commitment of Zen Tech International Berhad (“ZTIB” or “the Company”) and its subsidiaries (“the Group”) to addressing Environmental, Social, and Governance (“ESG”) impacts, as well as financial and non-financial value creation for the financial period ended 31 December 2025 (“FPE 2025”). The Statement also details the Group’s strategy for managing key sustainability-related risks and opportunities. We continue to recognise sustainability as a key enabler of our business.

# SUSTAINABILITY STATEMENT

We have identified and reviewed material sustainability matters related to Economic, Environmental, Social, and Governance aspects through a materiality assessment that considers our stakeholders' interests. These matters are reviewed and endorsed by our Board of Directors ("Board") to ensure alignment with our sustainability goals. Please refer to our "Stakeholder Engagement" and "Materiality Assessment" sections for details on our EESG approach.

## Report Overview

The Group's sustainability approach is designed to foster trust among stakeholders and drive long-term shareholder value by proactively identifying and leveraging emerging opportunities. This approach also focuses on mitigating risks arising from cost and competition pressures in both local and regional markets. To ensure the durability and resilience of our business, we have embedded robust corporate responsibility and sustainability management practices at the core of our organisational strategy, reinforcing our foundation for sustained growth and value creation.

Our Sustainability Commitment, as detailed in this Sustainability Statement, underscores the alignment of our core values with daily work practices throughout all levels of our operations. This alignment is clearly articulated through the Group's comprehensive Sustainability Framework, which has been carefully adapted from Bursa Malaysia's Sustainability Reporting Requirements and Guidelines to suit our unique operational context. The Framework serves as a roadmap for integrating sustainability principles into decision-making processes, performance measurement, and continuous improvement initiatives across the Group.

In managing sustainability outcomes, the Group's leadership has embraced the principles outlined in the Malaysian Code of Corporate Governance 2021. These principles form the cornerstone of our approach to embedding good sustainability practices across all aspects of our business operations. By adhering to these governance standards, the Group ensures that sustainability considerations are systematically integrated into strategic planning, risk management, operational policies, and stakeholder engagement efforts, thereby supporting responsible growth and long-term value creation.

## Guidelines and References

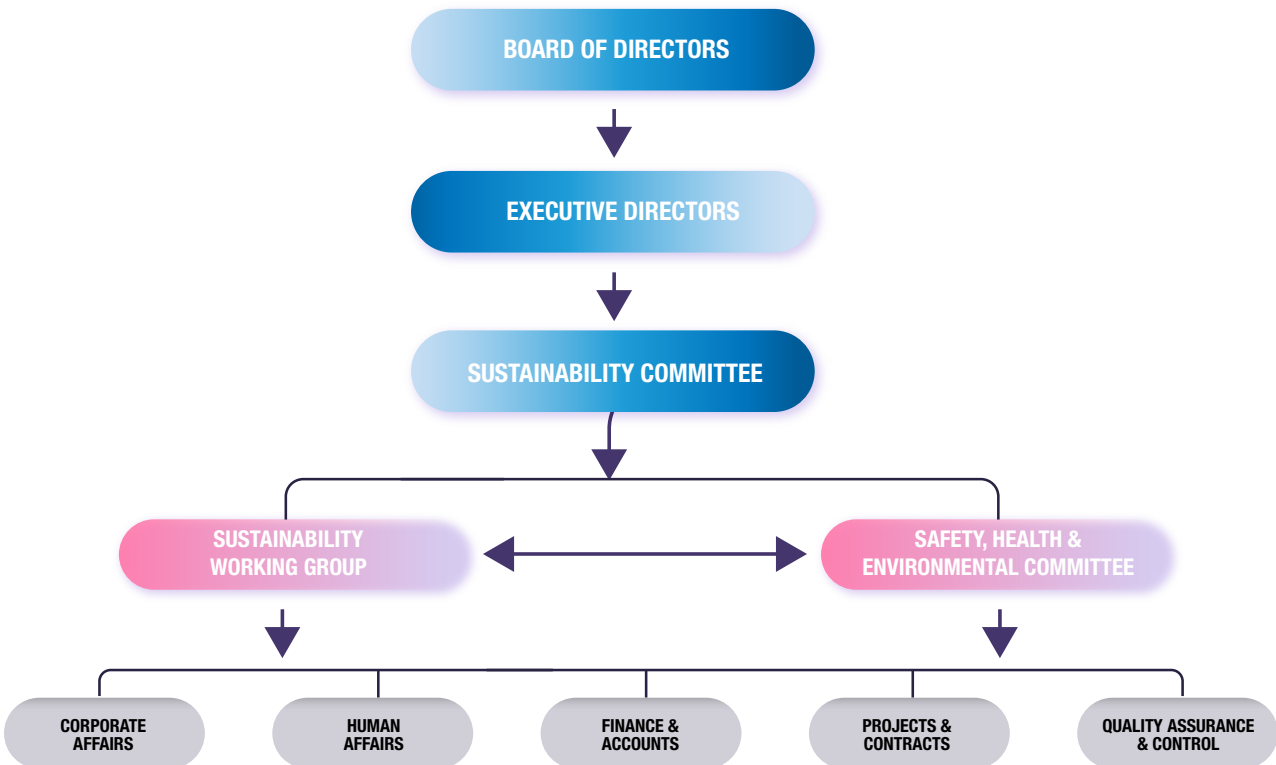
This Sustainability Statement has been primarily prepared in accordance with recognized guidelines, references, and frameworks that provide an objective basis for communicating our economic, environmental, social, and governance performance. By adhering to these established standards, we aim to ensure transparency and consistency in the disclosure of our sustainability practices and outcomes.

In preparing this Sustainability Statement, we have built upon the initiatives and goals set in the previous year, making necessary adaptations to reflect evolving sustainability expectations and requirements. Our approach aligns with the Bursa Malaysia Sustainability Reporting Guide and its Supplementary Guidelines, the Global Reporting Initiative (GRI) Standards, and the United Nations Sustainable Development Goals (SDGs). Throughout the FPE 2025, we conducted a comprehensive review of our reporting processes to incorporate standardised disclosures, ensuring compliance with both GRI reporting guidelines and the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements on sustainability reporting. This process supports our commitment to continuous improvement and accountability in sustainability performance.

**The Governance Structure at ZTIB**

At ZTIB, we believe that an effective and practical governance structure is essential for embedding ESG principles across the Group. This structure not only strengthens relationships with our stakeholders but also enhances transparency, accountability, and responsible management throughout our business operations.

The Group’s sustainability governance structure is designed to ensure clear roles, responsibilities, and communication channels at every level of the organisation. This approach facilitates the effective integration of sustainability into our core strategies, risk management, and daily operations. The structure is illustrated as follows:



At the highest level, our Board assumes ultimate responsibility for the Group’s governance and sustainability agenda. The Board supervises and endorses matters related to risk management, audit, remuneration, and corporate governance policies. In addition, it oversees the Group’s sustainability performance, regularly reviews progress against established targets, and provides strategic direction to ensure long-term value creation. The Board’s leadership is crucial in fostering a culture of ethical conduct and responsible business practices throughout the organisation.

Our Executive Directors (“ED”) lead and direct the development and execution of sustainability programmes, ensuring that adequate resources are allocated for their effective implementation. The ED regularly reports progress and key sustainability metrics to the Board, enabling informed decision-making at the highest level. Supporting the ED is the Sustainability Committee (“SC”), which comprises heads of operating subsidiaries and representatives from various departments. The SC is responsible for translating the Board’s sustainability vision into actionable plans within their respective business units and divisions. The SC coordinates and implements group-wide sustainability initiatives, monitors progress through data collection and analysis and

## SUSTAINABILITY STATEMENT

ensures that progress towards sustainability targets is closely tracked and reported back to the Board for ongoing evaluation and guidance.

### Stakeholders' Engagement

We see stakeholders as individuals, entities, or organisations whose actions shape our business, just as ours shape theirs. To create meaningful connections, each business division crafts its own engagement strategies, ensuring every interaction reflects both our Group's goals and the distinct needs of each stakeholder group.

Our approach to stakeholder engagement is ever evolving, drawing on diverse communication tools and channels. By fostering ongoing conversations, gathering feedback, and launching collaborative projects, we stay attuned to the shifting needs and priorities of our stakeholders. This forward-thinking mindset helps us earn trust, nurture lasting partnerships, and drive sustainable growth. The main concerns of each stakeholder group are outlined below:



Key Stakeholders	Priority	Key Concerns & Interests	Engagement Methods and Channels	Key Action
Customers (Existing and Potential)	Very Important	<ul style="list-style-type: none"> <li>Competitive and reasonable Pricing</li> <li>Product Quality</li> <li>Customer Satisfaction</li> <li>End-to-end customer experience</li> <li>Complaints Resolution</li> </ul>	<ul style="list-style-type: none"> <li>Customer Service Channels</li> <li>Social Media</li> <li>Customer Satisfaction Surveys</li> <li>Marketing Events</li> <li>Timely response to customer's feedback</li> <li>Digitisation of customer engagement platforms</li> <li>Proposals and Quotations</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced customer service response time.</li> <li>Conducted customer satisfaction surveys.</li> <li>Improved digital engagement platforms.</li> <li>Strengthened quality control processes.</li> <li>Addressed customer feedback through structured follow-ups.</li> </ul>
		<ul style="list-style-type: none"> <li>Company and Development Updates</li> <li>Market Outlook</li> <li>Career Progression</li> <li>Learning and Development</li> <li>Work-Life Integration</li> </ul>	<ul style="list-style-type: none"> <li>Regular updates on company strategy and performance</li> <li>Townhalls/ Meetings</li> <li>Internal Emails</li> <li>Employee Handbook</li> <li>Transparent performance appraisal process and rewarding scheme.</li> <li>Provision of training programmes</li> </ul>	<ul style="list-style-type: none"> <li>Implemented training and upskilling programmes. Conducted regular townhalls.</li> <li>Enhanced performance appraisal framework.</li> <li>Introduced employee engagement initiatives.</li> <li>Strengthened workplace policies and well-being programmes.</li> </ul>
Employees	Very Important	<ul style="list-style-type: none"> <li>Employee Engagement</li> <li>Conducive Workplaces</li> <li>Diversity and Inclusion</li> <li>Job Satisfaction and Retention</li> <li>Effective Leadership</li> </ul>		

Key Stakeholders	Priority	Key Concerns & Interests	Engagement Methods and Channels	Key Action
Government and Regulatory Authority	Very Important	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> <li>Labour Practices</li> <li>Occupational Safety and Health</li> <li>Environmental Management and Compliance</li> <li>Operating License</li> <li>Health and Safety</li> <li>Anti-corruption and Business Integrity</li> <li>Timely and Quality Delivery</li> <li>Sourcing of Materials</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with Legislated Framework</li> <li>Regular Dialogue with Government Agencies</li> </ul>	<ul style="list-style-type: none"> <li>Ensured full compliance with applicable laws and regulations.</li> <li>Conducted internal compliance reviews and audits.</li> <li>Maintained regular communication with regulatory bodies.</li> <li>Updated internal policies in line with regulatory changes.</li> </ul>
Supply Chain (Suppliers and Contractors)	Important	<ul style="list-style-type: none"> <li>Job and Business Opportunities</li> <li>Environmental Management System</li> <li>Pricing and Timely Payments</li> <li>Fair Procurement</li> </ul>	<ul style="list-style-type: none"> <li>Vendor evaluation and selection</li> <li>Safety, health and environmental policy</li> <li>Fair and transparent tender process for all procurement</li> <li>Project Management Meetings</li> <li>Client-consultant meeting</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened vendor evaluation processes. Enforced safety and compliance requirements.</li> <li>Implemented transparent procurement practices.</li> <li>Conducted regular supplier performance reviews.</li> <li>Improved payment processes.</li> </ul>

Key Stakeholders	Priority	Key Concerns & Interests	Engagement Methods and Channels	Key Action
Shareholders, Investors and Media	Very Important	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Financial Performance</li> <li>Risk Management</li> <li>Operational Efficiency</li> <li>Effective Leadership</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Reports</li> <li>Annual General Meeting</li> <li>Corporate Website</li> <li>Annual Report</li> <li>Corporate Announcement</li> <li>Email Communication               <ul style="list-style-type: none"> <li>Media Releases</li> </ul> </li> <li>Contributions to local communities</li> <li>Collaboration with local higher education institutions</li> <li>Plenitude Scholarship</li> <li>Community Events</li> <li>Residents' Association Meetings</li> <li>Social media</li> </ul>	<ul style="list-style-type: none"> <li>Provided timely financial and corporate disclosures.</li> <li>Conducted AGM and investor engagements.</li> <li>Enhanced transparency through regular announcements.</li> <li>Strengthened investor communication channels.</li> </ul>
		<ul style="list-style-type: none"> <li>Sustainable Development</li> <li>Community Engagement</li> <li>Corporate Social Responsibility</li> <li>Health and Safety</li> <li>Affordable Housing</li> <li>Location Connectivity (accessibility)</li> <li>Education</li> </ul>	<ul style="list-style-type: none"> <li>Implemented community outreach programmes.</li> <li>Participated in community engagement activities.</li> <li>Contributed to local development initiatives.</li> </ul>	
Community	Important			

## SUSTAINABILITY STATEMENT

### Materiality

In accordance with the Bursa Malaysia Guideline on Sustainability Reporting Requirements, the management approach disclosures focus on issues that are crucial to the organization's sustainability within its operational boundaries. Key components serve as potential measures of performance, and any evaluations or omissions are clearly explained in reporting documents to ensure full compliance with disclosure requirements.

The Group's commitment to fostering a culture of sustainability is evident in how it engages its stakeholders and integrates sustainability practices throughout its value chain. This commitment is grounded in a robust, systematic materiality assessment process that identifies and evaluates the organisation's most significant topics. During the FPE 2025, the Group actively engaged with a broad range of stakeholders to gather insights, identify key concerns, and prioritise ZTIB's updated list of material Economic, Environmental, and Social ("EES") topics. The outcomes of this assessment directly influence the Group's business strategies and guide the ongoing evolution of its EES management approach.

The materiality assessment conducted during FPE 2025 was designed to align the Group's sustainability priorities with evolving global trends in EES and to address the changing expectations and concerns of our stakeholders. By doing so, the Group ensures that its sustainability initiatives remain relevant and responsive to both international standards and stakeholder needs.

The Group identified, prioritised, and assessed its list of material matters by seeking the perspectives of its valued stakeholders through a thorough Materiality Assessment Exercise ("MAE"). The initial list of identified material matters included in the MAE is as follows:

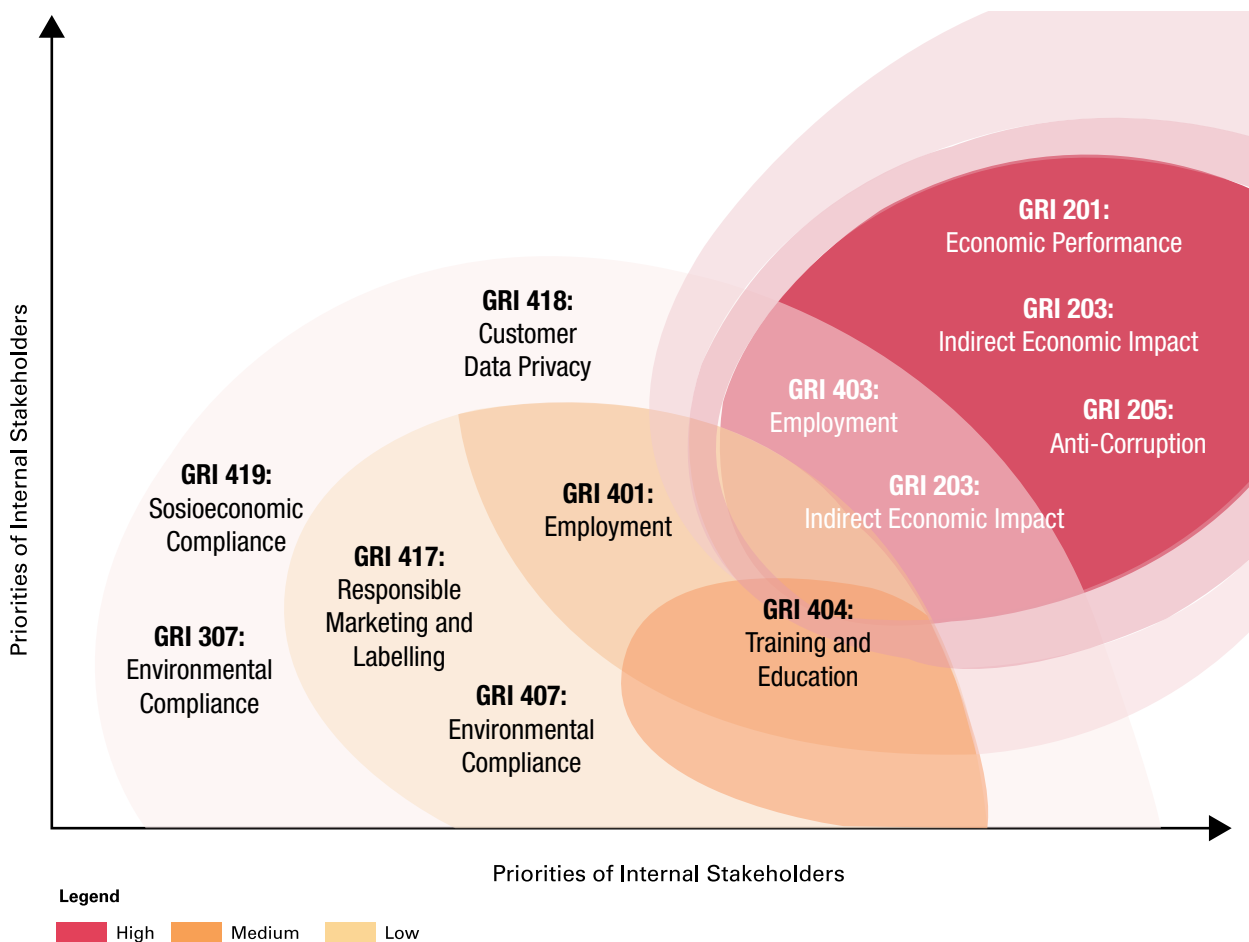


The Group is also aligned to the GRI 103 Management Approach.

- Disclosure 103-1 Explanation of the material topic and its Boundary
- Disclosure 103-2 The management approach and its components
- Disclosure 103-3 Evaluation of the management approach

Material topics reflect an organisation’s significant economic, environmental, and social impacts, which influence stakeholders’ decisions. The Group reviewed the disclosure topics for FPE 2025, in accordance with GRI 102: General Disclosures and the Group’s Statement on Risk Management and Internal Control (SORMIC), for some of its materiality topics.

The MAE has further reaffirmed how ZTIB prioritises its material matters, as shown below in the materiality matrix:



The Group continues to place a high priority on material issues, including economic performance and regulatory requirements such as GRI 205 (Anti-corruption) and GRI 419 (Socioeconomic Compliance). We also prioritise our customers by ensuring that our practices fully comply with Customer Privacy (GRI 418). Furthermore, Marketing and Labelling (GRI 417) matters remain an area of focus as we expand our client base across the region.

## SUSTAINABILITY STATEMENT

As the Group continues its operations, our team regularly reviews profitability and project deliverables, guided by the material topics outlined in the GRI framework. In particular, we emphasise Employment (GRI 401), Occupational Health and Safety (GRI 403), and Training and Education (GRI 404), ensuring that these critical areas remain central to our operational strategy and employee development.

Operating within office premises managed by a third-party building management company, we remain attentive to meeting all necessary Environmental Compliance requirements as prescribed by building management (GRI 307). As we continue expanding our production site, we are committed to diligently adhering to the Environmental Impact Assessment findings and guidelines. This proactive approach ensures that we not only meet regulatory expectations but also contribute positively to environmental stewardship as our operations grow.

### ECONOMIC IMPACT

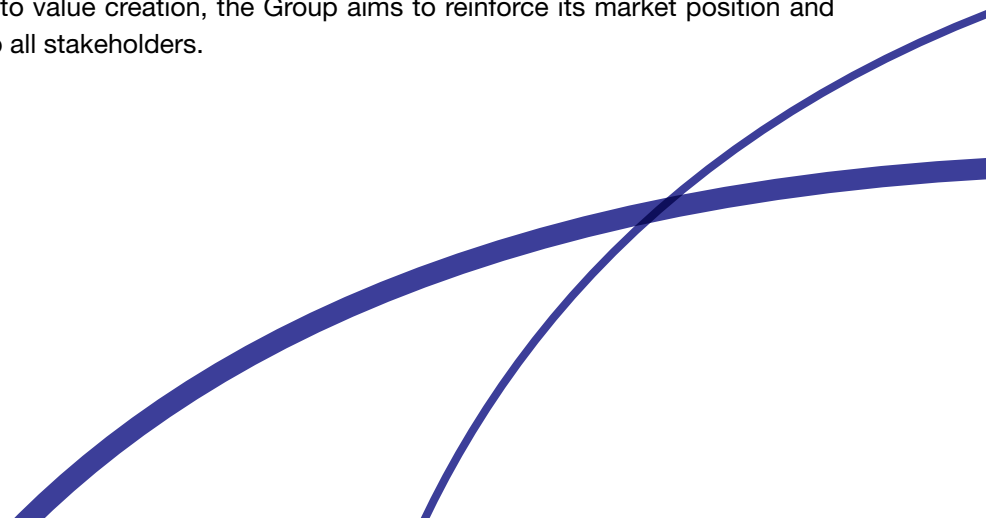
The Group continues to generate both direct and indirect economic value for its stakeholders through disciplined business operations, notwithstanding the challenging financial performance recorded during the financial year. The Group reported revenue of RM78.9 million and a loss before tax of RM17.975 million, reflecting prevailing market conditions. Despite this, the Group remains committed to strengthening its financial resilience and delivering sustainable value over the long term.

The Group's operations facilitate the distribution of economic value to key stakeholder groups, including employees, governments, suppliers, and the wider community. During FPE 2025, the Group contributed RM7.07 million in employee wages and benefits, supporting workforce well-being and livelihoods, while RM0.41 million in taxes paid contributed to national development, including infrastructure and essential public services such as healthcare, education, and transportation.

In addition, the Group reinvested approximately RM3.00 million into business operations, demonstrating its commitment to maintaining operational continuity, enhancing efficiency, and supporting future growth initiatives. These reinvestments are critical in strengthening the Group's long-term competitiveness and sustainability.

Beyond direct financial contributions, the Group also generates indirect economic value through its supply chain by creating business opportunities for vendors and contractors, as well as supporting local communities through its operational presence. These activities contribute to broader economic participation and create multiplier effects within the markets in which the Group operates.

Moving forward, the Group remains focused on improving operational performance, strengthening cost management, and enhancing efficiency to restore profitability. By maintaining strong stakeholder relationships and adopting a disciplined approach to value creation, the Group aims to reinforce its market position and deliver sustainable, long-term value to all stakeholders.



## CUSTOMER SATISFACTION

We are committed to achieving total customer satisfaction by consistently delivering high-quality products and services. Happy and loyal customers are fundamental to the long-term growth and success of our business, as their continued support drives our performance and market reputation. Therefore, serving the evolving needs and expectations of our customers is essential to building enduring, trusting relationships.

To uphold this commitment, we conduct regular, proactive engagements with our customers, including feedback surveys, direct consultations, and after-sales support initiatives. We believe that listening attentively to our customers' voices is key to understanding their requirements and identifying ways to enhance their experience. These interactions provide us with valuable insights that guide our continuous improvement efforts in delivering our products and services.

With the following certifications and licences, we are able to ensure a stringent quality benchmark for our products:

- ISO 13485 :2016 / MS ISO 13485:2017 (Manufacturing and Distribution of Latex Gloves)
- Medical Device Authority Malaysia (Manufacturing Licence)
- Lembaga Getah Malaysia (Manufacturing & Export Licence)

Moreover, our customer-centric approach fosters a culture of responsiveness and innovation within the organisation. By acting on customer feedback and anticipating market trends, we are better positioned to deliver solutions that exceed customer expectations and strengthen our competitive advantage. Ultimately, our focus on customer satisfaction not only supports business sustainability but also reinforces our reputation as a trusted partner in the marketplace.

## PRODUCT QUALITY AND RESPONSIBILITY

The Group places the utmost importance on maintaining the highest standards of product and service quality, recognising that these are critical to sustaining customer satisfaction, loyalty, and a strong brand reputation. To this end, the Management has established a culture that prioritises excellence at every stage, from product ideation and design through to final delivery and after-sales support.

Our commitment is reflected in a rigorous approach to fulfilling all product orders with an unwavering focus on quality, punctuality, and cost-effectiveness. We carefully monitor our entire value chain, working closely with suppliers to ensure that only premium-grade materials are sourced. Each production phase is meticulously managed in accordance with detailed Standard Operating Procedures (SOPs), which are regularly updated to incorporate best practices and evolving industry standards.

Quality control is a continuous process, encompassing in-process inspections, final product testing, and post-delivery evaluations. We empower employees at all levels to take ownership of quality outcomes, providing ongoing training and resources to support their efforts. Any deviations or non-conformities are swiftly addressed through corrective and preventive actions to minimise disruption and uphold our quality promise.

## SUSTAINABILITY STATEMENT



Furthermore, we actively seek and value customer feedback as an essential tool for improvement. By systematically analysing feedback and market trends, we adapt our products and services to better meet customer needs and exceed expectations. Our dedication to quality and responsibility not only ensures regulatory compliance but also strengthens trust with our customers and stakeholders, positioning the Group as a reliable partner in every market we serve.

### Governance And Regulatory Compliance

Good governance is the cornerstone for building trust and confidence among stakeholders. The Group is steadfast in its commitment to upholding the highest standards of corporate governance, ethics, integrity, and accountability across all levels of its daily operations. To reinforce a culture of transparency and responsible conduct, the Group has established a robust framework of policies designed to instil integrity at the workplace, including the following:

- Anti-Bribery and Corruption Policy
- Whistleblowing Policy
- Directors' Fit and Proper Policy

More details on the Groups' governance practices are available in the Corporate Governance Overview Statements of this Annual Report.

## ENVIRONMENTAL IMPACT

### Environmental Compliance

The Group recognises the significant challenges and responsibilities associated with environmental impact arising from its operations. We understand that our activities, if not properly managed, can have far-reaching consequences on ecosystems, local communities, and overall environmental health. As such, we are deeply committed to identifying, understanding, and minimising all potential sources of environmental risk within our operational footprint.

There are a wide range of environmental compliance issues that, if not addressed, can lead to serious legal liabilities, regulatory penalties, and reputational damage. These include adherence to national and international laws governing emissions, waste disposal, resource usage, and pollution control. Failure to comply with these regulations not only undermines our commitment to sustainability but can also jeopardise our license to operate.

These compliance issues can arise from various aspects of the factory's operations, including emissions that affect air quality, discharge of pollutants into water bodies, improper storage, treatment, or disposal of hazardous waste, and inadequate handling or storage of chemicals and raw materials. Each of these factors poses distinct threats to the environment, ranging from the contamination of air and water resources to soil degradation and harm to local biodiversity. Our responsibility extends to proactively preventing such incidents and swiftly addressing any occurrences to safeguard both the environment and the well-being of local communities.

We strive to integrate recognised best practices into every aspect of our daily operations. This includes establishing clear accountability at every operational level, deploying advanced monitoring systems to track environmental performance, and implementing innovative initiatives to reduce emissions, conserve resources, and minimise waste. Our approach is guided by a commitment to continuous improvement, with regular reviews of our processes to identify opportunities to further mitigate our environmental footprint.

The team conducts regular, comprehensive environmental assessments to proactively identify, evaluate, and rectify potential compliance risks. These assessments enable us to stay ahead of regulatory changes and industry standards. We also implement an ongoing training program to ensure all employees are well-versed in the latest environmental regulations, best practices, and safe handling procedures for hazardous substances. Our robust monitoring and reporting system allows us to track key environmental performance indicators, promptly address any deviations, and transparently report our progress to stakeholders. This integrated approach ensures our commitment to environmental stewardship is embedded in our organisational culture.

### Energy Consumption

The Group is committed to managing its resources and energy consumption efficiently to minimise environmental impact and promote the sustainable use of natural resources. As part of this commitment, we continuously implement initiatives to improve energy efficiency across our operations.

To reduce electricity consumption, the Group has adopted energy-efficient lighting and energy-saving equipment, enhanced operational efficiency, while supported our environmental objectives. The consumption for FPE 2025 is for the 18-month period ended 31 December 2025. The following indicates the electricity consumption comparison for the FYE 2023, FYE 2024 and FPE 2025.

## SUSTAINABILITY STATEMENT

Energy	Unit	2023	2024	2025
Electricity Consumption	kWh	1,193,531	1,906,238	2,945,821

### Natural Gas

Natural gas is an integral part of our production. The Group is actively pursuing initiatives to reduce gas usage within its production processes. These include exploring alternative burner technologies and installing more efficient boiler systems, which are expected to reduce overall gas consumption and improve cost efficiency.

The consumption for FPE 2025 is for the 18-month period ended 31 December 2025. The following shows the electricity consumption comparison for FYE 2023, FYE 2024, and FPE 2025.

Energy	Unit	2023	2024	2025
Natural Gas	Gj	90,708	112,306	217,375

The increase in energy consumption is primarily attributable to the extended reporting period and operational requirements. The Group remains focused on enhancing energy efficiency and reducing its environmental footprint over time.

### Water Consumption

Water is a key natural resource for our manufacturing operations, playing a critical role in various stages of production, from cleaning and processing to cooling and equipment maintenance. Given the substantial volume of fresh water required in our daily operations, we are proactively exploring long-term solutions to ensure a reliable and sustainable water supply. One major initiative under consideration is the investment in our own raw water treatment plant. This facility would enable us to draw water from natural sources, such as rivers or lakes, and process it on-site into clean, high-quality water suitable for all our production needs.

In addition to our current reliance on water supplied by Jabatan Bekalan Air (“JBA”), we are evaluating the feasibility of integrating advanced rainwater harvesting systems. By capturing and utilizing rainwater, we aim to reduce our dependence on river water and the municipal supply from JBA, thereby promoting more responsible water stewardship and mitigating potential risks associated with water scarcity or supply interruptions. These efforts are part of our broader commitment to environmental sustainability and resource efficiency, ensuring that our manufacturing activities have a minimal ecological footprint while securing the water resources needed for future growth and resilience.

The consumption for FPE 2025 is for the 18-month period ended 31 December 2025. The following shows the electricity consumption comparison for FYE 2023, FYE 2024, and FPE 2025.

Water	Unit	2023	2024	2025
Water Consumption	m3	23,200	31,141	55,668

## Waste Management

Proper waste management is essential for ZTIB, as improper handling of waste and unpleasant odours can pose significant risks to both human health and the environment. Recognising these risks, we are committed to implementing comprehensive waste management practices throughout all areas of our operations. Our goal is to minimize the negative impact of our business activities by continuously improving our processes, adopting best practices, and ensuring regulatory compliance. We also aim to raise awareness among our staff regarding environmentally responsible waste disposal and the importance of maintaining a healthy workplace and community.

All types of waste generated at our facilities including scrap and trim waste, defective gloves, packaging materials, chemical water, and wastewater, are systematically collected and segregated by category. These wastes are then managed by registered contractors who transport them to approved disposal facilities and premises for further treatment or recycling, as required by local regulations. We strictly monitor the disposal process to ensure that all waste is treated responsibly, minimising any potential harm to the environment and surrounding communities.



All construction waste generated from our new production lines is carefully managed to prevent environmental contamination. These wastes are collected, sorted, and disposed of by an appointed, licensed, scheduled waste collector who is registered with the Department of Environment. By engaging only certified professionals, we ensure that construction debris is handled in full compliance with regulatory requirements and disposed of using environmentally sound methods. We also conduct regular audits of our waste management contractors to maintain high standards of performance and environmental stewardship.

## SUSTAINABILITY STATEMENT

### SOCIAL IMPACT

The Group recognises the significance of social and material matters within the organisation, acknowledging that the strength, well-being, and engagement of our workforce are fundamental to our continued success. Our people are at the heart of our operations, and we remain committed to fostering a supportive and inclusive environment that enables them to thrive.



#### Workforce Practices

We regard our employees as one of our most valuable assets and are dedicated to nurturing their growth and development through continuous investment in human capital. By equipping our workforce with the necessary skills, knowledge, and opportunities, we aim to cultivate a resilient, engaged, and high-performing team capable of adapting to evolving business and industry demands.

Through these efforts, the Group not only enhances employee well-being and organisational capability but also reinforces its commitment to sustainable growth. We believe that a strong, empowered workforce is essential in driving long-term value creation and achieving our broader sustainability and strategic objectives.

# Employee Benefits



## Inclusion And Diversity

The Group is committed to fostering an inclusive and equitable workplace, underpinned by a non-discriminatory approach in which all individuals are assessed on merit. This includes competence, qualifications, experience, and professional contributions. These principles are consistently applied across all stages of the employment lifecycle, including recruitment, remuneration, promotion, compensation, and the allocation of benefits.

By upholding merit-based practices, the Group cultivates a fair and transparent work environment that enables the attraction, development, and retention of talent from diverse backgrounds.

Beyond regulatory compliance, the Group recognises that promoting inclusion and diversity is a shared responsibility and reflects its core values. We are committed to providing equal opportunities and fair treatment to all employees, regardless of race, gender, age, religion, or background. Embracing diversity enables the organisation to harness a wide range of perspectives, fostering innovation, strengthening collaboration, and enhancing overall organisational performance.

## Type of Employment

ZTIB actively promotes a workplace culture that respects human rights and is free from discrimination, harassment, intimidation, or abuse. Employees are encouraged to uphold these values and contribute to an inclusive environment. The Group also remains committed to empowering women in the workforce by supporting their professional development and leadership advancement.

# SUSTAINABILITY STATEMENT

## Total Employees by Category

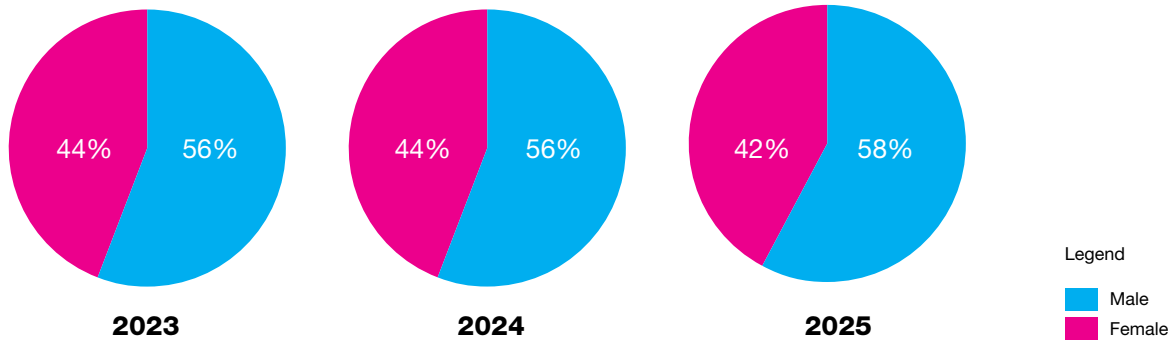
	2023	2024	2025
Management	4%	4%	3%
Middle Management	1%	2%	1%
Executive	4%	5%	7%
Non Executives	2%	2%	1%
General Workers	89%	89%	88%

## Diversity By Gender

This commitment is reinforced through the Group’s Code of Conduct and related policies, which establish clear standards for ethical behaviour, fair employment practices, and mutual respect across the organisation.

As at 31 December 2025, the Group employed a total workforce of 144 employees, reflecting a diverse and dynamic talent base.

## Percentage of Employees’ Diversity By Gender



## Employee Diversity by Gender and Employee Category

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Management	80%	20%	80%	20%	80%	20%
Middle Management	100%	0%	100%	0%	50%	50%
Executive	38%	62%	22%	78%	40%	60%
Non Executive	100%	0%	100%	0%	100%	0%
General Workers	56%	44%	57%	43%	61%	39%

**Employee Diversity by Age and Employee Category**

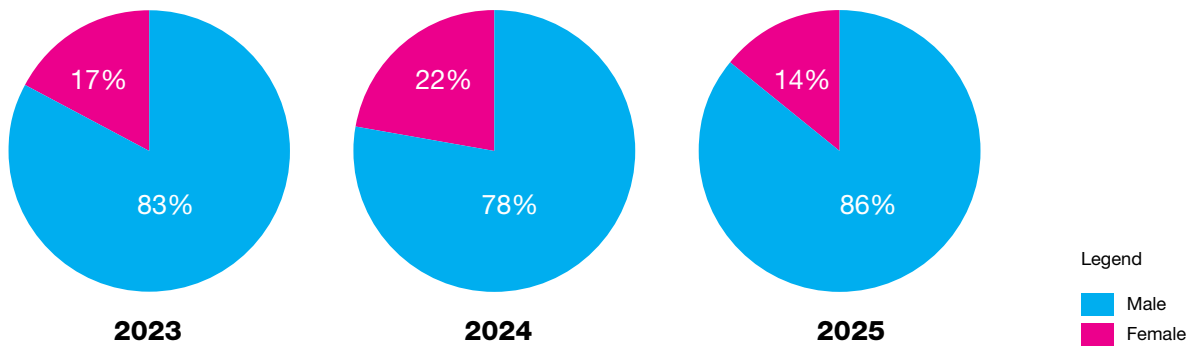
	2023			2024			2025		
	Below 30	30-50	Above 50	Below 30	30-50	Above 50	Below 30	30-50	Above 50
Management		33%	67%		33%	67%		33%	67%
Middle Management		100%		13%	87%		13%	87%	
Executive	89%	11%		90%	10%		89%	11%	
Non Executives		50%	50%		50%	50%		50%	50%
General Workers	90%	10%		85%	15%		90%	10%	

**Board Diversity**

The Group recognises that Board diversity is a key element of effective corporate governance and plays an important role in supporting sustainable business practices. A diverse Board enhances the quality of decision-making by bringing together a wide range of perspectives, experiences, and expertise, which is critical in addressing evolving ESG considerations.

The Group is committed to maintaining an appropriate balance of diversity across its Board, including gender, age, ethnicity, professional background, skills, and experience. This diversity enables the Board to better understand stakeholder expectations, manage sustainability-related risks and opportunities, and support the Group’s long-term strategic objectives.

**Percentage of Directors by Gender**



## SUSTAINABILITY STATEMENT

### Percentage of Directors by Age Group

	Below 30	30-50	Above 50
2023	-	29%	71%
2024	-	22%	78%
2025	-	29%	71%

Please refer to pages 12 to 18 on the Annual Report 2025 for further information on the Board.

### Talent Retention and Development

Talent retention and development remain central to the Group's long-term success and sustainability. We recognise that human capital is the foundation of our business, and our ability to attract, develop, and retain talent directly influences our organisational performance and resilience.

The Group is committed to fostering a workplace culture that empowers and inspires employees to perform at their full potential. By promoting continuous learning, professional growth, and employee engagement, we aim to build a high-performing and future-ready workforce. Our approach focuses on creating an environment that supports capability development, encourages innovation, and strengthens collaboration across all levels of the organisation.

As part of this commitment, the Group actively invests in structured training and development initiatives to enhance employee competencies and adaptability in a rapidly evolving business landscape. During the FPE 2025, a total of 980 training hours were recorded, reflecting our continued emphasis on upskilling and knowledge enhancement.

These initiatives not only support individual career progression but also contribute to the Group's ability to sustain operational excellence and deliver long-term value to stakeholders.

### Total Training Hours by Employee Category

	2023	2024	2025
	Hours		
Senior Management	220	170	195
Middle Management	110	190	450
Executives	90	285	335

### Conclusion

Throughout the FPE 2025, the Group remains steadfast in its commitment to integrating sustainability best practices across its operations, while advancing responsible environmental and social initiatives alongside economic growth. This approach reflects our dedication to creating long-term value in a manner that is both sustainable and responsible.

The Group upholds a strong commitment to transparency, ensuring that our performance, challenges, and progress are communicated openly to stakeholders. Our leadership remains fully accountable for driving continuous improvement and embedding sustainability principles into our business strategies and decision-making processes.



We also place significant emphasis on fostering meaningful, bidirectional engagement with our stakeholders. ZTIB actively welcomes inquiries, feedback, and concerns, recognising these as essential inputs that strengthen our sustainability practices and enhance the quality, relevance, and integrity of our reporting. Through this ongoing dialogue, we aim to build trust, improve accountability, and support our continuous sustainability journey. These can be directed to:

**Mr Siva Kumar Kalugasalam**  
Executive Director  
Zen Tech International Berhad

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FYE 31/12/2025

## ZEN TECH INTERNATIONAL BERHAD BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate Change	Electricity Consumption	kWh	2,945,821	-	Internal
Climate Change	Natural Gas Consumption	m3	217,375	-	Internal
Climate Change	Water Consumption	m3	55,668	-	Internal
Talent Management and Empowerment	Total training hours for Senior Management	Hours	195	-	Internal
Talent Management and Empowerment	Total training hours for Middle Management	Hours	450	-	Internal
Talent Management and Empowerment	Total training hours for executives	Hours	335	-	Internal
Talent Management and Empowerment	Total Number of Employee Turnovers for Senior Management	Number	Nil	-	Internal
Talent Management and Empowerment	Total Number of Employee Turnovers for Middle Management	Number	1	-	Internal
Talent Management and Empowerment	Total Number of Employee Turnovers for Executives	Number	Nil	-	Internal
Talent Management and Empowerment	Total Number of Employee Turnovers for Non Executives	Number	Nil	-	Internal
Talent Management and Empowerment	Total Number of Employee Turnovers for General Workers	Number	25	-	Internal
Diversity, Equity and Inclusion (DEI)	Board Diversity by Gender (Male)	Percentage (%)	86%	-	Internal
Diversity, Equity and Inclusion (DEI)	Board Diversity by Gender (Female)	Percentage (%)	14%	-	Internal
Diversity, Equity and Inclusion (DEI)	Board Diversity by Age Group (<30)	Percentage (%)	Nil	-	Internal
Diversity, Equity and Inclusion (DEI)	Board Diversity by Age Group (30-50)	Percentage (%)	29%	-	Internal
Diversity, Equity and Inclusion (DEI)	Board Diversity by Age Group (>50)	Percentage (%)	71%	-	Internal

## ZEN TECH INTERNATIONAL BERHAD

### BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Gender for each employee category (Senior Management - Male)	Percentage (%)	80%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Gender for each employee category (Senior Management - Female)	Percentage (%)	20%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Gender for each employee category (Middle Management - Male)	Percentage (%)	50%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Gender for each employee category (Middle Management - Female)	Percentage (%)	50%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Gender for each employee category (Executive - Male)	Percentage (%)	40%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Gender for each employee category (Executive - Female)	Percentage (%)	60%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Gender for each employee category (Non-Executive - Male)	Percentage (%)	100%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Gender for each employee category (General Workers - Male)	Percentage (%)	61%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Gender for each employee category (General Workers - Female)	Percentage (%)	39%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Senior Management (<30))	Percentage (%)	Nil	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Senior Management (30-50))	Percentage	33%	-	Internal

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FYE 31/12/2025

## ZEN TECH INTERNATIONAL BERHAD BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Senior Management (>50))	Percentage	67%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Middle Management (<30))	Percentage	13%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Middle-Management (30-50))	Percentage	87%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Middle Management (>50))	Percentage	Nil	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Executive (<30))	Percentage	89%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Executive (30-50))	Percentage	11%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Executive >50)	Percentage	Nil	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Non-Executive <30)	Percentage	Nil	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Non-Executive (30-50))	Percentage	50%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (Non-Executive (>50))	Percentage	50%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (General Workers (<30))	Percentage	90%	-	Internal

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 FYE 31/12/2025

ZEN TECH INTERNATIONAL BERHAD  
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (General Workers (30-50))	Percentage	10%	-	Internal
Diversity, Equity and Inclusion (DEI)	Employee Diversity by Age Group for each employee category (General Workers (>50))	Percentage	Nil	-	Internal
Human Rights and Labour Practices	Number of substantiated complaints pertaining to labour standards and human rights violations	Number	Nil	-	Internal
Community Support and Development	Total amount invested	MYR	25,000	-	Internal
Corporate Governance and Compliance	Percentage of operations assessed for corruption-related risks	Percentage	100%	-	Internal
Corporate Governance and Compliance	Percentage of employees who have received Anti-Bribery and Anti-Corruption training by employee category (Senior Management)	Percentage	100%	-	Internal
Corporate Governance and Compliance	Bribery and Anti-Corruption training by employee category (Middle Management)	Percentage	100%	-	Internal
Corporate Governance and Compliance	Bribery and Anti-Corruption training by employee category (Executive)	Percentage	60%	-	Internal
Corporate Governance and Compliance	Number of confirmed incidents of corruption and action taken	Number	Nil	-	Internal
Data Protection and Cybersecurity	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data received	Number	Nil	-	Internal

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Malaysian Code of Corporate Governance 2021 (“MCCG”) defines corporate governance as “the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders.”

The Board of Directors (“Board”) of Zen Tech International Berhad (“ZTIB” or the “Company”) remains committed to upholding the principles of good corporate governance that are central to the Company’s effective operation and to ensuring the highest standards of accountability and transparency. The Board supports the Corporate Governance Framework and continues to improve existing practices and to achieve the Company’s objectives.

The Board is pleased to set out below how the Group has applied the three main principles in the MCCG. This Corporate Governance Overview Statement is complemented with a Corporate Governance Report (the “CG Report”), in conformity with Rule 15.25(2) of the ACE Market Listing Requirement (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), to provide an extensive overview of the application of the Group’s corporate governance practices as specified in the Code throughout the financial period ended 31 December 2025 (“FPE 2025”).

- Principle A: The Board Leadership and effectiveness
- Principle B: Effective Audit and risk Management: and
- Principle C: integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This statement is to be read together with the CG Report 2025 of the Company which is available on ZTIB’s website at [www.ztech.com.my](http://www.ztech.com.my).



## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### PART I – BOARD RESPONSIBILITIES

#### 1.1. Strategic Aims, Values and Standards

The Board is collectively responsible for the long-term success and sustainability of the Group and for setting the strategic direction of its operations. The Board provides leadership and oversight to ensure that the Group's business is conducted in a responsible, ethical, and sustainable manner, with due regard to product quality, operational excellence, regulatory compliance, and the interests of stakeholders.

In discharging its responsibilities, the Board reviews and approves the Group's strategic and business plans, taking into consideration prevailing economic conditions, global demand and supply dynamics for glove products, pricing pressures, raw material costs, and evolving regulatory requirements across the markets in which the Group operates. The Board also takes into account key operational priorities, including capacity optimisation, automation, technological advancement, and cost efficiency, to ensure the Group remains competitive and resilient.

The Board places strong emphasis on environmental, social, and governance ("ESG") considerations in its decision-making process. This includes oversight of initiatives relating to environmental management, energy efficiency, waste reduction, and sustainable manufacturing practices. In addition, the Board is mindful of the importance of responsible labour practices, including the fair treatment and welfare of workers, compliance with applicable labour laws, and adherence to internationally recognised standards on human rights and employment conditions.

The Board also oversees the Group's risk management and internal control framework to ensure that key risks, including operational, financial, regulatory, and reputational risks, are identified, assessed, and effectively managed. This includes monitoring risks associated with supply chain disruptions, changes in regulatory requirements, and fluctuations in global demand.

To support the effective discharge of its duties, the Board has established four Board Committees, namely the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC"), and Risk Management and Investment Committee ("RMIC"). Each Committee operates within clearly defined terms of reference ("TOR") approved by the Board, which set out its respective roles, responsibilities, and authority.

The Board reviews the TOR of the Board Committees periodically and as and when required to ensure they remain relevant and aligned with regulatory requirements, industry best practices, and the Group's operational needs. The Board also appoints the Chairperson and members of each Committee, taking into consideration the appropriate balance of skills, experience, independence, and diversity.

The Board Committees assist the Board by providing focused oversight and making recommendations on matters within their respective purviews, including financial reporting integrity, governance practices, remuneration policies, risk management, and investment decisions. This enables the Board to make informed and balanced decisions in the best interests of the Group.

The TOR of the respective Board Committees are available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 1.2. Chairperson

During the FPE 2025, YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar, Tunku Puteri Johor (“YAM Tunku Dr. Kamariah”), the former Chairperson, served as an Independent Non-Executive Director and was responsible for leadership, effectiveness, conduct, and governance of the Board. She was committed to good corporate governance practices and led the Board towards a high-performing culture. YAM Tunku Dr. Kamariah has since resigned on 10 November 2025.

Following her resignation, the Company currently does not have a designated Chairman. The Company will be looking to fill the vacant Chairperson position.

### 1.3. Separation of the positions of the Chairperson and Executive Directors

During the FPE 2025, the positions of the Chairperson and the Executive Directors are held by separate individuals, in line with the principles of the MCCG, particularly Practice 1.3. The Chairperson was an Independent Non-Executive Director, which reinforces objectivity, promotes balanced decision-making, and supports effective oversight of the Management.

The Chairperson is responsible for providing leadership to the Board, ensuring its effectiveness in discharging its duties, and fostering a culture of openness and constructive debate. The Chairperson also ensures that the Board agenda is appropriately structured to enable informed deliberations and that the Directors receive timely and adequate information.

The Executive Directors are responsible for the day-to-day management of the Group’s operations and for implementing strategies and policies approved by the Board.

This clear separation of roles ensures a balance of power and authority, with a distinct division between the Board’s leadership and the Group’s business management. It also mitigates the risk of concentration of power in any one individual and strengthens the Board’s ability to exercise independent judgement, in line with Practice 4.1 of MCCG.

The Board also maintains a clear distinction between Executive and Non-Executive Directors. The presence of Non-Executive Directors, the majority of whom are Independent, provides effective oversight of the Management and safeguards the interests of shareholders and other stakeholders.

Currently, as the Company does not have a designated Chairman, the Executive Directors and Independent Directors take turns serving as Chairman to ensure the proper conduct of the Board and general meetings, with the Chairman elected prior to each meeting.

### 1.4. The Chairperson of the Board should not be a member of the Board Committees

The Board observes the recommendation of the MCCG under Practice 1.4, which stipulates that the Chairperson of the Board should not serve on the AC, NC, or RC to preserve the objectivity and independence of the Board Committees.

During the tenure of the former Chairperson of the Board, YAM Tunku Dr. Kamariah did not serve as a member of any Board Committees or chair any of them. This ensures clear separation between the Board's leadership and the functioning of the Board Committees, thereby strengthening governance practices and enhancing independent oversight.

The Board Committees are primarily composed of Independent Non-Executive Directors, in line with MCGG recommendations. This composition supports objective and unbiased deliberations, reinforces the integrity of the Board's decision-making process, and ensures effective checks and balances in the discharge of the Board's responsibilities.

### 1.5. Company Secretaries

The Board is supported by two (2) qualified and competent Company Secretaries to provide support and guidance in advising the Board on all secretarial matters of the Company, in relation to, but not limited to, the Companies Act 2016 (the "Act"), AMLR of Bursa Securities, and MCGG.

The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretaries pursuant to Section 235(2) of the Act.

The Company Secretaries support the Board in carrying out their fiduciary duties and stewardship role in shaping the Group's standard of corporate governance. The Company Secretaries also served in an advisory role to the Board, particularly regarding the Company's Constitution, the Board's policies and procedures, and compliance with regulatory requirements, codes, guidelines, legislation, and the principles of corporate governance.

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and, where applicable, briefed the Board quarterly on these updates at Board meetings. Throughout their period in office, the Directors are continually being updated on the regulatory requirements.

The Company Secretaries also serve notice to the Directors to notify them of closed periods for trading in the Company's shares, in accordance with Chapter 14 of the AMLR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretaries.

### 1.6. Access to Information and Advice

The Board is provided with timely and quality information to enable it to discharge its duties and responsibilities effectively. All Directors have unrestricted access to information pertaining to the Group's business and affairs, including operational, financial, and compliance matters, to facilitate informed decision-making.

Board papers, which include relevant reports and supporting information, are circulated to the Directors in advance of Board and Board Committee meetings to allow sufficient time for review and deliberation. Senior Management and external advisers may be invited to attend Board and Board Committee meetings to provide additional insights and clarifications, where necessary.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

All Directors also have direct access to the advice and services of the Company Secretaries, who are responsible for ensuring that Board procedures are followed and that applicable laws, regulations, and governance standards are complied with.

In addition, the Board, whether as a whole or in its individual capacity, is entitled to seek independent professional advice at the Group's expense, where necessary, in furtherance of its duties.

### 1.7. Board Charter

The Board has formalised and adopted a Board Charter, which serves as a key reference document outlining the Board's governance framework and guiding principles. The Board Charter sets out, among others, the composition of the Board, the appointment and re-election of Directors, and the roles and responsibilities of the Board, Board Committees, the Chairperson, Executive Directors, and Independent Non-Executive Directors.

The Board Charter also delineates matters reserved for the Board's collective decision-making, ensuring clarity in authority and accountability. In addition, the specific roles and responsibilities of the Board Committees, as well as the scope of matters delegated to them, are set out in the respective TOR of each Board Committee.

The Board reviews the Board Charter periodically and updates it as and when necessary to ensure it remains relevant and consistent with the Group's objectives, prevailing laws, regulatory requirements, and best governance practices.

The Board Charter is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my)

### 1.8. Matters Reserved for the Board

The Board has adopted a formal schedule of matters reserved for its collective decision-making to ensure clear accountability and authority in the Group's governance. These matters are not delegated to the Management and require the Board's review and approval.

The key matters reserved for the Board include, but are not limited to, the following:

- **Strategic and Business Matters**  
Approval of the Group's strategic plans, business plans, and key corporate objectives, as well as oversight of the Management's performance in implementing these plans.
- **Financial Matters**  
Approval of annual budgets, financial statements, and major capital expenditures, as well as significant financial commitments and investments.
- **Corporate Governance and Policies**  
Approval of key governance policies, including the Board Charter, TOR of Board Committees, and other policies relating to risk management, internal controls, and compliance.

- **Risk Management and Internal Controls**  
Oversight of the Group's risk management framework and internal control systems, including the review of significant risks and mitigation measures.
- **Major Transactions and Investments**  
Approval of significant acquisitions, disposals, investments, and other corporate exercises, including joint ventures and strategic partnerships.
- **Board and Senior Management Matters**  
Appointment, re-election, and removal of Directors, as well as the appointment and evaluation of key senior management personnel, including succession planning.
- **Remuneration Matters**  
Approval of remuneration policies and packages for Directors and key senior management, based on recommendations from the RC.
- **Compliance and Regulatory Matters**  
Ensuring compliance with applicable laws, regulations, and relevant governance standards, including disclosures required under AMLR of Bursa Securities.

The matters reserved for the Board are reviewed periodically to ensure they remain relevant, comprehensive, and aligned with the Group's operational and regulatory requirements.

## 1.9. Good Business Conduct and Corporate Culture

The Board is committed to promoting a strong corporate culture that is grounded in ethical conduct, integrity, and accountability. The Board sets the tone from the top and expects employees across the Group to uphold the highest standards of professionalism and ethical behaviour in the conduct of business.

To support this, the Group has established and implemented the following policies and frameworks to reinforce good business conduct and to mitigate risks:

### 1.9.1. Code of Conduct and Ethics

The Group has adopted a Code of Conduct and Ethics applicable to both Directors and employees, which outlines the expected standards of behaviour in the discharge of their duties. The Code emphasises principles of integrity, transparency, accountability, and social responsibility, and is aligned with applicable laws, regulations, and best governance practices. The Code of Conduct and Ethics is accessible on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 1.9.2. Whistleblowing Policy

The Group has established a Whistleblowing Policy that provides a formal, confidential channel for employees and stakeholders to report concerns about suspected misconduct, breaches of laws or regulations, or unethical behaviour. This includes, but is not limited to, financial malpractice, fraud, non-compliance, criminal activity, and corruption. The policy is designed to ensure that such concerns are addressed in a timely and appropriate manner, with adequate protection provided to whistleblowers. The Whistleblowing Policy is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my). No whistleblowing reports were received during the financial period.

### 1.9.3. Anti-Bribery and Corruption Policy

The Group adopts a zero-tolerance approach towards bribery and corruption and is committed to conducting its business in an ethical and transparent manner. An Anti-Bribery and Corruption Policy and Guidelines have been implemented to guide Directors and employees in preventing, detecting, and addressing bribery and corruption risks. This policy is in line with applicable anti-corruption laws and regulatory requirements. The policy is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

### 1.9.4. Corporate Disclosure Policy and Procedure

The Group has a Corporate Disclosure Policy and Procedure in place to ensure that disclosures to shareholders and the investing public are accurate, timely, and comprehensive. This policy outlines the processes and responsibilities for handling and disseminating material information in compliance with regulatory requirements and best practices in corporate transparency. The Corporate Disclosure Policy and Procedure is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

The Board periodically reviews these policies to ensure their continued relevance and effectiveness in promoting a culture of integrity, transparency, and good governance across the Group.

## PART II – BOARD COMPOSITION

### 2.1 Board Composition and Independent Directors of the Board

Currently, the Board comprises seven (7) members as set out below: -

No	Name	Designation
1	Siva Kumar Kalugasalam	Executive Director
2	Dato' Zhang Li	Executive Director
3	Chow Hung Keey	Executive Director
4	Edwin Silvester Das	Senior Independent Non-Executive Director
5	Zhang Yang	Non-Independent Non-Executive Director
6	Wong Kok Fong	Independent Non-Executive Director
7	Dato' Zaidi bin Mat Isa @ Hashim	Independent Non-Executive Director

During the financial period under review, there were changes to the composition of the Board. The details of the changes are as follows:

- YAM Tunku Dr. Kamariah resigned as Independent Non-Executive Chairperson on 10 November 2025.
- Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir resigned as Independent Non-Executive Vice Chairperson on 26 August 2025.

The Board acknowledges and records its appreciation for the contributions and services rendered by the above Directors during their tenure with the Company.

The Board comprises members who have vast experience in various industries as well as professionals in the finance and consulting sectors. The Board brings a wide spectrum of skills and expertise to the Group, enabling it to meet its objectives.

Due to the revamp in the Board composition, the composition of the Board Committees, namely, the AC, RMIC, NC, and RC, was also restructured to align with Practice 1.4 of MCCG.

A brief profile of each Director is presented on pages 12 to 18 of this Annual Report.

The current Board consists of seven (7) members, comprising three (3) Executive Directors, one (1) Non-Independent and Non-Executive Director, and three (3) Independent Non-Executive Directors. The optimal size is a mixture of high-calibre individuals with extensive experience across various professions in both the private and public sectors.

The Board acknowledges the MCCG's call for boards to comprise at least 30% women. The Board does not have a specific diversity policy or set of measures. However, the issue of diversity is discussed by the NC. The Board will take steps towards formalising such policy, targets, and measures to reflect the Company's commitment to gender diversity.

Upon the resignation of the former Chairperson, YAM Tunku Dr. Kamariah, the Board has one (1) female director at the financial period-end, representing 14% of the total number of board members. The Company will endeavour to identify and appoint suitable candidates to achieve at least 30% women representation on the Board, as recommended by the MCCG.

The MCCG recommends that at least two (2) or one-third (1/3) of the Board comprises independent directors. Currently, three (3) of the seven (7) Board members are Independent Directors. This composition is in line with the MCCG's recommended practice and the requirement of Rule 15.02 of the AMLR of Bursa Securities, whereby the Company must have at least two (2) or one-third (1/3) of the Board, whichever is higher, must be independent directors, and one (1) director of the listed corporation is a woman. None of the Directors of the Company holds more than five (5) directorships of listed companies as provided under Rule 15.06 of the AMLR of Bursa Securities.

### 2.2 Re-election and Re-Appointment of Directors

In accordance with the Company's Constitution, one-third (1/3) of the remaining Directors shall retire from office by rotation at each Annual General Meeting ("AGM"), provided always that all Directors shall retire at least once every three (3) years.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

A retiring Director shall be eligible to offer himself or herself for re-election at the AGM. Directors who are appointed by the Board during the financial period are subject to re-election by shareholders at the next AGM following their appointment.

### 2.3 Tenure of Independent Directors

In accordance with the Board Charter, the tenure of an independent director should not exceed a cumulative term of nine (9) years from the date of first appointment as Director. In the event the Board wishes to retain the independence status of an independent director who has served for more than nine (9) years, the Board's justification and shareholders' approval are required. A two-tier voting process will be applied at the AGM to retain any independent director who has served for more than nine (9) years. Currently, no Independent director have served for more than nine (9) years.

### 2.4 Time Commitment and Directorships in Other Public Listed Companies

The Board recognises the importance of Directors devoting sufficient time and commitment to effectively discharge their roles and responsibilities. All Directors are required to allocate adequate time to attend Board and Board Committee meetings, and to keep abreast of the Group's business and developments.

The Board meets at scheduled intervals during the financial period, with additional meetings convened as and when necessary. Directors are expected to attend all meetings and to actively participate in deliberations to ensure informed and balanced decision-making.

In line with the AMLR of Bursa Securities, a Director of the Company shall not hold more than five (5) directorships in public listed companies. The Board, through the NC, monitors and assesses the Directors' time commitment, including their directorships in other public listed companies, to ensure that they are able to devote sufficient time to the Company.

The Directors are required to notify the Board prior to accepting any new directorships in other companies. Such appointments are assessed for potential conflicts of interest and their impact on the time commitment. Where a conflict of interest arises, the Director is required to declare the nature of the interest and abstain from deliberations and decision-making on the relevant matters, in accordance with established governance practices.



## 2.5 Board Meetings

The Board meets quarterly, with additional meetings convened when necessary to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the AMLR of Bursa Securities. The Board met seven (7) occasions during FPE 2025, and the details of attendance at Board Meetings is set out below: -

Name of Directors	Meetings Attended
YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar (Resigned on 10 November 2025)	3/6
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir (Resigned on 26 August 2025)	6/6
Dato' Zhang Li	7/7
Mr Siva Kumar Kalugasalam	7/7
Mr Chow Hung Keey	7/7
Mr. Zhang Yang	7/7
Mr Edwin Silvester Das	7/7
Mr. Wong Kok Fong	7/7
Dato' Zaidi bin Mat Isa @ Hashim	7/7

## 2.6 Directors' Training

All Directors are encouraged to participate in relevant training programs to enhance their skills and knowledge through continuous professional development. The Directors are aware that they shall receive appropriate training, as required from time to time, to keep them abreast of current developments in the industry and new statutory and regulatory requirements, including changes in accounting standards.

All Directors of the Company had attended the Mandatory Accreditation Program prescribed by Bursa Securities for directors of public listed companies. The training programs, courses, seminars, conferences, talks, briefing attended by the Directors during the FPE 2025 were as follows: -

Name of Directors	Training programmes, courses, seminars, conferences, talks, briefing attended
Dato' Zhang Li	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Mr. Chow Hung Keey	- Combating fraud in a new era of accountability - ACE Market Listing: Strategic Insights for Board of Directors - Crypto on the cusp in 2025 - ChatGPT Prompts for Accountants - Post Implementation of e-invoicing in Malaysia - Introduction to Machine Learning for Accountants - Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - The pros and cons of power - Why AI needs ethics - Steward leadership – Why ESG is not enough

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Directors	Training programmes, courses, seminars, conferences, talks, briefing attended
Mr. Siva Kumar Kalugasalam	<ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>- What Amounts to a Conflict of Interest by Directors?</li> <li>- Navigating the Rising Tide of Financial Crime &amp; Technology</li> <li>- E- Invoicing Workshop</li> <li>- Diploma in Corporate Governance</li> </ul>
Mr. Edwin Silvester Das	<ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>- National Economic Forum 2024</li> <li>- Anti-Bribery and Corruption</li> </ul>
Mr. Wong Kok Fong	<ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part I</li> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>- Management of Cyber Risk</li> <li>- Tax Webinar on E-Invoicing</li> <li>- Navigating E-Invoicing Compliance</li> </ul>
Mr. Zhang Yang	<ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>
Dato' Zaidi bin Mat Isa @ Hashim	<ul style="list-style-type: none"> <li>- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>

The Company Secretaries have briefed the Board pertaining to the updates on the AMLR of Bursa Securities, the External Auditors also briefed the AC on any changes to the Malaysian Financial Reporting Standard that affect the Group's Financial Statement.

## 2.7 Diverse Board and Management Team

The Board recognises that diversity within the Board and senior management is important in supporting effective decision-making and the long-term success of the Group. A diverse composition allows for a wider range of perspectives, experience, and expertise.

In line with the MCCG, the Board, through the NC, takes into consideration diversity when evaluating and selecting candidates for appointment to the Board and senior management. This includes diversity in gender, age, ethnicity, professional background, skills, and experience.

While appointments are made based on merit and the ability of candidates to contribute effectively to the Group, due consideration is given to achieving an appropriate balance in the overall composition of the Board and Management team.

The NC is responsible for reviewing the composition of the Board and assessing its effectiveness, including the mix of skills, experience, and diversity attributes. This ensures that the Board remains well-balanced and capable of meeting the Group's evolving needs.

The Board will continue to promote diversity across the Group, where appropriate, to support sustainable growth and good governance practices.

### 2.8 Nomination Committee

Currently, the Company's NC comprises three (3) Independent Non-Executive Directors. The members of the NC are as follows: -

#### Chairman

- Edwin Silvester Das (redesignated as Chairman on 10 November 2025)

#### Members

- Dato' Zaidi bin Mat Isa @ Hashim (appointed as a member on 29 November 2024)
- Wong Kok Fong (ceased office on 29 November 2024 and re-appointed as a member on 10 November 2025)

Full details of the NC's duties and responsibilities are set out in the TOR, which is available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

The NC meets as and when required, at least once a year. During FPE 2025, three (3) meetings were held, with full attendance by all members at each meeting.

#### 2.8.1 Annual Evaluation

The Board has been through the NC, assessed on an annual basis with the use of board matrix, questionnaires and other evaluation forms, the size, composition, mix of skills, experience, competencies of the existing Board, the individual Directors, the independence and tenure of the Independent Directors, and the effectiveness of the Board and the Board Committees, to identify gaps in the Board composition and the needs to identify and select new members to the Board or Board Committees.

Based on the assessment, the NC concluded that the current structure, size, and composition of the Board, which comprises people with a wide range of expertise, experience, and skills across various fields, enable it to discharge its duties and responsibilities effectively.

#### 2.8.2 Re-election of Directors

The NC will evaluate the performance of Directors who are due for re-election and recommend their continued service to the Board. The Company's Directors' Fit and Proper Policy ensures that all Directors meet the necessary criteria of character, integrity, skills, knowledge, experience, competence, and time commitment to effectively fulfil their roles and responsibilities in the best interests of the Company and its stakeholders.

The Company's Constitution provides that one third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election, provided always that all the Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. All retiring Directors will abstain from deliberations and decisions regarding their eligibility to stand for re-election at the Board Meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

In considering whether to recommend a director who is eligible to stand for re-election, the NC would consider a variety of factors, including:

- skills, knowledge, expertise, and experience.
- professionalism.
- time commitment to effectively discharge his role as a director.
- contribution and performance.
- character, integrity, and competence.
- boardroom diversity including gender diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from independent non-executive directors.

Upon the recommendation of the NC and the Board, the Directors who are standing for re-election at the forthcoming 20<sup>th</sup> AGM of the Company pursuant to the Company's Constitution are as follows: -

No	Directors	Clause No
1	Dato' Zhang Li	97.1
2	Chow Hung Keey	97.1

All the above-mentioned Directors have expressed their willingness to seek for re-election at the Company's forthcoming 20<sup>th</sup> AGM. The profiles of retiring Directors standing for re-election are set out in the Directors' Profile in the Annual Report 2025.

## PART III – REMUNERATION

### 3.1 Remuneration Committee

The RC comprises three (3) Members, the majority of whom are Independent Directors. The current members of the RC are as follows: -

#### Chairman

- Edwin Silvester Das (redesignation as Chairman on 29 November 2024)

#### Members

- Wong Kok Fong (ceased office on 29 November 2024 and re-appointed as a member on 10 November 2025)
- Dato' Zaidi bin Mat Isa @ Hashim (appointed as a member on 29 November 2024)

The RC is responsible for evaluating, deliberating, and recommending to the Board the compensation and benefits that are fairly aligned with market norms and industry practices for the Company's business. The RC is also responsible for evaluating the Executive Directors' remuneration, which is linked to their performance and the Group's performance. The individual Director does not participate in decisions regarding their remuneration.

The Company aims to set remuneration at levels sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into account all relevant factors, including the function, workload, and responsibilities involved, and after giving due consideration to the Group's performance.

### 3.2 Directors' Remuneration

Pursuant to Section 230(1) of the Act, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The RC is responsible for reviewing and recommending to the Board the remuneration packages of Board members (i.e., Executive Directors and Non-Executive Directors). None of the Directors participated in any way in determining his/her own remuneration. Individual Directors abstained from all deliberation and approval of his/her own remuneration.

The details of the Directors' remuneration comprising remuneration received from the Company in the FPE 2025 are as follows: -



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

No	Name	Directorate	Company ('000)						Total
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	
1	Dato' Zhang Li	Executive Director	-	81	522	-	-	-	603
2	Siva Kumar Kalugasalam	Executive Director	-	63	270	-	-	-	333
3	YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar (Resigned on 10 November 2025)	Independent Non-Executive Chairperson	240						240
4	Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir (Resigned on 26 August 2025)	Independent Non-Executive Vice Chairman	140	-	-	-	-	-	140
5	Chow Hung Keey	Executive Director	-	-	216	-	-	-	216
6	Edwin Silvester Das	Senior Independent Non-Executive Director	90	-	-	-	-	-	90
7	Zhang Yang	Non-Independent Non-Executive Director	90	-	-	-	-	-	90
8	Wong Kok Fong	Independent Non-Executive Director	90	-	-	-	-	-	90
9	Dato' Zaidi bin Mat Isa @ Hashim	Independent Non-Executive Director	90	-	-	-	-	-	90

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

No	Name	Directorate	Group ('000)					Total
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	
1	Dato' Zhang Li	Executive Director	-	81	522	-	-	603
2	Siva Kumar Kalugasalam	Executive Director	117	63	270	-	-	450
3	YAM Tunku Kamariah Aminah Maimunah Iskandariah binti Sultan Iskandar (Resigned on 10 November 2025)	Independent Non-Executive Chairperson	240					240
4	Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir (Resigned on 26 August 2025)	Independent Non-Executive Vice Chairman	140	-	-	-	-	140
5	Chow Hung Keey	Executive Director	51	-	216	-	-	267
6	Edwin Silvester Das	Senior Independent Non-Executive Director	90	-	-	-	-	90
7	Zhang Yang	Non-Independent Non-Executive Director	90	-	-	-	-	90
8	Wong Kok Fong	Independent Non-Executive Director	90	-	-	-	-	90
9	Dato' Zaidi bin Mat Isa @ Hashim	Independent Non-Executive Director	90	-	-	-	-	90

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The details of the remuneration of the top Senior Management (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM50,000 during the FPE 2025 are as follows:-

<b>Range of Remuneration (RM)</b>	<b>Designation of Top Senior Management</b>
150,001 – 200,000	3
200,001 – 250,000	-

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. Audit Committee

#### 1.1. Composition of Audit Committee

The Board is assisted by the AC, which comprises exclusively three (3) Independent Non-Executive Directors, to oversee the Group's financial reporting process. The current members of the AC are as follows: -

##### Chairman

- Wong Kok Fong

##### Members

- Edwin Silvester Das
- Dato' Zaidi bin Mat Isa @ Hashim (appointed as a member on 26 August 2025)

In line with the principles of the MCCG, the AC's TOR were amended to include a policy requiring a former audit partner who was part of the engagement team to observe a cooling-off period of at least 3 years before being appointed to the AC.

The Chairman of the AC is not the Chairperson of the Board. The AC's Chairman has access to the Executive Directors, Senior Management, External Auditors and Internal Auditors.

The composition of the AC is reviewed annually to maintain its independence and effectiveness, in line with the principles of the MCCG. All members of the AC have continuously improved their financial literacy by attending training on developments and changes to the Malaysian Financial Reporting Standards to discharge their duties effectively.

The independence, suitability, and appointment/re-appointment of the External Auditors are reviewed annually by the AC in accordance with the External Auditors' Appointment.

The AC Report, which provides detailed articulation of the AC's composition, responsibilities, and main activities during FPE 2025, is set out in this Annual Report 2025.

## 1.2. External Auditors and its Independence

The Board, through the AC, maintains a formal, transparent, and professional relationship with the external auditors to ensure the integrity, reliability, and credibility of the Group's financial reporting process.

The AC is responsible for overseeing the appointment, performance, suitability, and independence of the External Auditors. In discharging this responsibility, the AC conducts an annual assessment of the External Auditors, taking into consideration, among others, their qualifications, experience, technical competence, audit quality, objectivity, independence, and the effectiveness of the audit process. The assessment also includes a review of the audit firm's resources, engagement team, and quality control procedures.

The AC reviews the External Auditors' audit strategy, scope of work, and audit planning memorandum, as well as the audit results, including key audit matters and significant findings. The AC meets with the External Auditors, including, where necessary, without the presence of the Management, to facilitate open and constructive discussions on audit issues, internal control matters, and the level of cooperation received from the Management.

To safeguard the independence of the External Auditors, the Group has established policies and procedures governing the provision of non-audit services. The AC reviews and approves all non-audit services rendered, taking into consideration the nature and extent of such services, the fees involved, and whether they may impair, or be perceived to impair, the auditors' independence.

The External Auditors are required to provide an annual written confirmation of their independence in accordance with relevant professional and regulatory requirements. The AC also considers compliance with applicable ethical standards, including partner rotation requirements.

Based on the outcome of its annual assessment, the AC is satisfied with the External Auditors' suitability, performance, and independence. The Board has accordingly recommended their re-appointment for the ensuing financial year, subject to shareholders' approval at the forthcoming Annual General Meeting.

## 1.3. Former Audit Partner

The Company complies with Practice 9.2 of the MCCG, which requires a cooling-off period of at least three (3) years before a former audit partner may be appointed to the Board or employed by the Group.

During the financial period under review, no former key audit partners of the Company's External Auditors were appointed as Directors or employed by the Group. Accordingly, the Board is satisfied that the independence and objectivity of the External Auditors have not been compromised.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 1.4. Qualifications and Skills of the Audit Committee

In accordance with Rule 15.09(1)(a) and (b) of the AMLR of Bursa Securities, all members of the AC are Non-Executive Directors, with a majority being Independent Directors, and at least one (1) member is a member of the Malaysian Institute of Accountants (“MIA”) or fulfils such other requirements as prescribed under the AMLR.

The members of the AC collectively bring a wide range of skills and experience, including accounting, finance, auditing, risk management, and industry knowledge, all relevant to the Group’s operations. This enables the AC to provide effective oversight of the Group’s financial reporting process, internal control systems, and risk management framework.

The Board, through the NC, reviews the composition and effectiveness of the AC annually to ensure it remains appropriately constituted, with the necessary mix of skills, experience, and independence.

All members of the AC undertake continuous professional development and training programmes to keep abreast of relevant developments in accounting standards, regulatory requirements, and emerging risks, thereby enhancing their ability to discharge their duties effectively.

## 2. Risk Management and Internal Control Framework

### 2.1. Risk Management and Internal Controls

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines.

The RMIC has been formed to assist the Board in the ongoing process of identifying, evaluating, and managing the significant risks faced by the Group. This process is regularly reviewed and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies. The Board has delegated the tasks of operationalising and implementing the risk management and internal control framework to the RMIC. The current members of the RMIC are as follows: -

#### Chairman

- Wong Kok Fong

#### Members

- Edwin Silvester Das
- Siva Kumar Kalugasalam (appointed as member on 10 November 2025)

The Executive Directors and the Management are responsible for identifying and continuously evaluating key risks relevant to their areas of business activity. Risks identified are reported in a timely manner during periodic management meetings to enable corrective actions.

The RMIC’s TOR are available on the Company’s website at [www.ztech.com.my](http://www.ztech.com.my). During the RMIC meetings, matters discussed and any recommendations made are escalated and reported to the Board for a decision.

### 2.2. Internal Audit Function

The Internal Audit Function is carried out by Vaersa Advisory Sdn Bhd, an internal audit consulting firm. The internal audit function is headed by Mr Quincy Gan, who holds a Bachelor of Commerce Degree and is a Fellow of the Association of Chartered Certified Accountants (FCCA). He is assisted by a manager and 4 associates. The Internal Auditors have performed their work in accordance with the principles of the Institute of Internal Auditors' International Professional Practice Framework, covering audit planning, execution, documentation, communication of findings, and consultation with key stakeholders. The AC will review the engagement between the Group and the Internal Auditors to ensure that the Internal Auditors' objectivity and independence are not compromised.

The Board has the view that the system of internal control and risk management is in place, sound, and sufficient to safeguard the Group's assets, shareholders' investments, and the interests of all stakeholders.

All the personnel deployed by Vaersa Advisory Sdn. Bhd. do not have any family relationship or conflicts of interest with the Group that could impair their objectivity and independence during their work.

The Statement on Risk Management and Internal Control furnished on pages 12 to 18 of this Annual Report provides an overview on the state of risk management and internal controls within the Group.

## PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### 1 Communication with Stakeholders

The Group is committed to regular and proactive communication with shareholders and investors. Formal channels are used to communicate with shareholders and investors about all major developments of the Group in a timely manner.

In addition to quarterly financial reports and various disclosures and announcements made to Bursa Securities, the other key channel of communication with shareholders and investors is the Group's annual report, which provides details on the Group's financial results and activities.

The Company's AGM is an important forum for dialogue and interaction with shareholders. Shareholders have the liberty to raise questions on the proposed resolutions at the meeting, as well as matters relating to the Group's businesses and affairs.

The Group also maintains a website at [www.ztech.com.my](http://www.ztech.com.my) to provide easy, convenient access to up-to-date information about the Group.

## 2 Conduct of General Meetings

### 2.1 Annual General Meeting

The AGM represents the principal forum for dialogue and interaction with shareholders. The AGM also serves as an important platform for the shareholders to exercise their rights in the Company. The notice of AGM and Annual Report are sent 28 days prior to the AGM, to provide sufficient time for shareholders to read the Annual Report and make the necessary attendance and voting arrangements. Concurrently, the notice of AGM is advertised in a nationally circulated English daily newspaper.

Shareholders are given the opportunity to raise issues and questions regarding the Group's strategy or developments during the AGM. All the Directors and key management personnel are available to answer questions raised by Shareholders during the AGM. The Company's External Auditors also attend the AGM and are available to address any relevant queries from Shareholders regarding audit matters and the audit report.

In compliance with the AMLR of Bursa Securities, voting for all resolutions set out in the Notice of the AGM shall be conducted by poll as it fairly reflects shareholders' views by ensuring that every vote is recognised, in accordance with the "one share one vote" principle, which enforces greater shareholders' rights. At least one (1) independent scrutineer is appointed to validate the votes cast at the AGM.

The outcome of the meeting will be announced to Bursa Securities on the same day and will also be available on the Company's website at [www.ztech.com.my](http://www.ztech.com.my).

### 2.2 Poll Voting

In compliance with the AMLR of Bursa Securities, all resolutions set out in the notice of general meetings are put to vote by way of poll. The Company will appoint an independent scrutineer to validate the votes cast at general meetings. This ensures that the voting process is conducted in a fair, transparent, and accurate manner.

The poll results for each resolution will be duly announced to Bursa Securities after the conclusion of the general meeting, including the number of votes cast for and against each resolution, as well as the respective percentages. The use of poll voting enhances transparency and provides shareholders with a clear and equitable way to participate in the Company's decision-making process.

### 2.3 Attendance of the Chairperson and Board Committees at General Meetings

The Company recognises general meetings as an important platform for engagement with shareholders. In line with the MCCG, particularly Practice 12.4, the Chairperson of the Board, the Chairpersons of the respective Board Committees, and senior management attend the AGM to facilitate effective engagement with shareholders.

The Chairperson leads the AGM proceedings and ensures shareholders can raise questions and seek clarification on the Group's performance, financial results, governance matters, and other matters of interest. The Chairpersons of the AC, NC, RC, and RMIC are available to address questions within their respective areas of responsibility.

Senior Management and the External Auditors are also present at the AGM to respond to Shareholders' queries, including those related to the audit process and the preparation of the financial statements. This approach promotes transparency, accountability, and meaningful dialogue between the Board, the Management, and the Shareholders, and reflects the Company's commitment to good corporate governance practices.

### **2.4 Shareholder Participation at General Meetings**

The Company recognises the importance of active shareholder participation at general meetings as a key element of good corporate governance. The AGM serves as an important platform for shareholders to engage directly with the Board and the Management on the Group's performance, strategy, and governance matters.

Shareholders are encouraged to attend, participate, and vote at the AGM. They are given the opportunity to raise questions, seek clarifications, and provide feedback on the proposed resolutions, as well as on the Group's operations and financial performance.

The notice of AGM, together with relevant explanatory notes and supporting information, is issued in a timely manner to enable Shareholders to make informed decisions. Shareholders who are unable to attend the AGM in person may appoint one or more proxies to attend, participate, speak, and vote on their behalf, in accordance with the Company's Constitution. Where a Shareholder appoints more than one proxy, the appointments shall be invalid unless the proportions of shareholdings to be represented by each proxy are specified.

The Company adopts a poll vote on all resolutions, ensuring that each shareholder's voting rights are exercised in proportion to their shareholdings. This provides a fair and transparent method for all Shareholders, including those represented by proxies, to participate in the decision-making process.

Where applicable, the Company may also facilitate electronic participation or remote voting to further enhance accessibility and Shareholders' engagement.

This approach reflects the Company's commitment to promoting transparency, fairness, and meaningful engagement with its Shareholders.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### COMPLIANCE STATEMENT

The Board has complied with most of the recommended practices of the MCCG throughout the financial year, except for the following: -

1. Practice 5.9 – the board comprises at least 30% women directors.
2. Practice 5.10 – The board discloses in its annual report the company's policy on gender diversity for the board and senior management.
3. Practice 8.2 – the board discloses on a named basis the top five senior management's remuneration components, including salary, bonus, benefits in-kind, and other emoluments in bands of RM50,000;

The Board acknowledges that achieving excellence in corporate governance is a continuous process and is committed to playing a proactive role in steering the Group towards the highest level of integrity and ethical standards.

This Statement was approved by the Board of Directors of the Company on 30 April 2026.



# ADDITIONAL COMPLIANCE INFORMATION

The following is provided in compliance with the ACE Market Listing Requirement (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”): -

## Utilisation of Proceeds Raised from Corporate Proposals

Bursa Securities had, vide its letter dated 22 December 2023, approved the listing and quotation of up to 429,177,000 new ordinary shares of the Company (“Placement Shares”), being 10% of the total number of issued shares of the Company.

The first tranche of the Private Placement was completed on 7 March 2024 following the listing and quotation of 260,000,000 shares on the ACE Market of Bursa Securities, at an issue price of RM0.0151 per Placement Share.

The second tranche of the Private Placement was completed on 16 October 2024 following the listing and quotation of 25,065,100 shares on the ACE Market of Bursa Securities, at an issue price of RM0.010 per Placement Share.

The gross proceeds raised from the 10% Private Placement, amounting to RM4.18 million, were fully utilised during the financial period ended 31 December 2025 (“FPE 2025”), and the proceeds were applied as intended, as outlined below:

Details of use	Actual proceeds raised from the Private Placement (RM'000)	Actual proceeds utilised (RM'000)	Expected timeframe for use from the listing of the Placement Shares
Repayment of bank borrowings	2,109	(660)	Within 3 months
Expenses in the Acquisition of Alpha Fintech	-	(3,402)	Within 12 months
Working capital for the Glove Business	1,953	-	Within 12 months
Estimated expenses for the Proposed Private Placement	115	(115)	Immediate
<b>Total:</b>	<b>4,177</b>	<b>(4,177)</b>	

## Audit and Non-audit fees

The amount of audit and non-audit fees paid or payable to the External Auditors by the Group and the Company for the FPE 2025 are as follows:

SERVICES	COMPANY (RM'000)	GROUP (RM'000)
Audit Fees	298	400
Non-Audit Fees	8	8
Total	306	408

## ADDITIONAL COMPLIANCE INFORMATION

Services rendered by the External Auditors are not prohibited by regulatory and other professional requirements and are based on globally practised guidelines on auditors' independence.

### Material contracts

There were no material contracts entered into by the Company and/or its subsidiaries that involve Directors', chief executive's who is not a director or major shareholders' interests, either still subsisting at the end of the FPE 2025 or entered into since the end of the previous financial year.

### Share Buy-back

There was no share buy-back by the Company during the FPE 2025.

### Employees Share Option Scheme

Employees Share Option Scheme ("ESOS") of up to 30% of the issued share capital of the Company (excluding treasury shares, if any) at any one time during the duration of ESOS for the eligible directors and employees of the Company and its subsidiaries ("Group") (excluding dormant subsidiaries, if any) was approved by the shareholders at the Extraordinary General meeting held on 8 June 2022 and implemented on 27 January 2023. The ESOS is in force for a maximum period of five (5) years from the effective date and is administered by the ESOS Committee and the Board.

During the FPE 2025, no ESOS options were granted, exercised, vested or lapsed. As at the end of FPE 2025, a total of 560,224,549 ESOS options remained outstanding. Subsequently, on 6 February 2026, the aforesaid 560,224,549 outstanding ESOS options:-

Description	Number of Options	
	Total	Directors / Staff
Granted	-	-
Exercised	-	-
Lapsed/Cancelled	-	-
Outstanding as at the end of FPE 2025	560,224,549*	560,224,549*

\* The 560,224,549 ESOS Options remain unexercised up to 6 February 2026 were cancelled on 6 February 2026 upon mutual agreement with the respective Directors of the Company.

Total number of Options granted and vested/exercised since commencement of the ESOS are as follows:

Date of Offers	Exercise Price (RM)	Granted	Exercised	Outstanding	Lapsed
20 February 2023	0.0283	727,589,100	-	-	727,589,100
4 April 2023	0.0178	759,902,840	132,170,207	-	627,732,633
14 March 2024(1)	0.0162	745,409,734	185,185,185	560,224,549	-
9 February 2026(2)	0.0090	623,879,694	-	623,879,694	-
3 March 2026	0.0050	623,879,694	-	623,879,694	-

#### Notes:

- (1) The ESOS Options granted on 14 March 2024 were cancelled on 6 February 2026 upon mutual agreement with the respective Directors of the Company.
- (2) The ESOS Options granted on 9 February 2026 were cancelled on 3 March 2026 upon mutual agreement with the respective Directors of the Company.

Percentage of options applicable to Directors and Senior Management under the ESOS: -

Directors and Senior Management	During the FPE 2025	Since the commencement up to 31 December 2025
Aggregate maximum allocation	80%	80%
Actual granted	0%	53.98%

### Recurrent Related Party Transactions

The Group did not have any recurrent related party transactions of revenue or trading nature during FPE 2025, which exceeded the materiality threshold stipulated in Rule 10.09(2)(b) of the AMLR of Bursa Securities.

### Material Properties

The Company and the Group do not own any landed property for FPE 2025.

### Disclosure Of Financial Data For Shariah Screening

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and on the Group's interest-based financial position.

#### a) Group Total Income and Total Assets.

	Group	
	18 Months Ended 31 December 2025 (RM'000)	2024 30 June 2024 (RM'000)
<b>Total Income</b>		
Revenue	79,520	49,291
Other Income	2,499	50
Interest Income	425	781
Total Income	82,444	50,122
Total Assets	64,611	74,677

#### b) Business Activities

Shahriah Non- Compliant Activities	Group	
	18 Months Ended 31 December 2025 (RM'000)	2024 30 June 2024 (RM'000)
Interest Income	425	781
<b>Total</b>	<b>425</b>	<b>781</b>

## ADDITIONAL COMPLIANCE INFORMATION

## c) Cash Component

	Group	
	18 Months Ended 31 December 2025 (RM'000)	2024 30 June 2024 (RM'000)
<b>Islamic Accounts / Instruments</b>		
Cash and Bank Balances (excluding cash in hand)	224	405
Fixed Deposit with Licenced Bank	47	47
<b>Total</b>	<b>271</b>	<b>452</b>

	Group	
	18 Months Ended 31 December 2025 (RM'000)	2024 30 June 2024 (RM'000)
<b>Conventional Accounts / Instruments</b>		
Cash and Bank Balances (excluding cash in hand)	224	-
Petty Cash	-	-
<b>Total</b>	<b>271</b>	<b>-</b>

## d) Debt Component

	Group	
	18 Months Ended 31 December 2025 (RM'000)	2024 30 June 2024 (RM'000)
<b>Islamic Accounts / Instruments</b>		
Current	2,492	2,913
Non Current	-	-
<b>Total Financing</b>	<b>2,492</b>	<b>2,913</b>

	Group	
	18 Months Ended 31 December 2025 (RM'000)	2024 30 June 2024 (RM'000)
<b>Conventional Accounts / Instruments</b>		
Cash and Bank	-	-
Petty Cash	-	-
<b>Total Financing</b>	<b>-</b>	<b>-</b>

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“the Board”) of Zen Tech International Berhad (“ZTIB” or “the Company”) is firmly committed to maintaining a robust, effective, and comprehensive risk management framework and internal control system across the Group. These efforts are fundamental to safeguarding shareholders’ investments and the Group’s assets.

This Statement on Risk Management and Internal Control outlines ZTIB’s internal control framework and risk management processes for the financial period ended 31 December 2025 (“FPE 2025”), in line with the requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). This Statement is prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Securities, and in accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers (“the Guidelines”)

## BOARD RESPONSIBILITY

The Board is ultimately responsible for establishing and maintaining an effective risk management framework and a sound internal control system to safeguard the Group’s assets and ensure the achievement of its business objectives. The Board continuously reviews and enhances the control environment to uphold its effectiveness and integrity. However, it is important to recognize that internal controls are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. As such, these systems can only provide reasonable, not absolute, assurance against material misstatement, loss, or fraud.

The Audit Committee (“AC”) is entrusted with the following responsibilities:

- Reviewing the Group’s risk management framework and related policies;
- Monitoring the implementation of risk management processes and procedures;
- Assessing the adequacy and effectiveness of internal control systems;
- Evaluating risk management activities and the effectiveness of mitigation strategies;
- Identifying and addressing significant risks or weaknesses in the Group’s risk management and control systems;
- Providing guidance and recommendations to the Board on risk management matters;
- Ensuring compliance with relevant laws, regulations, and best practices;
- Reporting to the Board on the effectiveness of the internal control systems.

The AC’s oversight offers additional assurance to shareholders and stakeholders that ZTIB is actively identifying, managing, and mitigating risks while protecting the Group’s interests.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT AND INVESTMENT COMMITTEE (RMIC)

To further enhance risk oversight, the Board has established a Risk Management and Investment Committee (“RMIC”), comprising exclusively Board members and reporting directly to the AC. The RMIC’s core responsibilities include:

- Ensuring risk management processes are integrated into core business activities;
- Overseeing the development and implementation of risk management policies and guidelines;
- Promoting a risk-aware culture and embedding risk management into daily operations;
- Reviewing quarterly risk management reports, risk registers, and the Management’s responses to identified risks;
- Communicating significant risks, challenges, and the Management’s action plans to the Board;
- Regularly reviewing and updating the risk management framework and policies to ensure continued effectiveness.

## EXECUTIVE DIRECTORS AND MANAGEMENT RESPONSIBILITIES

The Executive Directors and the Management are accountable to the Board for the effective implementation of the Group’s risk management and internal control systems. Their responsibilities include:

- Identifying, assessing, monitoring, and mitigating risks across all business functions;
- Ensuring that internal controls are effective and taking timely corrective actions where necessary;
- Submitting regular reports on risk management activities and internal control effectiveness to the AC, RMIC, and the Board;
- Continuously improving risk management processes and internal controls in response to evolving business challenges.

The Management has provided assurance to the Board that the risk management and internal control systems are functioning as intended and remain effective throughout the Group’s operations.

## PLANNING, MONITORING, AND REPORTING

The Group’s performance is reviewed quarterly against the approved annual budget, with detailed segmental reports provided to the Board to support informed decision-making. In addition, the Board receives regular updates on risk management initiatives and internal audit findings, offering valuable insights into operational effectiveness and highlighting areas for potential improvement.

## POLICIES

ZTIB’s internal policies are well-documented and regularly reviewed to ensure ongoing compliance with internal controls, prevailing laws, regulations, and industry best practices. Notably, the Board has reviewed and approved key policies such as the Whistleblowing Policy and the Anti-Bribery and Corruption Policy, in compliance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (effective 1 June 2020). All policies are reviewed annually or more frequently if required, to ensure their relevance and effectiveness.

## RISK MANAGEMENT FRAMEWORK

The Board recognizes the critical importance of risk management in achieving ZTIB’s business objectives. Accordingly, the Board assumes direct responsibility for identifying and managing principal risks and has instituted a robust, adaptable risk management system aligned with the Group’s risk management policy. This policy emphasizes the integration of risk management into organizational processes and decision-making, promoting a risk-aware culture and supporting the attainment of performance objectives.

Functional management has been assigned clear lines of accountability, with delegated authority established through standard operating procedures. The internal audit function provides independent assurance, supporting the AC in its review of risk management and internal controls without engaging in speculative transactions.

The Board’s approach to risk management and internal control is underpinned by the following key elements:

- Effective and efficient risk management processes that contribute to good corporate governance and support business objectives;
- Risk management embedded in day-to-day management activities, decision-making, and strategic planning;
- Proactive management of opportunities, uncertainties, and threats;
- Regular reporting and monitoring to foster accountability and ensure timely response to risks and crises.

To further strengthen the risk management framework, Executive Directors and the Management continuously enhance practices and extend their application across all Group subsidiaries.

## INTERNAL CONTROL

The Board maintains an organizational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures. The Board meets regularly and has a schedule of matters that are brought to it for decision making process to ensure effective control over strategic, financial, operation and compliance issues can be maintained.

The following outlines the main elements of the Group’s internal control system:

No	Element	Segment	Deliberation
1	Authority and Responsibility	Terms of Reference	<p>The Board has delegated specific responsibilities to a variety of Board Committees, each of which has well-defined and approved Terms of Reference that are subject to periodic reviews as needed. These Board Committees Includes:</p> <ol style="list-style-type: none"> <li>1. AC</li> <li>2. RMIC</li> <li>3. Nomination Committee (“NC”)</li> <li>4. Remuneration Committee (“RC”)</li> </ol> <p>The Executive Directors are empowered to oversee day-to-day business operations, ensuring alignment with approved corporate objectives, strategies, and budgets. They are accountable for resolving operational issues arising from internal and external environments</p>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

No	Element	Segment	Deliberation
		Compliance Environment	<ul style="list-style-type: none"> <li>• <b>Compliance Framework:</b> Each business unit has established a dedicated compliance function to oversee adherence to applicable laws, regulations, and internal policies. Regular internal audits are conducted to reinforce compliance.</li> <li>• <b>Legal Advisory:</b> The Executive Directors provides legal guidance to the Board and the Management on all legal matters, supported by external counsel where necessary, thus safeguarding the Group's legal interests.</li> <li>• <b>Legislative Updates:</b> The Board is kept informed of any changes in legislation or regulatory requirements that may impact the Group's operations.</li> </ul>
		Performance Review and Measurement	The Group's performance is reviewed with the Board on a quarterly basis. During these meetings, the Management provides a detailed analysis, identifying and highlighting key performance metrics and trends. These findings are presented to the Board for consideration, enabling informed decision-making, including potential revisions to budgets and forecasts based on the insights provided.
		Finance Function	The Finance Function is responsible for providing assurance to the AC that the Group consistently applies appropriate accounting policies and that the going concern basis adopted for the Annual Financial Statements and Condensed Consolidated Financial Statements is appropriate. It also ensures that the Management decisions are prudent and estimates are reasonable, in compliance with the requirements of the Financial Reporting Standards. In addition, the Group's liquidity position and overall financial performance are closely monitored and reported on a quarterly basis.
		Employees' Competency	The Group's objectives and plans are consistently communicated to ensure that all employees receive clear and effective guidance. In addition, targeted training and development programs are regularly identified and implemented to equip employees with the necessary knowledge, skills, and core competencies required for their roles.
3	Policies and Procedures	Standard Operation Policies & procedures	<p>The Group has developed a comprehensive set of internal policies and procedures to support its internal control framework, ensuring compliance with both internal requirements and applicable laws and regulations.</p> <p>These policies and procedures are subject to periodic review and updates throughout the year to reflect changes in operational needs, business conditions, or regulatory requirements. Updates are approved by the Board, relevant Board Committees, or the Management as appropriate.</p>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

No	Element	Segment	Deliberation
			<p>The documented policies and procedures cover a broad range of areas, including operational planning, capital expenditure, asset protection, maintenance of financial and accounting records, reporting systems, and the ongoing monitoring of business performance.</p> <p>Executive Directors play an active role in the Group's operations by participating in operational and management meetings, thereby ensuring continuous oversight and adherence to the Group's policies and procedures.</p>
		Employees' Code of Conduct	<p>The Employees' Handbook ("the Handbook") is readily accessible to all staff and serves as an essential resource for maintaining discipline and fostering a positive work environment. Adherence to the Handbook is mandatory for all employees, ensuring consistent standards of conduct across the Group.</p> <p>Employees are expected to uphold and practice the Group's Code of Conduct as part of their commitment to achieving the Group's overarching objectives. The Handbook provides clear guidance on expected behavior, promoting discipline and a constructive mindset in fulfilling their responsibilities.</p>
		Whistleblowing Policy, Code of Ethics and Conduct, Anti-Corruption and Bribery Policy	<p>The Group is unwavering in its commitment to conducting business and operations in accordance with the highest ethical, moral, and legal standards. To reinforce this commitment, the Group has implemented several key policies, including the Whistleblowing Policy, Code of Ethics and Conduct, and Anti-Corruption and Bribery Policy.</p> <p>All of these policies have been formally approved by the Board and establish clear channels for employees or external parties to safely and confidentially report any actual or suspected breaches of laws, regulations, business principles, or the Group's internal policies and guidelines.</p> <p>To promote transparency and accessibility, these policies are readily available on the Group's website, ensuring that all stakeholders can refer to and utilize them as needed.</p>
4	Audit	Internal Audit	<p>The internal audit function is tasked with identifying instances of non-compliance with the Group's established policies, procedures, regulations, and standards. This involves the systematic review of operations and controls to ensure adherence to all applicable requirements.</p> <p>When irregularities or significant findings are discovered, the internal audit function promptly reports these matters to the AC, providing detailed information along with recommendations for corrective action. These recommendations are designed to mitigate risks, address root causes, and ensure compliance with relevant laws and regulations.</p>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

No	Element	Segment	Deliberation
			<p>The Management is responsible for overseeing the timely implementation of corrective actions as recommended by the internal audit function. This includes establishing appropriate timelines, monitoring progress, and ensuring that all necessary steps are taken to resolve identified non-compliance issues.</p> <p>By effectively carrying out these responsibilities, the internal audit function plays a vital role in strengthening the Group's overall compliance posture, supporting sound risk management practices, and enhancing the governance framework.</p>
		External Audit	<p>The External Auditors submit a comprehensive audit plan to the AC for review and approval. This plan outlines the scope of both audit and non-audit services to be provided during the financial year.</p>
		AC	<p>The AC conducts a thorough review of audit findings submitted by both the Internal Auditors and External Auditors.</p> <p>This analysis is performed to assess the adequacy and effectiveness of the Group's risk management and internal control systems.</p>

The Group's internal control systems are subject to continuous review to ensure they remain effective and responsive to changes in the Group's business and operating environment.

Additionally, the Board has received assurance from the Executive Directors that the risk management and internal control systems of the Company and its subsidiaries operate adequately and effectively in all material respects, in accordance with the established framework.

### INTERNAL AUDIT FUNCTION

The Board has outsourced the internal audit function to an independent professional firm, Vaersa Advisory Sdn Bhd, to conduct reviews and assess the adequacy and integrity of the Group's internal control system.

The internal auditors perform periodic audits, focusing on risk-based areas, and promptly address any identified weaknesses. Audit findings are reported directly to the AC on a quarterly basis.

Findings and recommendations from internal audit reviews are discussed with the Management. The Management's responses, along with the auditors' recommendations, are incorporated into Internal Audit Reports, which are presented to the AC.

The AC reviews the results of the internal audit, along with recommended improvements, and ensures that these are communicated to the Management.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### EMPLOYEES' COMPETENCY

The Group is committed to fostering a culture of continuous learning and professional development to ensure that all employees possess the necessary knowledge, skills, and competencies to perform their roles effectively. To this end, specific training and development programmes are regularly designed and implemented, targeting both technical and regulatory requirements relevant to the Group's operations.

These programmes are tailored to address current industry standards, regulatory updates, and operational best practices. For example, employees have participated in training sessions covering Scheduled Wastes Management, which ensures compliance with environmental regulations and promotes responsible waste handling. Additional training includes Regulatory Compliance and Quality Objectives, aimed at maintaining high standards of operational excellence and adherence to legal requirements.

Furthermore, the Group provides specialized programmes such as Medical Guidance Document Licensing for Establishment and the Requirement for Labelling of Medical Devices, keeping employees abreast of the latest developments in medical device regulations and licensing protocols.

Through these ongoing initiatives, the Group ensures that its workforce remains competent, adaptable, and well-prepared to meet evolving business challenges and regulatory expectations.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement has been reviewed by the External Auditors in accordance with Rule 15.23 of the AMLR of Bursa Securities for inclusion in the Annual Report 2025. The review was conducted in line with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information, as well as Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Risk Management and Internal Control Statement included in this Annual Report, as issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the Group's system of internal controls.

It should be noted that AAPG 3 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, nor form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems, or the Board's and the Management's assessments thereof. The External Auditors' report is made solely to the Board in connection with compliance with the AMLR of Bursa Securities and is not intended for any other purpose or parties. Accordingly, the External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this Statement.

### INTERNAL CONTROL

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems, taking into consideration information provided by the key management personnel as well as assurances received from the External Auditors.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

During the financial period under review, no material losses were incurred as a result of weaknesses in the risk management or internal control systems. The Board and the Management remain committed to continuously strengthening the Group's control environment to ensure ongoing effectiveness and resilience.

Based on these assessments, the Board is satisfied that the risk management and internal control systems in place for the FPE 2025 are adequate and effective in safeguarding Shareholders' investments, the Group's assets, and the interests of other stakeholders.

This Statement on Risk Management and Internal Control was approved by the Board on 30 April 2026.



# AUDIT COMMITTEE REPORT

## COMPOSITION

The Audit Committee (“AC”) of Zen Tech International Berhad (“ZTIB” or “the Company”) is chaired by Mr. Wong Kok Fong, an Independent Director. The AC consists of two members, both of whom are Independent Non-Executive Directors. This composition adheres to the requirements of Rules 15.09 and 15.10 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2021.

The AC is empowered by the Board of Directors (“Board”) to independently investigate any activity within its Terms of Reference. It has unrestricted access to information from the Internal and External Auditors, Management, and all employees of the Company and its subsidiaries (“Group”).

## MEETINGS AND ATTENDANCE

Members	Membership	Meeting Attendance
Wong Kok Fong	Chairman / Independent Non-Executive Director	7/7
Tan Sri Syed Mohd Yusof bin Tun Syed Nasir (ceased as member on 26 August 2025)	Member / Independent Non-Executive Vice Chairman	6/6
Edwin Silvester Das	Member / Senior Independent Non-Executive Director	7/7
Dato' Zaidi bin Mat Isa @ Hashim (appointed as member on 26 August 2025)	Member / Independent Non-Executive Director	1/1

During the financial period ended 31 December 2025 (“FPE 2025”), the AC convened seven (7) duly constituted meetings. All AC members received sufficient notice, along with comprehensive agendas, reports, and proposals for each meeting. Executive Directors were invited to attend AC meetings to facilitate direct communication and provide clarification on audit issues and Group operations.

To support effective planning, the AC’s meeting schedule and tentative agendas were established at the beginning of the financial year. The AC meets at least once every three months to review and discuss the Company’s risk management reports, the Group’s internal audit reports, quarterly financial reports, annual financial statements (where applicable), and other matters within its remit.

Representatives from both the External and Internal Auditors attended the meetings to present their respective reports and proposals, including audit plans, audit reports, and the audited financial statements for FPE 2025.

The External Auditors were given opportunities to raise any concerns and had unrestricted access to AC members for consultation at any time regarding issues encountered during their audits or reviews. Minutes of each AC meeting were confirmed at the following meeting and subsequently presented to the Board for notation.

## AUDIT COMMITTEE REPORT

The Company Secretaries act as secretaries to the AC, working closely with the Chairman to prepare and circulate meeting agendas and supporting documents. They are also responsible for maintaining and distributing minutes of AC meetings to AC members and other Board members. The AC Chairman reports key issues discussed at each meeting to the Board.

### ROLES AND RESPONSIBILITIES

The AC of the ZTIB plays a pivotal role in supporting the Board's oversight functions. The AC's key objectives are as follows:

- **Assisting the Board's Fiduciary Duties:** The AC helps the Board fulfil its fiduciary responsibilities by monitoring the Group's financial risk management, accounting, and financial reporting practices.
- **Reviewing Business Processes and Controls:** The Committee reviews the Group's business processes, accounting functions, financial reporting, and internal control systems to ensure integrity and reliability.
- **Enhancing Audit Independence:** By providing direction and oversight on behalf of the Board, the AC strengthens the independence of both the external and internal audit functions.
- **Promoting Ethics and Compliance:** The AC assists the Board in ensuring the effective implementation of an ethics program and monitors compliance with established policies and procedures across the Group.
- **Collaboration with Auditors:** The AC performs its responsibilities with the support and collaboration of both the External and Internal Auditors, fostering a robust and transparent audit environment.

Through these objectives, the AC is committed to upholding high standards of corporate governance and accountability, thereby safeguarding the interests of shareholders and stakeholders.

The performance of the AC for the FPE 2025 was assessed as part of the Board and Board Committee Performance Evaluation. The Board is satisfied that the AC has discharged its duties responsibly and effectively, in accordance with its Terms of Reference. Further details on the AC's Terms of Reference are available on the Company's website at <https://www.ztech.com.my>.



## KEY ACTIVITIES FOR FPE 2025

### 1. Financial Reporting

The AC reviewed and discussed with Management the unaudited quarterly consolidated financial results and the annual audited consolidated financial statements of the Company and its subsidiaries. Based on these discussions, the AC recommended the financial statements for Board approval. During these reviews, the AC addressed:

- Implementation or changes in major accounting policies.
- Significant matters, including financial reporting issues, substantial management judgments, and unusual events or transactions, and the resolutions undertaken.
- Compliance with accounting standards and legal requirements.
- Review of management accounts and operating subsidiary reports.
- Assessment of the implications of recent statutory and regulatory changes for the Group and Company.
- Evaluation of significant accounting/audit issues, unusual events or transactions, and the appropriateness of applied standards as highlighted by the External Auditors and/or Management to ensure accurate financial statements.

### 2. External Audit

- Reviewed the External Auditors' audit plan, which included the scope of responsibilities, affirmation of independence, audit strategy, engagement team composition, risk assessment, audit emphasis areas, and additional disclosures in line with updated international auditing standards, such as key audit matters.
- Discussed with the External Auditors the audit results, their recommendations, and Management's responses.
- Conducted one (1) meeting with the External Auditors without Management present to facilitate open discussion on areas of concern arising from the audit.
- Reviewed non-audit services provided by the External Auditors and their proposed fees, ensuring compliance with established fee thresholds to uphold auditor independence and objectivity.
- Details of statutory audit, audit-related, and non-audit fees paid/payable to Morison LC PLT and its affiliates for FPE 2025 are provided below:

## AUDIT COMMITTEE REPORT

Description	Company RM'000	Group RM'000
Statutory audit and audit-related services	298	400
Non-audit-related services	8	8
Total	306	408

The total non-audit fees represented 4% of the Group's statutory audit and other audit-related services fees in FPE 2025.

(i) The AC assessed the performance, effectiveness, and independence of the External Auditors and recommended their reappointment to the Board for the next financial year. The AC, in conjunction with the Executive Directors, will annually review the External Auditors based on:

- Caliber of the external audit firm
- Quality processes/performance
- Expertise of the audit team
- Independence and objectivity
- Audit scope and planning
- Audit fees
- Communication with management.

### 3. Internal Audit

- The AC reviewed the internal audit plan to ensure adequate scope, coverage, and resources for audits of identified auditable areas.
- It reviewed internal audit and investigation reports, ensuring that Senior Management took timely and appropriate action in response to the observations and recommendations highlighted.

### 4. Related Party Transactions

- The AC reviewed related party transactions ("RPT") that may arise within the Company and Group, including any transactions, procedures, or conduct that could raise questions regarding Management integrity.
- It also reviewed RPT and conflict of interest situations presented by Management prior to the Company entering such transactions to ensure that all such matters were appropriately evaluated and addressed in accordance with the relevant policies and regulations.

## 5. Reviewing Conflict of Interest or Potential Conflict of Interest Situations

- In accordance with Rule 15.12(1)(h) of the AMLR of Bursa Securities, the AC is responsible for reviewing any conflict of interest situations that arise or may arise within the Group. This includes transactions, procedures, or conduct that raise questions regarding management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts.
- During FPE 2025, the AC reviewed the Group's conflict of interest or potential conflict of interest situations (excluding related party transactions) on a quarterly basis. The AC noted that no conflicts of interest arose or persisted, and no transactions, procedures, or conduct were identified that raised concerns regarding management integrity within the Group.

## 6. Others

- The AC reviewed and confirmed the minutes of its meetings to ensure accuracy and completeness of records.
- The Committee received regular overviews of the Group's projects, keeping abreast of ongoing and planned initiatives.
- The AC noted the impact of changes in laws and regulations affecting the Group's business operations, including the Companies Act 2016, the Malaysian Code on Corporate Governance 2021, and the AMLR of Bursa Securities, ensuring ongoing compliance.
- Based on its ongoing evaluation, the Board is satisfied that the AC has fulfilled its responsibilities and duties in line with its Terms of Reference.

This AC Report has been reviewed by the AC and approved by the Board on 30 April 2026.

# STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required under the Companies Act 2016 (“the Act”) to prepare the financial statements for each financial period which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial period, and of their financial performance and cash flows for the financial period.

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

- appropriate accounting policies have been adopted and applied consistently;
- reasonable and prudent judgements and estimates have been made;
- all applicable approved accounting standards in Malaysia have been complied with, subject to any material departures being disclosed and explained in the financial statements; and
- The financial statements have been prepared on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are also responsible for ensuring that proper accounting records are kept in accordance with the provisions of the Act, which disclose with reasonable accuracy the financial position of the Group and of the Company, and enable them to ensure that the financial statements comply with the Act, the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors have overall responsibility for taking such steps as 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.

The Directors confirm that the financial statements of the Group and of the Company for the financial year ended 31 December 2025 have been prepared in accordance with the Act and applicable approved accounting standards in Malaysia.



## Reports and Financial Statements 31 December 2025

<b>CONTENTS</b>	<b>Page No.</b>
DIRECTORS' REPORT	100
STATEMENT BY DIRECTORS	107
STATUTORY DECLARATION	108
INDEPENDENT AUDITORS' REPORT	109
FINANCIAL STATEMENTS	
• Statements of Profit or Loss and Other Comprehensive Income	116
• Statements of Financial Position	117
• Statements of Changes in Equity	119
• Statements of Cash Flows	122
• Notes to the Financial Statements	126

# DIRECTORS' REPORT

The directors of ZEN TECH INTERNATIONAL BERHAD hereby submit their report and the audited financial statements of the Group and of the Company for the financial period 1 July 2024 to 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The information on the name, place of incorporation, principal activities and proportion of ownership held by the Company in each of the subsidiary companies are as disclosed in Note 17 to the financial statements.

## CHANGE OF FINANCIAL YEAR END

The Company changed its financial year from 30 June to 31 December. Therefore, the financial period covered in these financial statements is for a period of 18 months, from 1 July 2024 to 31 December 2025. Thereafter, the financial year of the Company shall revert to 12 months ending 31 December, for each subsequent year.

## RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial period are as follows:

	<b>Group RM</b>	<b>Company RM</b>
Loss before tax	(19,290,234)	(11,514,800)
Income tax expense	(226,895)	-
	<hr/>	<hr/>
Loss for the financial period	<b>(19,517,129)</b>	<b>(11,514,800)</b>
Loss attributable to:		
Owners of the Company	(16,568,490)	(11,514,800)
Non-controlling interests	(2,948,639)	-
	<hr/>	<hr/>
	<b>(19,517,129)</b>	<b>(11,514,800)</b>

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

## DIRECTORS' REPORT

### DIVIDENDS

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

### RESERVES AND PROVISIONS

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

### ISSUE OF SHARES AND DEBENTURES

During the financial period, the ordinary share capital of the Company was increased from 3,110,651,656 units to 3,137,450,287 units by way of:

- (a) the issuance of 25,065,100 ordinary shares of RM0.010 each arising from the exercise of private placement; and
- (b) the issuance of 1,733,531 ordinary shares of RM0.015 each arising from the exercise of detachable warrants.

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

There was no issuance of debentures during the financial period.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial period other than the issuance of Warrants B.

### WARRANTS

#### Detachable Warrants B 2023/2025

The Warrants B were constituted under Deed Poll dated 22 December 2022. During the financial period, the number of Warrants B was decreased from 969,910,537 units to 968,177,006 units pursuant to conversion of 1,733,531 units of Warrants B.

Following the expiry of all unexercised Warrants B during the financial period, there were no warrants outstanding as at 31 December 2025.

The details of Warrants B 2023/2025 are disclosed in Note 27(a) to the financial statements.

## SHARE OPTIONS

During the financial period, no options were exercised.

The Employees Share Option Scheme ("ESOS") of the Company is governed by the ESOS By-Laws and is to be in force for a period of 5 years effective from 27 January 2023. The ESOS may be extended by the Board of Directors, upon the recommendation of the ESOS Committee.

The salient features and other terms of the ESOS are disclosed in the Note 27(b) to the financial statements.

## OTHER STATUTORY INFORMATION

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

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

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

- (a) which would render the amount written off as bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; and
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

## DIRECTORS' REPORT

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

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial period in which this report is made.

## DIRECTORS

The directors of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Dato' Zhang Li\*

Edwin Silvester Das

Siva Kumar Kalugasalam\*

Zhang Yang\*

Chow Hung Keey\*

Wong Kok Fong

Dato' Zaidi Bin Mat Isa @ Hashim

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

(Resigned on 26 August 2025)

Y.A.M. Tunku Kamariah Aminah Maimunah Iskandariah Binti Sultan Iskandar

(Resigned on 10 November 2025)

*\*Director of the Company and its subsidiary companies*

The directors of the subsidiary companies in office during the financial period and during the period from the end of the financial period to the date of this report are:

Mahfuzal Bin Othman

Teo Xiong Sheng

Teo Yoek Leong

Manfred Gustav Von Nostitz

Zhang Liang Sheng

(Appointed on 20 March 2026)

## DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors of the Company at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of Ordinary Shares			Balance as at 31.12.2025
	Balance as at 1.7.2024	Bought	Sold	
<b>Interests in the Company</b>				
<b>Direct interest</b>				
Chow Hung Keey	177,600	-	-	177,600
Dato' Zhang Li	16,339,936	-	-	16,339,936
Siva Kumar Kalugasalam	960,604	-	-	960,604
<b>Indirect interest</b>				
Zhang Yang*	16,339,936	-	-	16,339,936

\* Deemed interested by virtue of his mother, Dato' Zhang Li's direct shareholding in the Company

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary companies to the extent the Company has an interest.

The other directors in office at the end of the financial period did not hold shares, nor had beneficial interest in the shares of the Company or its related corporations during or at the beginning and end of the financial period.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of full-time employees of the Company as disclosed 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.

The details of the directors' remuneration of the Group and of the Company for the financial period are as follows:

	Group RM	Company RM
Executive directors:		
Fees	1,179,000	1,008,000
Salaries and other emoluments	1,567,883	144,000
Defined contribution plans	347,540	62,940
Social security contribution	10,152	4,061
	<hr/>	<hr/>
	3,104,575	1,219,001
Non-executive directors:		
Fees	740,000	740,000
	<hr/>	<hr/>
	3,844,575	1,959,001

## DIRECTORS' REPORT

During and at the end of the financial period, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Group and of the Company in accordance with Section 289 of the Companies Act, 2016.

## AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial period ended 31 December 2025 are as follows:

	<b>Group RM</b>	<b>Company RM</b>
Auditors' remuneration:		
Statutory audit	400,000	298,000
Other services	8,000	8,000
	<hr/> 408,000	<hr/> 306,000

## **AUDITORS**

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board  
in accordance with a resolution of the directors,

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**DATO' ZHANG LI**

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**SIVA KUMAR KALUGASALAM**

Kuala Lumpur

30 April 2026

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# STATEMENT BY DIRECTORS

The directors of **ZEN TECH INTERNATIONAL BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the financial period 1 July 2024 to 31 December 2025.

Signed on behalf of the Board, as approved by the Board  
in accordance with a resolution of the directors,

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**DATO' ZHANG LI**

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**SIVA KUMAR KALUGASALAM**

Kuala Lumpur

30 April 2026

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# STATUTORY DECLARATION

## DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **SIVA KUMAR KALUGASALAM**, being the director primarily responsible for the financial management of **ZEN TECH INTERNATIONAL BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

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**SIVA KUMAR KALUGASALAM**

Subscribed and solemnly declared by the  
abovenamed **SIVA KUMAR KALUGASALAM**  
at **PETALING JAYA** in the state of Selangor  
Darul Ehsan on 30 April 2026.

Before me,

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**COMMISSIONER FOR OATHS**

# INDEPENDENT AUDITORS' REPORT

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEN TECH INTERNATIONAL BERHAD (Incorporated in Malaysia)

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the financial statements of ZEN TECH INTERNATIONAL BERHAD, which comprise the statements of financial position as at 31 December 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 period 1 July 2024 to 31 December 2025, and notes to the financial statements, including material accounting policy information, as set out on pages 116 to 185.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

#### Basis for Qualified Opinion

As disclosed in Notes 7, 9, 17, 18 and 22 to the financial statements, the Company entered into a Share Sale Agreement (“SSA”) on 2 April 2024 for the acquisition of 70% equity interest in Alpha Fintech Sdn. Bhd. (“Alpha Fintech”) for a total purchase consideration of RM10,000,000. The acquisition was completed on 17 June 2025, resulting in the recognition of goodwill amounting to RM7,144,997, being the excess of the purchase consideration over the fair value of the net identifiable assets acquired. The goodwill was recognised based on unaudited financial information, without independent valuation support. Additionally, the Company recognised a profit guarantee receivable of RM2,300,000 following the vendor’s failure to meet guaranteed minimum profit targets stipulated in the SSA.

Subsequently, on 20 July 2025, pursuant to a Share Swap Agreement dated 2 July 2025, the Company disposed of its 40% equity interest in Alpha Fintech in exchange for a 40% equity interest in Hiassets Group Sdn. Bhd. (“Hiassets”) on a willing-buyer willing-seller basis, without independent valuations or sufficient external evidence to support the exchange values. Consequently, the Company recognised a loss on disposal of subsidiary company amounting to RM3,875,000. Following the swap, the Company recognised the investments in both Alpha Fintech and Hiassets as associate companies with a total carrying amount of RM6,125,000. As at 31 December 2025, the investment in associate companies were fully impaired as no recoverable amount is expected.

Given the absence of independent valuations, appropriate supporting documents, and the compressed timeline over which these transactions were executed, we were unable to obtain sufficient appropriate audit evidence to substantiate the economic substance and valuation basis of these transactions, and to determine whether:

- the aggregate loss of RM10,000,000 recognised during the financial period, comprising the loss on disposal of a subsidiary company amounting to RM3,875,000 and the impairment loss of investment in associate companies of RM6,125,000, were appropriately recognised and measured; and
- the recoverability of the profit guarantee receivable amounting to RM2,300,000 recognised by the Company as the vendor's financial viability cannot be verified.

#### *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"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 3 to the financial statements, which indicates that the Group and the Company incurred net losses of RM19,517,129 and RM11,514,800 respectively during the financial period ended 31 December 2025, and that the Group's current liabilities exceeded its current assets by RM8,748,483 as at that date. As stated in Note 3, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concern.

Our opinion is not modified in respect of this matter.

#### **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 the other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section

## INDEPENDENT AUDITORS' REPORT

above, we were unable to obtain sufficient appropriate audit evidence to determine the possible consequential effects thereof, if any, on the appropriateness of the loss on disposal of subsidiary company of RM3,875,000, the impairment of investment in associate companies of RM6,125,000, and the recognition and recoverability of the profit guarantee receivable of RM2,300,000 recognised in the Group's financial statements. Accordingly, we were unable to conclude whether or not the other information is materially misstated with respect of this matter.

### 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 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. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

(Forward)

Key Audit Matters	Our audit performed and responses thereon
<p><b>Impairment of property, plant and equipment and right of use assets (Note 14 and Note 15 to the financial statements)</b></p> <p>The carrying amounts of the Group's property, plant and equipment ("PPE") and right-of-use ("ROU") assets as at 31 December 2025 amounted to RM45,597,607 and RM1,923,160 respectively, representing 70.6% and 3.0% of the Group's total assets.</p> <p>The Group has incurred losses during the financial period, which constitutes an indicator of impairment. Accordingly, management performed an impairment assessment on PPE and ROU assets.</p> <p>The Group has designated PPE and ROU assets as a single cash-generating unit ("CGU") for the purpose of impairment assessment. The recoverable amount of the CGU is determined using the value-in-use ("VIU") method, which estimates the present value of future cash flows expected to be derived from the CGU.</p> <p>For the purpose of impairment testing, the carrying amount of the CGU is compared against its recoverable amount. Where the carrying amount exceeds the recoverable amount, an impairment loss is recognised and allocated to PPE and ROU assets.</p> <p>We determined this to be a key audit matter due to the impairment assessment involves significant judgement and estimation uncertainty, particularly in relation to assumptions applied in the VIU model, including projected revenue growth rates, operating profit margins, production capacity utilisation and the discount rate applied.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• reviewed the management's assessment for identification of indications of impairment;</li> <li>• compared prior year budgets to actual results to assess the reliability of management's forecasting process;</li> <li>• assessed the reasonableness of key assumptions used in the cash flow projections, including projected revenue growth rates, operating profit margins and production capacity utilisation, by comparing to historical performance;</li> <li>• assessed appropriateness of pre-tax discount rates used by management by comparing to market data, the market weighted average cost of capital and the relevant risk factors; and</li> <li>• performed sensitivity analyses on key assumptions to evaluate the impact of reasonably possible changes on the recoverable amount of the CGU.</li> </ul>

## INDEPENDENT AUDITORS' REPORT

Key Audit Matters	Our audit performed and responses thereon
<p><b>Valuation of trade receivables (Note 21 to the financial statements)</b></p> <p>The carrying amounts of the Group's trade receivables as at 31 December 2025 amounted to RM7,437,298, representing 11.5% of the Group's total assets.</p> <p>We determined this to be a key audit matter due to the significant management judgements and significant estimates involved, taking into consideration the aging, historical payment patterns, existence of disputes and other available information concerning the recoverability of the receivables and deposits.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• reviewed the aging analysis of the trade receivables and assessed the adequacy of the allowance for credit losses ;</li> <li>• evaluated management's methodology for estimating ECL, ensuring compliance with applicable accounting standards;</li> <li>• tested the accuracy and completeness of data used in the computation of the expected credit losses, including historical loss rates and forward-looking information;</li> <li>• conducted inquiries with management regarding significant changes in customer circumstances and their potential impact on collectability; and</li> <li>• reassessed the reasonableness of assumptions used in the ECL model by comparing them with historical trends.</li> </ul>

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.

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion

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

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

## INDEPENDENT AUDITORS' REPORT

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that in our opinion, we have not obtained all the information and explanations that we required in relation to the matters as disclosed in the Basis for Qualified Opinion section.

### 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.

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**MORISON LC PLT (AF 002469)**  
**202206000028 (LLP0032572-LCA)**  
**Chartered Accountants**

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**ERIC LIM HOE KUAN**  
**03717/02/2027 J**  
**Chartered Accountant**

Petaling Jaya  
30 April 2026

# FINANCIAL STATEMENTS

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD 1 JULY 2024 TO 31 DECEMBER 2025

	Note	Group		Company	
		01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Revenue	6	79,520,191	49,291,117	-	-
Cost of sales		(78,588,375)	(45,426,750)	-	-
Gross profit		931,816	3,864,367	-	-
Other operating income	7	2,923,661	831,357	2,301,904	8,308
Administrative expenses		(22,861,236)	(15,119,145)	(13,800,568)	(3,293,125)
<b>Loss from operations</b>		(19,005,759)	(10,423,421)	(11,498,664)	(3,284,817)
Finance costs	8	(284,475)	(243,484)	(16,136)	(13,311)
<b>Loss before tax</b>	9	(19,290,234)	(10,666,905)	(11,514,800)	(3,298,128)
Income tax (expense)/credit	11	(226,895)	(51,227)	-	957
<b>Loss for the financial period/year, representing total comprehensive loss for the financial period/year</b>		(19,517,129)	(10,718,132)	(11,514,800)	(3,297,171)
Loss for the financial period/year attributable to:					
Owners of the Company		(16,568,490)	(10,281,051)	(11,514,800)	(3,297,171)
Non-controlling interests		(2,948,639)	(437,081)	-	-
		(19,517,129)	(10,718,132)	(11,514,800)	(3,297,171)
Loss per ordinary share attributable to owners of the Company:					
Basic (sen)	12	(0.53)	(0.33)		
Diluted (sen)	12	(0.53)	(0.33)		

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

## FINANCIAL STATEMENTS

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		31.12.2025 RM	30.06.2024 RM	31.12.2025 RM	30.06.2024 RM
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Goodwill	13	-	-	-	-
Property, plant and equipment	14	45,597,607	49,728,142	291,444	360,863
Right-of-use assets	15	1,923,160	2,534,132	286,945	407,059
Intangible assets	16	-	-	-	-
Investment in subsidiary companies	17	-	-	45,967,172	45,967,172
Investment in associate companies	18	-	-	-	-
Other investment	19	25,000	25,000	25,000	25,000
<b>Total Non-Current Assets</b>		<b>47,545,767</b>	<b>52,287,274</b>	<b>46,570,561</b>	<b>46,760,094</b>
<b>Current Assets</b>					
Inventories	20	3,975,537	2,888,413	-	-
Trade receivables	21	7,437,298	8,501,423	-	-
Other receivables, deposits and prepayments	22	4,972,038	10,298,071	2,650,847	7,256,206
Amount due from subsidiary companies	23	-	-	5,438,679	6,909,105
Amount due from directors	24	-	40,000	-	40,000
Tax recoverable		408,787	208,787	-	-
Fixed deposits with licensed banks	25	47,400	47,400	-	-
Cash and bank balances		224,421	405,434	3,053	240,746
<b>Total Current Assets</b>		<b>17,065,481</b>	<b>22,389,528</b>	<b>8,092,579</b>	<b>14,446,057</b>
<b>Total Assets</b>		<b>64,611,248</b>	<b>74,676,802</b>	<b>54,663,140</b>	<b>61,206,151</b>

(Forward)

	Note	Group		Company	
		31.12.2025 RM	30.06.2024 RM	31.12.2025 RM	30.06.2024 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	26	88,771,796	88,495,142	88,771,796	88,495,142
Other reserves	27	8,850,930	23,399,588	8,850,930	23,399,588
Accumulated losses		(47,958,843)	(45,939,011)	(49,188,097)	(52,221,955)
<b>Equity Attributable to Owners of the Company</b>					
Non-controlling interests		49,663,883	65,955,719	48,434,629	59,672,775
		(12,346,914)	(9,398,275)	-	-
<b>Total Equity</b>		<b>37,316,969</b>	<b>56,557,444</b>	<b>48,434,629</b>	<b>59,672,775</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	28	1,480,315	2,220,217	217,492	336,263
Deferred tax liabilities	29	-	54,445	-	-
<b>Total Non-Current Liabilities</b>		<b>1,480,315</b>	<b>2,274,662</b>	<b>217,492</b>	<b>336,263</b>
<b>Current Liabilities</b>					
Trade payables	30	11,321,631	6,184,735	-	-
Other payables and accruals	31	9,271,920	4,907,819	4,715,481	632,846
Amount due to directors	24	1,904,839	1,452,548	1,215,763	488,000
Lease liabilities	28	542,176	386,682	79,775	76,267
Bank borrowings	32	2,492,058	2,912,912	-	-
Tax payable		281,340	-	-	-
<b>Total Current Liabilities</b>		<b>25,813,964</b>	<b>15,844,696</b>	<b>6,011,019</b>	<b>1,197,113</b>
<b>Total Liabilities</b>		<b>27,294,279</b>	<b>18,119,358</b>	<b>6,228,511</b>	<b>1,533,376</b>
<b>Total Equity and Liabilities</b>		<b>64,611,248</b>	<b>74,676,802</b>	<b>54,663,140</b>	<b>61,206,151</b>

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

	Attributable to owners of the parent		Distributable		Total equity RM
	Share capital RM	Warrant reserve RM	Accumulated losses RM	Attributable to owners of the Company RM	
<b>Group</b>					
<b>As at 1 July 2023</b>	116,471,401	14,551,658	(75,657,960)	68,654,144	59,692,950
Issuance of shares pursuant to the:					
- exercise of employee share option scheme	8,091,741	-	-	3,653,626	3,653,626
- exercise of private placement	3,926,000	-	-	3,926,000	3,926,000
- exercise of detachable warrants	6,000	(3,000)	-	3,000	3,000
Capital reduction of shares	(40,000,000)	-	40,000,000	-	-
Total transaction with owners	(27,976,259)	(3,000)	40,000,000	7,582,626	7,582,626
<b>Total comprehensive loss for the financial year</b>	-	-	(10,281,051)	(10,281,051)	(10,718,132)
<b>As at 30 June 2024</b>	88,495,142	14,548,658	(45,939,011)	65,955,719	56,557,444

(Forward)

	← Attributable to owners of the parent →		← Attributable to owners of the parent →		← Attributable to owners of the parent →		← Attributable to owners of the parent →		← Attributable to owners of the parent →	
	Share capital	Warrant reserve	Employee Share Option Reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total equity	Share capital	Warrant reserve	Employee Share Option Reserve
Group	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>As at 1 July 2024</b>	88,495,142	14,548,658	8,850,930	(45,939,011)	65,955,719	(9,398,275)	56,557,444			
Issuance of shares pursuant to the:										
- exercise of private placement	250,651	-	-	-	250,651	-	250,651			
- exercise of detachable warrants	26,003	(13,002)	-	13,002	26,003	-	26,003			
Expiring of warrant to ordinary shares	-	(14,535,656)	-	14,535,656	-	-	-			
Total transaction with owners	276,654	(14,548,658)	-	14,548,658	276,654	-	276,654			
<b>Total comprehensive loss for the financial period</b>	-	-	-	(16,568,490)	(16,568,490)	(2,948,639)	(19,517,129)			
<b>As at 31 December 2025</b>	88,771,796	-	8,850,930	(47,958,843)	49,663,883	(12,346,914)	37,316,969			

	← Non-distributable	Employee Share		Distributable	
	Share capital RM	Warrant reserve RM	Option Reserve RM	Accumulated losses RM	Total equity RM
<b>Company</b>					
<b>As at 1 July 2023</b>	116,471,401	14,551,658	13,289,045	(88,924,784)	55,387,320
Issuance of shares pursuant to the:					
- exercise of employee share option scheme	8,091,741	-	(4,438,115)	-	3,653,626
- exercise of private placement	3,926,000	-	-	-	3,926,000
- exercise of detachable warrants	6,000	(3,000)	-	-	3,000
Capital reduction of shares	(40,000,000)	-	-	40,000,000	-
Total transaction with owners	(27,976,259)	(3,000)	(4,438,115)	40,000,000	7,582,626
<b>Total comprehensive loss for the financial year</b>	-	-	-	(3,297,171)	(3,297,171)
<b>As at 30 June 2024</b>	88,495,142	14,548,658	8,850,930	(52,221,955)	59,672,775
<b>Company</b>					
<b>As at 1 July 2024</b>	88,495,142	14,548,658	8,850,930	(52,221,955)	59,672,775
Issuance of shares pursuant to the:					
- exercise of private placement	250,651	-	-	-	250,651
- exercise of detachable warrants	26,003	(13,002)	-	13,002	26,003
Expiring of warrant to ordinary shares	-	(14,535,656)	-	14,535,656	-
Total transaction with owners	276,654	(14,548,658)	-	14,548,658	276,654
<b>Total comprehensive loss for the financial period</b>	-	-	-	(11,514,800)	(11,514,800)
<b>As at 31 December 2025</b>	88,771,796	-	8,850,930	(49,188,097)	48,434,629

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

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD 1 JULY 2024 TO 31 DECEMBER 2025**

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
<b>CASH FLOWS FROM/USED IN OPERATING ACTIVITIES</b>				
Loss before tax	(19,290,234)	(10,666,905)	(11,514,800)	(3,298,128)
Adjustments for:				
Depreciation of property, plant and equipment	8,020,898	4,791,864	69,419	60,027
Depreciation of right-of-use assets	610,972	514,579	120,114	146,061
Property, plant and equipment written off	-	156,479	-	143,277
Gain on termination of right-of-use assets	-	(2,210)	-	(2,210)
Loss on disposal of subsidiary	3,875,000	-	3,875,000	-
Bad debt written off	-	71,449	-	-
Impairment losses on:				
Investment in associate companies	6,125,000	-	6,125,000	-
Goodwill	-	6,319,438	-	-
Other receivables	203,235	-	-	-
Interest expense	284,475	243,484	16,136	13,311
Interest income	(425,328)	(780,916)	(10)	(1,166)
Unrealised loss on foreign exchange	-	43,903	-	-
Profit guarantee arising from acquisition of Alpha Fintech Sdn. Bhd.	(2,300,000)	-	(2,300,000)	-
Other payables written off	-	(4,854)	-	(4,854)
Operating (loss)/profit before working capital changes	(2,895,982)	686,311	(3,609,141)	(2,943,682)

(Forward)

## FINANCIAL STATEMENTS

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Changes in working capital: (Increase)/Decrease in:				
Inventories	(1,087,124)	(625,567)	-	-
Trade receivables	1,064,125	(848,366)	-	-
Other receivables, deposits and prepayments	(1,377,202)	(3,940,373)	(1,894,641)	(3,255,751)
Increase/(Decrease) in:				
Trade payables	5,136,896	(1,013,210)	-	-
Other payables and accruals	3,164,101	1,707,828	2,882,635	220,129
Cash from/(used in) operations	4,004,814	(4,033,377)	(2,621,147)	(5,979,304)
Interest received	425,328	1,166	10	1,166
Income tax paid	(200,000)	(300,000)	-	-
Net Cash Generated From/ (Used In) Operating Activities	4,230,142	(4,332,211)	(2,621,137)	(5,978,138)
<b>CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES</b>				
Advances from/(Repayment to) directors	-	(40,000)	40,000	(40,000)
Amount due from subsidiary companies	-	-	1,470,426	(1,604,237)
Purchase of property, plant and equipment	(3,890,363)	(4,094,437)	-	(378,213)
Net Cash (Used In)/From Investing Activities	(3,890,363)	(4,134,437)	1,510,426	(2,022,450)

(Forward)

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
<b>CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>				
Drawdown of bankers' acceptance	1,925,051	8,381,656	-	-
Repayment of bankers' acceptance	(2,267,000)	(8,442,175)	-	-
Proceed from exercise of:				
- employees share issuance share	-	3,653,626	-	3,653,626
- private placement	250,651	3,926,000	250,651	3,926,000
- warrants	26,003	3,000	26,003	3,000
Interest paid	(284,475)	(243,484)	(16,136)	(13,311)
Repayment of lease liabilities	(584,408)	(441,822)	(115,263)	(146,338)
Advances from/(Repayment to) directors	452,291	1,097,376	727,763	484,500
Net Cash (Used In)/From Financing Activities	(481,887)	7,934,177	873,018	7,907,477
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(102,108)	(532,471)	(237,693)	(93,111)
Effect of exchange differences	-	(43,903)	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR</b>	(193,078)	383,296	240,746	333,857
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR</b>	(295,186)	(193,078)	3,053	240,746

(Forward)

## FINANCIAL STATEMENTS

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Fixed deposits with licensed banks	47,400	47,400	-	-
Cash and bank balances	224,421	405,434	3,053	240,746
Bank overdrafts	(567,007)	(645,912)	-	-
	(295,186)	(193,078)	3,053	240,746

## NOTE TO STATEMENTS OF CASH FLOWS

Cash outflows for right-of-use assets are as follows:

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
<u>Included in net cash used in operating activities:</u>				
- Payment related to short-term leases	152,600	105,510	-	5,405
- Payment related to low value assets	65,674	18,260	14,490	8,280
<u>Included in net cash used in financing activities:</u>				
- Interest paid in relation to lease liabilities	104,992	89,824	16,136	13,311
- Payment for the principal portion of lease liabilities	584,408	441,822	115,263	146,338
	907,674	655,416	145,889	173,334

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025

### 1. GENERAL INFORMATION

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

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as disclosed in Note 17 to the financial statements.

The Company changed its financial year end from 30 June to 31 December. Therefore, the financial period covered in these financial statements is for a period of 18 months, from 1 July 2024 to 31 December 2025. Thereafter, the financial year of the Company shall revert to 12 months ending 31 December, for each subsequent year.

The address of the registered office of the Company is B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia.

The address of the principal place of business of the Company is Unit No. 53-6, The Boulevard, Mid Valley City, Lingkaran Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance on 30 April 2026.

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

#### Adoption of amendments to MFRSs standards

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

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

The adoption of this amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

#### New MFRSs and amendments to MFRSs in issue but not yet effective

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

## FINANCIAL STATEMENTS

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards- Volume 11 <sup>1</sup>
MFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>3</sup> Deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable. The adoption of these new MFRSs and amendments to MFRSs may not have an impact on the financial statements of the Group and of the Company in the period of initial application except as further discussed below:

#### MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements sets out overall requirements for the presentation and disclosure in the financial statements, and will replace MFRS 101 Presentation of Financial Statements upon its adoption. The International Accounting Standard Board (“IASB”) did not reconsider all aspects of MFRS 101 when developing MFRS 18, but instead focused on the statement of profit or loss. The IASB retained some paragraphs from MFRS 101 in MFRS 18 and moved some paragraphs from MFRS 101 to MFRS 108 Basis of Preparation of Financial Statements and MFRS 7 Financial Instruments: Disclosures.

MFRS 18 aims to improve financial reporting by:

- requiring an entity to classify income and expenses including in the statement of profit or loss into five categories, namely operating, investing, financing, income taxes and discontinued operations;
- requiring an entity to present two new defined subtotals in the statement of profit or loss, including “operating profit or loss” and “profit or loss before financing and income taxes”;
- requiring an entity to disclose management-defined performance measure; and
- adding new principles for aggregation and disaggregation of items.

An entity is required to apply MFRS 18 for annual periods beginning on or after 1 January 2027, with earlier application permitted. MFRS 18 requires retrospective application with specific transition provisions.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for certain financial instruments that are measured at fair value or at amortised cost at the end of the reporting date as explained in the material accounting policy information below.

#### Going concern

The financial statements of the Group and of the Company have been prepared on a going concern basis. During the financial period from 1 July 2024 to 31 December 2025, the Group and the Company recorded net losses of RM19,517,129 and RM11,514,800 respectively, and as at 31 December 2025, the Group's current liabilities exceeded its current assets by RM8,748,483. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concern.

Notwithstanding the above, the directors have prepared the financial statements on a going concern basis based on cash flow forecast projections covering a period of at least 12 months from the date of approval of these financial statements, after taking into consideration the following assumptions:

(a) Cash flow forecast projection from glove operations

Subsequent to the financial period ended, the new powder-free glove production lines, which were previously classified as capital work-in-progress as at 31 December 2025, have been completed. These production lines enable the Group to produce and sell a new product, being powder-free gloves, which are expected to command higher margins and improve production efficiency. These operations are supported by secured purchase orders from both new and existing customers and are expected to contribute positively to future operating cash inflows.

(b) Management of working capital

The Group actively manages its working capital through close monitoring of customer collections and payments to suppliers. This includes the deferral of certain supplier payments, supported by established long-term business relationships. In addition, the Group has access to existing unutilised banking facilities, which improve its liquidity position and provides sufficient funding to meet its financial obligations as and when they fall due.

(c) Financial support from directors

The directors of the Company will provide continuing financial support to the Group as and when required, for a period of not less than 12 months from the date of approval of these financial statements.

The appropriateness of the going concern assumption is dependent on the successful achievement of the matters set out above.

## FINANCIAL STATEMENTS

Accordingly, while there is a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concerns, the directors believe that the adoption of the going concern basis in the preparation of these financial statements remains appropriate.

Should the going concern basis for the preparation of the financial statements be no longer appropriate, adjustments will have to be made to state the assets at their realisable values and to provide for further liabilities which may arise.

### **Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

### **Basis of consolidation**

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

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group.

### Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable assets.

### Investment in subsidiary companies

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less accumulated impairment losses, unless the investment is classified as held for sale. The impairment loss is recognised in the profit or loss.

### Investment in associate companies

Investment in associate companies is accounted for in the consolidated financial statements of the Group using the equity method. In the Company's separate financial statements, investments in associate companies are stated at cost less accumulated impairment losses.

## Revenue recognition

Revenue is recognised when the Group satisfied a performance obligation (“PO”) by transferring a promised good or services to customer which is when the customer obtain control of the good or services. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

### (a) Sales of goods

Revenue is measured at the fair value of consideration received or receivables, net of returns and allowances, trade discount and volume rebate. Revenue from sale of goods is recognised when the control over goods is transferred to the customers and performance obligations are satisfied to the customers and there is no continuity management involvement with the goods.

### (b) Revenue from services rendered

Revenue from services is recognised in the accounting year in which the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

### (c) Interest income

Interest income is recognised as it accrues, using the effective interest method.

## Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, where applicable.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis over its estimated useful economic life. The principal annual rates used are as follows:

Computer equipment and software	20%
Factory	10%
Furniture and fittings	10%
Plant and machinery	10%
Motor vehicles	20%
Office equipment and telecommunication equipment	10% - 20%
Renovation	10%
TNB sub station	10%

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

The residual value, estimated useful lives and depreciation method of property, plant and equipment are reviewed at each end of reporting date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

## FINANCIAL STATEMENTS

### Leases

#### Lessee accounting

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjustment for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease term. The estimated useful lives of the right-of-use assets are determined as follows:

Factory	Over the lease period
Office building	Over the lease period

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have 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 and the Company recognise the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

### Goodwill

Goodwill on consolidation is accounted for using the proportionate method. After initial recognition, goodwill on consolidation is measured at cost less any accumulated impairment losses.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiary companies exceeds the cost of the business combinations, the excess is recognised as income immediately in profit and loss.

### Inventories

Inventories are stated at lower of cost or net realisable value.

Cost is determined using the weighted average method. The cost of raw materials comprises the original cost of purchases plus the cost of bringing these inventories to their intended location and condition. The cost of finished goods and work-in-progress includes the cost of raw materials, direct labour and appropriate allocation of manufacturing overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the estimated cost of selling expenses. Write down is made where necessary for damaged, obsolete and slow-moving inventories.

### **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Financial assets**

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification of financial assets*

Classification of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change 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.

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## FINANCIAL STATEMENTS

By default, all other financial assets are measured subsequently at fair value through profit or loss (“FVTPL”).

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a financial asset that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The Group and the Company determine the classification of their financial assets at initial recognition at amortised cost which include trade and other receivables and cash and bank balances.

### **Financial liabilities**

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

#### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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

### **Impairment of non-financial assets**

The carrying amounts of non-financial are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset’s recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value-in-use. 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 units. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is 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 (group of cash-generating units) on a pro rata basis.

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 only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in profit or loss.

### **Impairment of assets**

#### *Financial assets*

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for other receivables and cash and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-months expected credit loss. Loss allowances for trade receivables 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.

Loss rates are based on actual credit loss experience over the past financial years. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

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.

## FINANCIAL STATEMENTS

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 amounts due.

### **Cash and cash equivalents**

Cash and cash equivalents are readily convertible to a known amount of cash and not subject to a significant risk of changes in value that held for meeting short-term cash commitments. Cash and cash equivalents comprise cash in hand and bank balances and bank overdraft.

### **Foreign currency transactions and balances**

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

### **Statements of cash flow**

The Group and the Company adopt the indirect method in the preparation of the statements of cash flow.

For the purpose of the statements of cash flows, cash and cash equivalents are presented cash in hand and bank balances including bank overdrafts.

## **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the report amounts.

### **(a) Critical judgements in applying the Group's and the Company's accounting policies**

In the process of applying the Group's and the Company's accounting policies, the Directors are of

the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements.

**(b) Key sources of estimation uncertainty**

Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, except for:

Impairment of investment in subsidiary companies

The Company assess impairment of investment in subsidiary companies whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

When such indication exists, the management determine the recoverable amount based on present value of the estimated future 5 years cash flows expected to be derived from the subsidiary companies. In estimating the present value of the estimated cash flows, the management applied a suitable discount rate and assumptions supporting the underlying cash flow projections. Cash flows that are projected based on assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than expected.

The carrying amount for investment in subsidiary companies is disclosed in Note 17.

Impairment of property, plant and equipment and right-of-use assets

The Group assesses whether there are any indicators of impairment for property, plant and equipment and right-of-use assets at each reporting date. Where such indicators exist, management determines the recoverable amount of the relevant cash-generating unit based on the present value of the estimated future cash flows expected to be derived from the assets. In estimating the present value of the cash flows, management applies an appropriate discount rate and uses assumptions supporting the underlying cash flow projections. These assumptions include, amongst others, projected revenue growth, operating profit margins and production capacity utilisation. As the cash flow projections are based on assumptions about future events, any changes in these assumptions may have a significant effect on the Group's financial position and results of operations.

The carrying amounts of property, plant and equipment and right-of-use assets are disclosed in Notes 14 and 15.

Useful lives of property, plant and equipment and right-of-use assets

The cost of property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment and right-of-use assets to be within 3 to 10 years. These are common life expectancies applied in the manufacturing and investment industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Provision for ECL of trade receivables

## FINANCIAL STATEMENTS

The Group assesses the expected credit losses on trade receivables at each reporting date. The expected credit losses are estimated based on historical credit loss experience, adjusted for current and forward-looking information. In determining the expected credit losses, management applies assumptions relating to customer credit risk, aging of receivables, historical payment patterns, existence of disputes and macroeconomic conditions. As these estimates are based on assumptions about future events, any changes in these assumptions may have a significant effect on the Group's financial position and results of operations.

The carrying amount of trade receivables is disclosed in Note 21.

### 5. SEGMENT REPORTING

The Group is organised into business units based on its products and services, and has three reportable operating segments as follow:

- Gloves - Manufacture of gloves
- E-commerce - Software development, system integration and system services
- Corporate - Investment holding and others

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of profit or loss and other comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segment.

The following is an analysis of the Group's revenue and results by the operating segments.

	<b>Software and system integration RM</b>	<b>Gloves RM</b>	<b>Corporate RM</b>	<b>Elimination RM</b>	<b>Total RM</b>
<b>Group</b>					
<b>01.07.2024 to 31.12.2025 (18 months)</b>					
External sales	1,729,791	77,790,400	-	-	79,520,191
<hr/>					
<b>Result</b>					
Loss from operations	(611,165)	(6,103,430)	(11,503,257)	(787,907)	(19,005,759)
Finance costs	-	(268,340)	(16,135)	-	(284,475)
<hr/>					
Loss before tax	(611,165)	(6,371,770)	(11,519,392)	(787,907)	(19,290,234)
Income tax (expenses)/ credit	(281,340)	54,445	-	-	(226,895)
<hr/>					
Loss for the financial period	(892,505)	(6,317,325)	(11,519,392)	(787,907)	(19,517,129)
<hr/>					
<b>Result</b>					
Segment assets	4,085,447	101,618,966	54,664,103	(95,757,268)	64,611,248
<hr/>					
Segment liabilities	(18,979,330)	(22,906,841)	(6,233,969)	20,825,861	(27,294,279)
<hr/>					

## FINANCIAL STATEMENTS

	<b>Software and system integration RM</b>	<b>Gloves RM</b>	<b>Corporate RM</b>	<b>Elimination RM</b>	<b>Total RM</b>
<b>Other information</b>					
Depreciation of right-of-use assets	-	(490,858)	(120,114)	-	(610,972)
Depreciation of property, plant and equipment	(100,697)	(7,850,782)	(69,419)	-	(8,020,898)
Loss on disposal of subsidiary company	-	-	(3,875,000)	-	(3,875,000)
Impairment losses on investment in associate companies	-	-	(6,125,000)	-	(6,125,000)
Interest income	-	-	10	-	10
Interest income charged to client for overdue balances	425,318	-	-	-	425,318
Unrealised gain on foreign exchange	-	60,865	-	-	60,865
<b>01.07.2023 to 30.06.2024 (12 months)</b>					
External sales	3,816,918	45,474,199	-	-	49,291,117
<b>Result</b>					
Profit/(Loss) from operations	448,698	(1,267,864)	(3,284,817)	(6,319,438)	(10,423,421)
Finance costs	-	(230,173)	(13,311)	-	(243,484)
Profit/(Loss) before tax	448,698	(1,498,037)	(3,298,128)	(6,319,438)	(10,666,905)
Income tax (expenses)/ credit	-	(52,184)	957	-	(51,227)
Profit/(Loss) for the financial period	448,698	(1,550,221)	(3,297,171)	(6,319,438)	(10,718,132)
<b>Result</b>					
Segment assets	6,665,563	86,852,404	61,206,148	(80,047,313)	74,676,802
Segment liabilities	(20,666,942)	(18,557,606)	(1,533,376)	22,638,566	(18,119,358)

	<b>Software and system integration RM</b>	<b>Gloves RM</b>	<b>Corporate RM</b>	<b>Elimination RM</b>	<b>Total RM</b>
<b>Other information</b>					
Depreciation of right-of-use assets	-	(368,518)	(146,061)	-	(514,579)
Depreciation of property, plant and equipment	(91,498)	(4,640,340)	(60,026)	-	(4,791,864)
Impairment of goodwill	-	-	-	(6,319,438)	(6,319,438)
Interest income	-	-	1,166	-	1,166
Interest income charged to client for overdue balances	779,750	-	-	-	779,750
Property, plant and equipment written off	(13,201)	-	(143,278)	-	(156,479)
Unrealised loss on foreign exchange	-	(43,903)	-	-	(43,903)

## 6. REVENUE

	<b>Group</b>	
	<b>01.07.2024 to 31.12.2025 RM (18 months)</b>	<b>01.07.2023 to 30.06.2024 RM (12 months)</b>
Revenue from contracts with customers:		
Sales of hardware	-	2,012,380
Sales of rubber gloves	77,790,400	45,474,199
Software development, system integration and system services	1,729,791	1,804,538
	<u>79,520,191</u>	<u>49,291,117</u>
Timing of revenue recognition:		
- at point of time	<u>79,520,191</u>	<u>49,291,117</u>

The performance obligations for sale of hardware and gloves are satisfied upon delivery of goods.

The performance obligations for software development, system integration and system services are satisfied upon services are rendered.

## FINANCIAL STATEMENTS

## 7. OTHER OPERATING INCOME

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Interest income from financial institution	10	1,166	10	1,166
Interest income charged to client for overdue balances	425,318	779,750	-	-
Gain on termination of right-of-use assets	-	2,210	-	2,210
Realised gain on foreign exchange	60,865	28,650	-	-
Profit guarantee arising from acquisition of Alpha Fintech (Note 17)	2,300,000	-	2,300,000	-
Sundry income	137,468	14,727	1,894	78
Waiver of debts	-	4,854	-	4,854
	<b>2,923,661</b>	<b>831,357</b>	<b>2,301,904</b>	<b>8,308</b>

## 8. FINANCE COSTS

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Bankers' acceptance interest	107,137	81,291	-	-
Bank overdraft interest	72,346	72,369	-	-
Lease liabilities	104,992	89,824	16,136	13,311
	<b>284,475</b>	<b>243,484</b>	<b>16,136</b>	<b>13,311</b>

## 9. LOSS BEFORE TAX

Loss before tax for the financial period/year is arrived at after charging:

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Auditors' remuneration				
- statutory audit	400,000	196,000	298,000	128,000
- non-audit services	8,000	8,000	8,000	8,000
Bad debts written off	-	71,449	-	-
Depreciation of right-of-use assets	610,972	514,579	120,114	146,061
Depreciation of property, plant and equipment	8,020,898	4,791,864	69,419	60,027
Expenses relating to lease of low value assets	65,674	18,260	14,490	8,280
Expenses relating to short term leases	152,600	105,510	-	5,405
Loss on disposal of subsidiary company	3,875,000	-	3,875,000	-
Impairment losses on:				
Investment in associate companies	6,125,000	-	6,125,000	-
Goodwill	-	6,319,438	-	-
Other receivables	203,235	-	-	-
Property, plant and equipment written off	-	156,479	-	143,277
Employee benefits expense (Note 10)	11,240,308	8,591,301	2,757,826	1,685,440
Unrealised loss on foreign exchange	-	43,903	-	-

## 10. EMPLOYEES BENEFITS EXPENSE

The employee benefits recognised in profit or loss are as follows:

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Fees	1,919,000	1,199,500	1,748,000	1,092,000
Salaries, wages, allowances and bonuses	8,514,493	6,673,479	855,311	490,793
Defined contribution plan	621,633	351,273	135,691	76,127
Other employee benefits	185,181	367,049	18,824	26,520
	11,240,307	8,591,301	2,757,826	1,685,440

## FINANCIAL STATEMENTS

Included in employee benefit expenses are directors' remuneration who are also the key management personnel of the Group and of the Company:

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Directors' remuneration (Note 33)	3,844,575	2,337,326	1,959,001	1,228,461

### 11. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Estimate tax payable:				
Current financial period/year	102,076	-	-	-
Under/(Over) provision in prior financial year	179,264	(3,218)	-	(957)
	281,340	(3,218)	-	(957)
Deferred tax liabilities: (Note 29)				
Current financial period/year	(94,998)	30,293	-	-
Under provision in prior financial year	40,553	24,152	-	-
	(54,445)	54,445	-	-
Income tax expenses/(credit)	226,895	51,227	-	(957)

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

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Loss before tax	(19,290,234)	(10,666,905)	(11,514,800)	(3,298,128)
Taxation at statutory rate of 24% (2024: 24%)	(4,629,656)	(2,560,057)	(2,763,552)	(791,551)
Tax effects of:				
Non-taxable income	(552,457)	(190,335)	(552,457)	(1,695)
Expenses not deductible	4,446,773	2,204,090	3,316,009	793,246
Deferred tax assets not recognised	742,418	576,595	-	-
Under/(Over) provision in prior financial year				
- current tax	179,264	(3,218)	-	(957)
- deferred tax	40,553	24,152	-	-
	226,895	51,227	-	(957)

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
Temporary differences arising from:				
Property plant and equipment	(10,072,862)	(8,664,039)	-	-
Right-of-use assets	(1,110,959)	(1,444,246)	-	-
Lease liabilities	1,168,700	1,486,507	-	-
Unabsorbed capital allowances	10,589,857	5,990,580	-	-
Unutilised tax losses	11,819,779	11,932,308	-	-
	12,394,515	9,301,109	-	-

## FINANCIAL STATEMENTS

The potential deferred tax assets in respect of these items have not been recognized as it is uncertain whether sufficient future taxable profits will be available against which certain subsidiaries can utilise the benefits. The unutilised tax losses and unabsorbed capital allowances of the Group are available for offsetting against future taxable profits of respective subsidiaries, subject to no substantial changes in shareholdings of those entities under Income Tax Act, 1967 and subject to the relevant provision of Income Tax Act, 1967.

The unutilised tax losses are available for carry forward for a period of 10 (2024: 10) consecutive years. Upon expiry of the 10 (2024: 10) years, the unutilised tax losses will be disregarded. The expiry terms of the unutilised tax losses of the Group and of the Company is as follows:

	<b>Group</b>	
	<b>31.12.2025</b>	<b>30.06.2024</b>
	<b>RM</b>	<b>RM</b>
Expiring in year of assessment:		
2028	523,190	523,190
2029	1,378	1,378
2030	1,402	1,402
2031	211,537	211,537
2032	7,790,885	7,903,691
2033	270,425	270,425
2034	342,724	342,447
2035	2,678,238	2,678,238
	11,819,779	11,932,308

## 12. LOSS PER ORDINARY SHARE

Basic and diluted loss per ordinary share attributable to owner of the Company are computed by dividing the loss for the financial period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year.

### Basic loss per share

The basic loss per ordinary share of the Group has been calculated by dividing the Group's loss for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year.

	<b>Group</b>	
	<b>31.12.2025</b>	<b>30.06.2024</b>
Loss attributable to owners of the Company (RM)	(16,568,490)	(10,281,051)
Weighted average number of ordinary shares (units):		
Ordinary shares as at 1 July 2024/2023	3,110,651,656	2,628,545,901
Effect of new ordinary shares issued during the financial period/year	26,798,631	482,105,755
Weighted average number of ordinary shares as at 31 December/30 June	3,137,450,287	3,110,651,656
Basic loss per ordinary share (sen)	(0.53)	(0.33)

#### **Diluted loss per share**

Diluted earnings per ordinary share for the financial period/year is calculated by dividing the Group's profit for the financial period/year attributable to owners of the Company by the weighted average number of ordinary shares that would have been issued upon full exercise of the outstanding warrants and employees share option scheme, adjusted by the number of such shares that would have been issued at fair value as follows:

	<b>Group</b>	
	<b>31.12.2025</b>	<b>30.06.2024</b>
Loss attributable to owners of the Company (RM)	(16,568,490)	(10,281,051)
Weighted average number of ordinary shares (units):		
Effect of dilution:		
Warrant B*	-	-
Employees share option scheme*	-	-
Adjusted weighted average number of ordinary shares	3,137,450,287	3,110,651,656
Diluted loss per ordinary share (sen)	(0.53)	(0.33)

\* The Warrants B 2023/2025 and employees share options scheme outstanding during the financial period/year are anti-dilutive as they would decrease the loss per share. Accordingly, they are excluded from the computation of diluted loss per ordinary share and the diluted loss per ordinary share is equal to the basic loss per ordinary share.

## 13. GOODWILL

	Group	
	31.12.2025	30.06.2024
	RM	RM
<b>At cost</b>		
At beginning and end of the financial period/year	6,319,438	6,319,438
Acquisition of a subsidiary company (Note 17(a))	10,189,997	-
Derecognition of a subsidiary company (Note 17(b))	(7,144,997)	-
	<hr/>	<hr/>
At end of the financial period/year	6,319,438	6,319,438
<b>Accumulated impairment losses</b>		
At beginning of the financial period/year	6,319,438	-
Recognised during the financial period/year	-	6,319,438
	<hr/>	<hr/>
At end of the financial period/year	6,319,438	6,319,438
<b>Carrying amount</b>		
At beginning and end of the financial period/year	<hr/>	<hr/>
	-	-

During the financial period, goodwill of RM7,144,997 arose from the acquisition of a 70% equity interest in Alpha Fintech Sdn. Bhd. ("Alpha Fintech") on 17 June 2025, as further described in Note 17(a). The goodwill represents the excess of the total consideration of RM10,000,000, including non-controlling interest of RM1,223,573 over the fair value of Alpha Fintech's net identifiable assets of RM4,078,576 at the acquisition date.

Subsequently, on 20 July 2025, the Company ceased to have control over Alpha Fintech following a share swap transaction as described in Note 17(b). Accordingly, the goodwill of RM7,144,997 was derecognised from the consolidated statement of financial position and forms part of the loss on disposal of a subsidiary company recognised in profit or loss.

The goodwill of RM6,319,438 recognised at the beginning of the prior financial year arose from the investment in Inix L&S Gloves Sdn. Bhd. and was fully impaired during the financial year ended 30 June 2024 following management's assessment that the recoverable amount of the related cash-generating unit was RMNil. The recoverable amount of the cash generating unit ("CGU") was determined based on the value in use using cash flows projections on financial budgets approved by directors for a five years period. The future cash flows were based on management's five years business plan, which is the best estimate of future performance.

The recoverable amount of goodwill on consolidation of the CGU was determined based on the value in use using cash flow projections using the following assumptions:

- (i) Budgeted revenue - Revenue is derived based on the 7 production lines, capacity of production of 10,546 gloves per line per hour, 20.88 hours per day and with the 97% capital efficiency of the factory production over the 5 years;
- (ii) Budgeted gross margin - Gross margin is based on historical margin achieved and management average target margin of 22%, which is probable to be achieved;
- (iii) Growth rates - The growth rate is 4% per annum based on Malaysia Consumer Price Index; and
- (iv) Pre-tax discount rate - Discount rate of 10% represents the cost of capital of the CGU.

The value assigned to the key assumptions represents directors' assessment of future production lines, pricing mechanism, target margin and the market pricing of rubber gloves based on both external and internal sources.

The Group undertook an annual test for impairment evaluation. Impairment loss was recognised for the aforesaid carrying amount of goodwill assessed at the reporting date as its recoverable amount was in deficit of its carrying amount.

#### **Sensitivity to changes in assumptions**

Directors believed that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

14. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Computer equipment and software RM	Factory RM	Furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Office and telecommunication equipment RM	Renovation RM	TNB sub station RM	Capital work-in-progress RM	Total RM
As at 1 July 2023	193,994	-	98,269	19,928,706	444,427	181,643	14,541,529	199,290	18,740,650	54,328,508
Additions	6,750	21,000	130,823	2,248,434	44,000	68,747	209,677	28,600	1,336,406	4,094,437
Reclassification	-	5,889,546	-	-	-	-	-	-	(5,868,546)	-
Written off	-	-	-	-	-	(33,793)	(225,285)	-	-	(259,078)
As at 30 June 2024/1 July 2024	200,744	5,889,546	229,092	22,177,140	488,427	216,597	14,525,921	227,890	14,208,510	58,163,867
Additions	1,650	-	110,124	2,437,833	68,000	13,302	464,794	7,500	787,160	3,890,363
Acquisition of a subsidiary company (Note 17(a))	241,653	-	2,390	-	-	7,950	11,159	-	-	263,152
Derecognition of a subsidiary company (Note 17(b))	(241,653)	-	(2,390)	-	-	(7,950)	(11,159)	-	-	(263,152)
Reclassification	-	(5,889,546)	-	(908,363)	-	-	6,797,909	-	-	-
As at 31 December 2025	202,394	-	339,216	23,706,610	556,427	229,899	21,788,624	235,390	14,995,670	62,054,230

	Computer equipment and software RM	Factory RM	Furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Office and telecom- munication equipment RM	Renovation RM	TNB sub station RM	Capital work-in- progress RM	Total RM
<b>Accumulated depreciation</b>										
As at 1 July 2023	159,129	-	46,243	2,093,262	252,656	62,530	1,102,746	29,894	-	3,746,460
Charge for the financial year	22,235	294,477	29,456	2,103,735	84,848	30,840	2,204,739	21,534	-	4,791,864
Written off	-	-	-	-	-	(19,887)	(82,712)	-	-	(102,599)
As at 30 June 2024/1 July 2024	181,364	294,477	75,699	4,196,997	337,504	73,483	3,224,773	51,428	-	8,435,725
Charge for the financial period	15,522	883,432	55,402	3,410,752	128,612	50,994	3,441,771	34,413	-	8,020,898
Acquisition of a subsidiary company (Note 17(a))	234,231	-	998	-	-	6,554	9,136	-	-	250,919
Derecognition of a subsidiary company (Note 17(b))	(234,231)	-	(998)	-	-	(6,554)	(9,136)	-	-	(250,919)
Reclassification	-	(1,177,909)	-	(205,726)	-	-	1,383,635	-	-	-
As at 31 December 2025	196,886	-	131,101	7,402,023	466,116	124,477	8,050,179	85,841	-	16,456,623

	Computer equipment and software RM	Factory RM	Furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Office and telecom- munication equipment RM	Renovation RM	TNB sub station RM	Capital work-in- progress RM	Total RM
Carrying amount As at 30 June 2024	19,380	5,595,069	153,393	17,980,143	150,923	143,114	11,301,148	176,462	14,208,510	49,728,142
As at 31 December 2025	5,508	-	208,115	16,304,587	90,311	105,422	13,738,445	149,549	14,995,670	45,597,607

<b>Company</b>	<b>Computer equipment and software RM</b>	<b>Furniture and fittings RM</b>	<b>Office equipment RM</b>	<b>Renovation RM</b>	<b>Telecom- munication equipment RM</b>	<b>Total RM</b>
<b>Cost</b>						
As at 1 July 2023	31,266	12,740	8,590	225,285	409	278,290
Additions	-	116,786	23,255	209,677	28,495	378,213
Written off	-	-	(792)	(225,285)	-	(226,077)
<hr/>						
As at 30 June 2024/ 1 July 2024/ 31 December 2025	31,266	129,526	31,053	209,677	28,904	430,426
<hr/>						
<b>Accumulated depreciation</b>						
As at 1 July 2023	20,233	4,666	1,438	65,815	184	92,336
Charge for the financial year	3,651	12,688	3,054	37,788	2,846	60,027
Written off	-	-	(88)	(82,712)	-	(82,800)
<hr/>						
As at 30 June 2024/ 1 July 2024	23,884	17,354	4,404	20,891	3,030	69,563
Charge for the financial period	5,210	21,176	4,658	29,704	8,671	69,419
<hr/>						
As at 31 December 2025	29,094	38,530	9,062	50,595	11,701	138,982
<hr/>						
<b>Carrying amount</b>						
As at 30 June 2024	7,382	112,172	26,649	188,786	25,874	360,863
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As at 31 December 2025	2,172	90,996	21,991	159,082	17,203	291,444
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## FINANCIAL STATEMENTS

## 15. RIGHT-OF-USE ASSETS

The information about leases for which the Group and the Company are lessee are presented below:

	<b>Office building RM</b>	<b>Factory RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>Cost</b>			
As at 1 July 2023	871,974	2,617,019	3,488,993
Additions	480,463	-	480,463
Termination	(871,974)	-	(871,974)
Lease modification	-	217,064	217,064
<hr/>			
As at 30 June 2024/1 July 2024/ 31 December 2025	480,463	2,834,083	3,314,546
<hr/>			
<b>Accumulated depreciation</b>			
As at 1 July 2023	775,088	338,492	1,113,580
Charge for the financial year	146,061	368,518	514,579
Termination	(847,745)	-	(847,745)
<hr/>			
As at 30 June 2024/1 July 2024	73,404	707,010	780,414
Charge for the financial period	120,114	490,858	610,972
<hr/>			
As at 31 December 2025	193,518	1,197,868	1,391,386
<hr/>			
<b>Carrying amount</b>			
As at 30 June 2024	407,059	2,127,073	2,534,132
<hr/>			
As at 31 December 2025	286,945	1,636,215	1,923,160
<hr/>			

	<b>Office building RM</b>
<b>Company</b>	
<b>Cost</b>	
As at 1 July 2023/30 June 2024/1 July 2024/31 December 2025	<u>480,463</u>
<b>Accumulated depreciation</b>	
As at 1 July 2023	775,088
Charge for the financial year	146,061
Termination	<u>(847,745)</u>
As at 30 June 2024/1 July 2024	73,404
Charge for the financial period	<u>120,114</u>
As at 31 December 2025	<u>193,518</u>
<b>Carrying amount</b>	
As at 30 June 2024	<u>407,059</u>
As at 31 December 2025	<u>286,945</u>

The Group and the Company lease the buildings of which the leasing activities are summarised below:

Office Building

The Group and the Company have entered into 3 years (2024: 3 years) renewable operating lease agreement for the use of the office building. The operating lease will be further reviewed yearly at least one month before the expiry of the tenancy agreement.

Factory

The Group has entered into 2 lease agreements that have tenancy periods of 9 and 10 years respectively (2024: 9 and 10 years) with an option to renew the lease after that date.

The Group and the Company also have leases of office equipment, photocopy machines, water dispensers and similar items with lease terms of 12 months or less and/or where the underlying asset is of low value. The Group and the Company have applied the “short-term lease” and “low-value asset” recognition exemptions for these leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

## FINANCIAL STATEMENTS

## 16. INTANGIBLE ASSETS

	<b>License RM</b>	<b>Software and development RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>Cost</b>			
As at 1 July 2023/30 June 2024/1 July 2024	50,000	3,731,599	3,781,599
Written off	-	(3,731,599)	(3,731,599)
	<hr/>		
As at 31 December 2025	50,000	-	50,000
	<hr/>		
<b>Accumulated amortisation</b>			
As at 1 July 2023/30 June 2024/1 July 2024	50,000	3,731,599	3,781,599
Written off	-	(3,731,599)	(3,731,599)
	<hr/>		
As at 31 December 2025	50,000	-	50,000
	<hr/>		
<b>Net carrying amount</b>			
As at 30 June 2024	-	-	-
	<hr/>		
As at 31 December 2025	-	-	-
	<hr/>		

License relates to the mobile game soft code license where the Group have unlimited usage and modification rights to the Intellectual Property. The estimated useful lives are 2 years.

Software development represents costs incurred on development projects relating to the design and testing of new or improved products. Capitalised development costs are amortised when the asset is ready for use on a straight-line basis over its estimated useful life of 5 years.

During the financial period, the Group derecognised fully amortised intangible assets comprising capitalised software development costs of RM3,731,599. The directors assessed that these intangible assets are no longer in use and no future economic benefits are expected from their use or disposal. As both classes of intangible assets had been fully amortised in prior years, the derecognition had no impact on the Group's profit or loss for the financial period.

17. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	31.12.2025	30.06.2024
	RM	RM
<u>Unquoted shares - at cost:</u>		
At beginning of the financial period/year	54,556,268	54,556,268
Addition	7,144,997	-
Disposal	(7,144,997)	-
	54,556,268	54,556,268
<u>Less: Accumulated impairment loss</u>		
At beginning of the financial period/year	8,589,096	5,145,709
Addition	-	3,443,387
	8,589,096	8,589,096
At end of the financial period/year	8,589,096	8,589,096
Net carrying amount	45,967,172	45,967,172

The details of the subsidiary companies are as follows:

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		31.12.2025	30.06.2024	
		%	%	
Direct holding:				
Ansi Systems Sdn. Bhd. ("ASSB")	Malaysia	51	51	Software development and system integration
Inix Glove Manufacturing Sdn. Bhd. ("Inix Glove")	Malaysia	100	100	Software development, system integration, information technology management consultancy and other related professional services
Zen Tech Network Sdn. Bhd. ("ZT Network")	Malaysia	100	100	Software development, system integration, information technology management consultancy and other related professional services

(forward)

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		31.12.2025 %	30.06.2024 %	
Zen Tech Entertainment Sdn. Bhd. (“ZT Entertainment”)	Malaysia	60	-	Dormant
Alpha Fintech Sdn. Bhd.	Malaysia	-	-	Principally engaged in the business of the seller of credit card terminal, prepaid Visa or Mastercard as well as other information technology activities
Indirect holding: Subsidiaries of Inix Glove				
Inix L&S Gloves Sdn. Bhd.(“IL&S”)	Malaysia	51	51	Manufacturing of rubber gloves

All the subsidiary companies audited by Morison LC PLT.

Acquisition and disposal of a subsidiary company and investment in associate companies

(a) Acquisition of Alpha Fintech Sdn. Bhd.

On 2 April 2024, the Company entered into a Share Sale Agreement (“SSA”) with Mr Koh Chee Siong (“the Vendor”) for the acquisition of 4,165,000 ordinary shares representing a 70% equity interest in Alpha Fintech for a total purchase consideration of RM10,000,000.

The acquisition was undertaken as part of the Company’s strategic objective to diversify its revenue base by entering into the financial technology sector, specifically through Alpha Fintech’s Merchant Discount Rate (“MDR”) processing activities and prepaid Visa/Mastercard card business.

Under the SSA, the Vendor guaranteed minimum profits before tax of RM2,300,000 for each of the 18-month financial period ended 30 June 2025, the financial year ending 30 June 2026, and 30 June 2027 respectively, with the compensation amount payable in the event of a shortfall to be determined by reference to Alpha Fintech’s audited financial statements for the relevant period. The directors are of the view that the profit guarantee for the 18-month financial period ended 30 June 2025 will not be met, and have recognised a profit guarantee receivable of RM2,300,000 as other income (Note 7).

The Company paid RM6,500,000 as a deposit during the financial year ended 30 June 2024. The balance of RM3,500,000 was subsequently paid to the Vendor via a loan obtained from a third party, which is included within other payables as at 31 December 2025 (Note 31).

On 17 June 2025, the Company completed the acquisition of a 70% equity interest in Alpha Fintech and obtained control over the entity, which consequently became a subsidiary of the Company. Accordingly, Alpha Fintech became a 70%-owned subsidiary of the Company on that date. The acquisition has been accounted for using the acquisition method in accordance with MFRS 3 Business Combinations, with the non-controlling interest measured at its proportionate share of the acquiree’s identifiable net assets.

The fair values of the identifiable assets acquired as at the acquisition date are as follows:

	<b>17.06.2025</b>
	<b>RM</b>
Property, plant and equipment	12,233
Trade receivables	9,117,401
Other receivables, deposit and prepayment	3,383,673
Cash and bank balance, net with bank overdraft	(266,917)
Other payables and accruals	(3,824,383)
Bank borrowings	(3,667,776)
Tax payable	(669,165)
Amount due to director	(6,490)
	<hr/>
Net assets acquired	<u>4,078,576</u>

The fair values of the identifiable assets and liabilities were determined by the directors based on the carrying amounts in Alpha Fintech's accounting records as at the acquisition date. In addition, the audited financial statements of Alpha Fintech for the financial year ended 30 June 2025 were not available as at the date of this report.

The computation of goodwill on acquisition is as follow:

	<b>17.06.2025</b>
	<b>RM</b>
Purchase consideration	
- Cash paid in prior financial year (Note 22)	6,500,000
- Consideration funded via third-party financing (Note 31)	3,500,000
	<hr/>
Total consideration transferred	10,000,000
Less: Fair value of identifiable net assets	(4,078,576)
Add: Non-controlling interest at proportionate of share of net assets	1,223,573
	<hr/>
Goodwill on acquisition	<u>7,144,997</u>

The goodwill on acquisition of RM7,144,997 arising from the acquisition is primarily attributable to the anticipated future earnings of Alpha Fintech's MDR processing and prepaid card business. No separate identifiable intangible assets were recognised.

From the date of acquisition on 17 June 2025 to the date of loss of control on 20 July 2025 (as disclosed in Note 17(b)), the contribution of Alpha Fintech to the Company's consolidated financial results was not material, based on the unaudited management accounts for that period.

The net cash flow impact of the acquisition on the Company's statement of cash flows for the financial period ended 31 December 2025 is as follows:

## FINANCIAL STATEMENTS

	<b>17.06.2025</b>
	<b>to</b>
	<b>20.07.2025</b>
	<b>RM</b>
Purchase consideration	10,000,000
Less: Cash paid in prior financial year (Note 22)	(6,500,000)
Less: Consideration paid via loan (Note 31)	(3,500,000)
	<hr/>
	-
Less: Net bank overdraft at date of acquisition	(266,917)
	<hr/>
Net cash outflow arising from acquisition	<u>(266,917)</u>

## (b) Disposal - share swap and loss control

On 2 July 2025, the Company entered into a share swap agreement with Mr Lee Kang Aik, which was subsequently completed on 20 July 2025.

Under the share swap arrangement:

- (i) The Company transferred 2,380,000 ordinary shares in Alpha Fintech, representing a 40% equity interest in Alpha Fintech, at agreed value of RM3,500,000; and
- (ii) The Company received 2,000,000 ordinary shares in Hiassets Group Sdn. Bhd. ("Hiassets"), representing a 40% equity interest in Hiassets, at agreed value of RM3,500,000.

No cash consideration was exchanged between the parties.

Following the share swap, the Company's equity interest in Alpha Fintech was reduced from 70% to 30%, and the Company ceased to have control over Alpha Fintech. Both the retained 30% interest in Alpha Fintech and the newly acquired 40% interest in Hiassets have been accounted for as investment in associate companies using the equity method (Note 18).

The carrying amounts of Alpha Fintech's identifiable assets and liabilities immediately prior to the loss of control were as follows:

	<b>20.07.2025</b>
	<b>RM</b>
Property, plant and equipment	12,233
Trade receivables	9,117,401
Other receivables, deposit and prepayment	3,383,673
Cash and bank balance, net with overdraft	(266,917)
Other payables and accruals	(3,824,383)
Bank borrowings	(3,667,776)
Tax payable	(669,165)
Amount due to director	(6,490)
	<hr/>
Net assets disposed	<u>4,078,576</u>

The loss on disposal of Alpha Fintech recognised in the consolidated statement of profit or loss is computed as follows:

	<b>20.07.2025</b>
	<b>RM</b>
Consideration received and retained at fair value:	
- Fair value of 40% equity interest in Hiassets received	3,500,000
- Fair value of retained 30% equity interest in Alpha Fintech	2,625,000
	<hr/>
	6,125,000
Less: Net assets of Alpha Fintech derecognised	(4,078,576)
Add: Non-controlling interests derecognised	1,223,573
Less: Goodwill on acquisition	(7,144,997)
	<hr/>
	(3,875,000)
	<hr/>

The fair values of the consideration received and the retained equity interest were determined by the directors as follows:

- (i) The fair value of the 40% equity interest in Hiassets received was determined at RM3,500,000 based on the agreed value in the share swap agreement between the parties on willing-buyer willing-seller; and
- (ii) The fair value of the retained 30% equity interest in Alpha Fintech at the date of loss of control was determined at RM2,625,000 by reference to the Group's proportionate share of the agreed swap value attributed to the 40% interest exchanged ( $30\%/40\% \times \text{RM}3,500,000 = \text{RM}2,625,000$ ).

There was no independent professional valuation obtained to support either parties' fair value at the date of loss of control. The fair values adopted are based on the transaction price determined on willing-buyer willing-seller basis.

The table below shows details of non-wholly-owned subsidiary companies that have non-controlling interest.

## FINANCIAL STATEMENTS

Name of Company	Proportion of ownership interests held by non-controlling interest		Loss allocated to non-controlling interest		Accumulated non-controlling interest	
	31.12.2025	30.06.2024	01.07.2024 to 31.12.2025	01.07.2023 to 30.06.2024	31.12.2025	30.06.2024
	%	%	RM (18 months)	RM (12 months)	RM	RM
ASSB	49	49	(187,030)	(101,548)	(10,993,486)	(10,806,456)
IL&S	49	49	(2,761,609)	(335,533)	(1,353,428)	1,408,181
			<u>(2,948,639)</u>	<u>(437,081)</u>	<u>(12,346,914)</u>	<u>(9,398,275)</u>

Summarised financial information in respect of the subsidiary companies that have non-controlling interests are set out as below. The summarised financial information below represents amounts before intragroup eliminations.

	ASSB		IL&S	
	31.12.2025 RM	30.06.2024 RM	31.12.2025 RM	30.06.2024 RM
<u>Statement of financial position</u>				
Non-current assets	13,500	18,598	46,858,400	33,395,755
Current assets	29,582	461,248	10,583,030	8,252,614
Non-current liabilities	-	-	(1,400,540)	(1,330,671)
Current liabilities	(15,491,961)	(15,547,034)	(18,306,232)	(13,686,348)
Net liabilities/assets	<u>(15,448,879)</u>	<u>(15,067,188)</u>	<u>37,734,658</u>	<u>26,631,350</u>
Equity attributable to owners of the Company	(7,878,928)	(7,684,266)	19,244,676	13,581,989
Non-controlling interest	(7,569,951)	(7,382,922)	18,489,982	13,049,361
	<u>(15,448,879)</u>	<u>(15,067,188)</u>	<u>37,734,658</u>	<u>26,631,350</u>

	ASSB		IL&S	
	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)	01.07.2024 to 31.12.2025 RM (18 months)	01.07.2023 to 30.06.2024 RM (12 months)
<u>Statement of profit or loss and other comprehensive income</u>				
Revenue	1,729,791	1,804,538	77,790,400	44,046,199
Cost of sales	(1,404,861)	(1,372,732)	(77,183,513)	(40,775,550)
Other operating income	474	6,540	95,965	108,410
Administrative expenses	(707,098)	(645,586)	(6,153,268)	(3,806,229)
Finance cost	-	-	(239,966)	(205,408)
Income tax credit/(expense)	-	-	54,445	(52,184)
Loss for the period/year, representing total comprehensive loss for the period/year	(381,694)	(207,240)	(5,635,937)	(684,762)
Loss attributable to owners of the Company	(194,664)	(105,692)	(2,874,328)	(349,229)
Loss attributable to non-controlling interest	(187,030)	(101,548)	(2,761,609)	(335,533)
Loss for the period/year	(381,694)	(207,240)	(5,635,937)	(684,762)
<u>Statement of cash flows</u>				
Net cash (used in)/from:				
Operating activities	(3,001)	(5,558)	5,268,547	2,278,854
Investing activities	-	-	(3,326,843)	(2,418,058)
Financing activities	-	-	(1,835,006)	315,580
Net changes in cash and cash equivalents	(3,001)	(5,558)	106,698	176,376

## 18. INVESTMENT IN ASSOCIATE COMPANIES

	Company 31.12.2025 RM
Unquoted shares - at cost:	
At beginning of the financial period/year	-
Arising from share swap (Note 17)	6,125,000
At end of the financial period/year	6,125,000
Less: Accumulated impairment loss	
At beginning of the financial period/year	-
Impairment loss recognised during the period/year	6,125,000
At end of the financial period/year	6,125,000
Net carrying amount	-

## FINANCIAL STATEMENTS

The table below shows detail of associate companies.

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		31.12.2025	30.06.2024	
Alpha Fintech Sdn. Bhd. ("Alpha Fintech")	Malaysia	30	-	Principally engaged in the business of the seller of credit card terminal, prepaid Visa or Mastercard as well as other information technology activities
Hiassets Group Sdn. Bhd. ("Hiassets")	Malaysia	40	-	Dormant

(a) Alpha Fintech Sdn. Bhd.

The Company has not applied the equity method to adjust the carrying amount of the investment in Alpha Fintech subsequent to initial recognition, as the management of Alpha Fintech is in the process of compiling and finalising Alpha Fintech's financial records, which are not yet in a form sufficient for the application of the equity method.

The directors have assessed the recoverable amount of the Company's investment in Alpha Fintech to be RMNil and have accordingly recognised a full impairment loss against the carrying amount of the investment.

(b) Hiassets Group Sdn. Bhd.

The unaudited financial statements for the financial year ended 31 December 2025 disclose net assets of RM4,988,080 and a net loss of RM2,990 for the financial year.

Having regard to Hiassets's dormant status and the uncertain recoverability of its principal asset, the directors have assessed the recoverable amount of the Company's investment in Hiassets to be RMNil and have accordingly recognised a full impairment loss against the carrying amount of the investment. The Company has not applied the equity method to recognise its share of Hiasset's net loss of RM2,990 for the financial year ended 31 December 2025 as the impairment loss recognised exceeds such share.

## 19. OTHER INVESTMENT

	<b>Group and Company</b>	
	<b>31.12.2025</b>	<b>30.06.2024</b>
	<b>RM</b>	<b>RM</b>
Fair value through profit or loss:		
Unquoted shares in Malaysia, at cost		
At beginning and end of the financial period/year	7,700,000	7,700,000
Less: Accumulated impairment loss		
At beginning and end of the financial period/year	(7,675,000)	(7,675,000)
Net carrying amount	<u>25,000</u>	<u>25,000</u>

The Group and the Company have irrevocably elected to classify the equity instrument as FVTPL as they are not held for trading but for medium to long-term strategic purposes.

## 20. INVENTORIES

	<b>Group</b>	
	<b>31.12.2025</b>	<b>30.06.2024</b>
	<b>RM</b>	<b>RM</b>
At cost:		
Raw materials	1,478,413	1,314,764
Packing materials	48,173	74,134
Finished goods	2,448,951	1,499,515
	<u>3,975,537</u>	<u>2,888,413</u>

Inventories recognised as cost of sales in profit or loss amounting to RM63,301,810 (2024: RM31,060,614).

## 21. TRADE RECEIVABLES

	<b>Group</b>	
	<b>31.12.2025</b>	<b>30.06.2024</b>
	<b>RM</b>	<b>RM</b>
Trade receivables	7,437,298	8,519,223
Less: Accumulated impairment losses	-	(17,800)
	<u>7,437,298</u>	<u>8,501,423</u>

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2024: 30 to 120 days) credit terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

## FINANCIAL STATEMENTS

There is one trade receivable that is interest bearing at 1.5% (2024: 1.5%) per annum and is generally on 30 to 120 days (2024: 30 to 120 days).

The aged analysis of trade receivables as at end of the reporting period:

	<b>Gross amount RM</b>	<b>Loss allowance RM</b>	<b>Net amount RM</b>
<b>Group</b>			
<b>2025</b>			
Neither past due nor impaired	830,236	-	830,236
Past due but not impaired:			
Less than 30 days	297	-	297
31 to 60 days	180,493	-	180,493
61 to 90 days	905	-	905
More than 90 days	6,425,367	-	6,425,367
	<u>6,607,062</u>	-	<u>6,607,062</u>
	<u>7,437,298</u>	-	<u>7,437,298</u>
<b>2024</b>			
Neither past due nor impaired	1,370,399	-	1,370,399
Past due but not impaired:			
Less than 30 days	1,099,927	-	1,099,927
31 to 60 days	70,886	-	70,886
61 to 90 days	435,772	-	435,772
More than 90 days	5,524,439	-	5,524,439
	<u>7,131,024</u>	-	<u>7,131,024</u>
	8,501,423	-	8,501,423
Individually impaired	17,800	(17,800)	-
	<u>8,519,223</u>	<u>(17,800)</u>	<u>8,501,423</u>

Movement in the accumulated impairment losses are as follows:

	<b>Group</b>	
	<b>31.12.2025 RM</b>	<b>30.06.2024 RM</b>
At beginning of the financial period/year	17,800	17,800
Written off	(17,800)	-
At end of the financial period/year	<u>-</u>	<u>17,800</u>

## 22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	31.12.2025	30.06.2024	31.12.2025	30.06.2024
	RM	RM	RM	RM
Other receivables				
- related parties	532,500	532,500	532,500	532,500
- third parties	7,368,620	5,465,697	6,731,257	4,418,216
Deposits	6,901,891	14,023,682	1,565,790	8,588,190
	14,803,011	20,021,879	8,829,547	13,538,906
Less: Accumulated impairment losses	(10,296,235)	(10,092,700)	(6,282,700)	(6,282,700)
	4,506,776	9,929,179	2,546,847	7,256,206
Prepayments	465,262	368,892	104,000	-
	4,972,038	10,298,071	2,650,847	7,256,206

On 2 April 2024, the Company entered into a share sale agreement with Mr Kok Chee Siong for the acquisition of 4,165,000 shares in Alpha Fintech Sdn. Bhd. ("Alpha Fintech"), representing 70% equity interest in Alpha Fintech, for a purchase consideration of RM10,000,000. The Company has made a payment of RM6,500,000 as the deposit of the investment during the previous financial year. During the financial period, on 17 June 2025, all conditions precedent under the share sale agreement were fulfilled and the acquisition was completed. Accordingly, Alpha Fintech became a 70%-owned subsidiary of the Company on that date, RM6,500,000 deposits reversed from deposits.

Included within other receivables of the Group and of the Company is an amount of RM2,300,000 (2024: RMNil), representing a profit guarantee receivable recognised by management in respect of the shortfall arising from Alpha Fintech's failure to achieve the minimum profit before tax of RM2,300,000 for the 18-month financial period ended 30 June 2025 under the Share Sale Agreement dated 2 April 2024 (Note 17(a)).

Movement in the accumulated impairment losses are as follows:

	Group		Company	
	31.12.2025	30.06.2024	31.12.2025	30.06.2024
	RM	RM	RM	RM
At beginning of the period/ year	10,092,700	10,092,700	6,282,700	6,282,700
Addition	203,535	-	-	-
At end of the period/year	10,296,235	10,092,700	6,282,700	6,282,700

## FINANCIAL STATEMENTS

### 23. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	31.12.2025	30.06.2024
	RM	RM
Amount due from subsidiary companies	17,729,335	19,199,761
Less: Accumulated impairment losses	(12,290,656)	(12,290,656)
	<u>5,438,679</u>	<u>6,909,105</u>

Amount due from subsidiary companies is non-trade in nature, unsecured, interest-free and repayable on demand.

### 24. AMOUNTS DUE FROM/(TO) DIRECTORS

Amounts due from/(to) directors are non-trade in nature, unsecured, interest-free and repayable/ (payable) on demand.

### 25. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with a financial institution earn effective interest at 2.65% (2024: 2.65%) per annum and are pledged as securities for banking facilities granted to the Group.

### 26. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	31.12.2025	30.06.2024	31.12.2025	30.06.2024
	Unit	Unit	RM	RM
<b>Issued and fully paid:</b>				
<u>Ordinary shares</u>				
At beginning of the period/year	3,110,651,656	2,628,545,901	88,495,142	116,471,401
Issuance of shares pursuant to:				
- exercise of employees share option scheme	-	221,905,755	-	8,091,741
- exercise of private placement	25,065,100	260,000,000	250,651	3,926,000
- exercise of warrants	1,733,531	200,000	26,003	6,000
Capital reduction of shares	-	-	-	(40,000,000)
At end of the period/year	<u>3,137,450,287</u>	<u>3,110,651,656</u>	<u>88,771,796</u>	<u>88,495,142</u>

## 27. OTHER RESERVES

	Note	Group and Company	
		31.12.2025	30.06.2024
		RM	RM
Non-distributable:			
Warrant reserve	(a)	-	14,548,658
ESOS reserves	(b)	8,850,930	8,850,930
		<u>8,850,930</u>	<u>23,399,588</u>

### (a) Warrant reserve

The warrant reserve arose from the 1,077,909,475 free detachable warrants issued pursuant to the renounceable right issue on the basis of 2 free warrants for every 3 rights shares subscribed for free detachable Warrants B 2023/2025 “Warrants B 2023/2025”. The warrant reserve was arrived at based on the theoretical fair value of RM0.0289 per warrant determined based on the Trinomial Options Pricing Model.

As at 30 June 2024, 969,910,537 Warrants B 2023/2025 remained unexercised.

The salient terms of Warrants B 2023/2025 are as follows:

- (i) The Warrants are contributed by a Deed Poll executed on 22 December 2022;
- (ii) The Warrants are traded separately;
- (iii) The Warrants may be exercised at any time during tenure of the Warrants 2 years commencing from the date of issuance 26 January 2023 (“Exercise Period”) at exercise price of RM0.015 each. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;
- (iv) The exercise price of RM0.015 per share. The exercise price and the number of outstanding warrants shall be subject to the adjustments that may be required during the Exercise Period by the Company, in consultation with and certified by the approved adviser or auditors appointed by the Company in accordance with the terms and provision of the Deed Poll; and
- (v) Subject to the provision in the Deed Poll, the Company is free to issue shares to shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit. Warrant holders will not have any participating rights in such issues unless otherwise resolved by the Company in a general meeting.

Following the expiry of all unexercised Warrants B 2023/2025 on 25 January 2025, the carrying amount of the warrant reserve attributable to the expired warrants amounting to RM14,535,656 has been transferred from the non-distributable warrant reserve to accumulated losses. This transfer does not affect the total equity of the Group and of the Company.

## FINANCIAL STATEMENTS

Movement of Warrants B during the financial period/year are as follow:

	<b>Group and Company</b>			
	<b>31.12.2025</b>	<b>30.06.2024</b>	<b>31.12.2025</b>	<b>30.06.2024</b>
	<b>Unit</b>	<b>Unit</b>	<b>RM</b>	<b>RM</b>
At beginning of the year/date of issuance	969,910,537	970,110,537	14,548,658	14,551,658
Exercised during the period/year	(1,733,531)	(200,000)	(13,002)	(3,000)
Expiring of warrant to ordinary shares	(968,177,006)	-	(14,535,656)	-
At end of the year	-	969,910,537	-	14,548,658

(b) Employees share option scheme (“ESOS”)

The employee share option reserve represents the cash-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of cash-settled share options, and is reduced by the expiry of the share options.

At an Extraordinary General Meeting held on 9 June 2022, the Company’s shareholders approved the establishment of a new ESOS of up to 30% of the issued and paid-up share capital of the Company at the point of the time throughout the duration of the scheme to eligible Directors and employees of the Group. The ESOS is to be in force for a period of 5 years effective from 27 January 2023.

The salient features and other terms of the ESOS are as follows:

- (i) Any employees of the Group (excluding dormant subsidiaries) shall be eligible to participate if as at the date of offer, the employees of the Group;
- (ii) Any Directors of the Group shall be eligible to participate if as at the date of offer, the Directors of the Group:
  - is at least eighteen (18) years old;
  - has been appointed as a Director of the Company within the Group, which is not dormant; and
  - fulfils any other criteria that the Option Committee may from time to time determine at its discretion.
- (iii) The maximum number of new shares to be issued pursuant to exercise of the ESOS which may be granted under the ESOS shares shall not exceed thirty percent (30%) of the total issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point of the time throughout the duration of the ESOS;

- (iv) The Scheme shall be in force for a period of five (5) years commencing from the effective date. The Scheme may be extended by the Board of Directors, upon the recommendations of the ESOS Committee, without having to obtain approval from the Company's shareholders, for a further period up to five (5) years immediately from the expiry of the first five (5) years but will not in aggregate exceed ten (10) years;
- (v) The option price shall be determined by the ESOS committee based on the 5-day weighted average market price of ordinary shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%;
- (vi) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all as any part of the new ordinary shares of the Company comprised in the ESOS; and
- (vii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allocated and issued, will not be entitled to any dividend, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.

The movement in the number of share options and the weighted average exercise price are as follows:

Granted date	Exercise price	At 1 July 2024	Granted	Exercised	At 31 December 2025
	RM	Unit	Unit	Unit	Unit
4.4.2023	0.0178	442,547,448	-	-	442,547,448

## 28. LEASE LIABILITIES

	Group		Company	
	31.12.2025	30.06.2024	31.12.2025	30.06.2024
	RM	RM	RM	RM
At beginning of the financial period/year	2,606,899	2,377,633	412,530	104,844
Additions	-	480,463	-	480,463
Disposal	-	(26,439)	-	(26,439)
Lease modification	-	217,064	-	-
Accretion of interest	104,992	89,824	16,136	13,311
Payment of interest	(104,992)	(89,824)	(16,136)	(13,311)
Payment of principal	(584,408)	(441,822)	(115,263)	(146,338)

(Forward)

	Group		Company	
	31.12.2025	30.06.2024	31.12.2025	30.06.2024
	RM	RM	RM	RM
At end of the financial period/year	2,022,491	2,606,899	297,267	412,530
<b>Minimum lease payments:</b>				
Less than one year	459,600	459,600	87,600	87,600
Later than one year but not later than five years	1,714,300	1,838,400	226,300	350,400
Later than five years	-	565,300	-	7,300
Total minimum lease payments	2,173,900	2,863,300	313,900	445,300
Less: Unearned interest	(151,409)	(256,401)	(16,633)	(32,770)
Present value of lease liabilities	2,022,491	2,606,899	297,267	412,530
<b>Present value of minimum lease payments:</b>				
Less than one year	542,176	386,681	79,775	76,267
Later than one year but not later than five years	1,480,315	1,667,970	217,492	328,981
Later than five years	-	552,248	-	7,282
	2,022,491	2,606,899	297,267	412,530
Less: Amount due within twelve months	(542,176)	(386,682)	(79,775)	(76,267)
Amount due after twelve months	1,480,315	2,220,217	217,492	336,263

The Group does not face a significant liquidity risk with regard to their lease liabilities.

The lease liabilities are denominated in Ringgit Malaysia and are in relation to leases on land and buildings.

The incremental borrowing rate of lease liabilities of the Group and the Company is 3.00% (2024: 3.00%) per annum.

## 29. DEFERRED TAX LIABILITIES

	Group	
	31.12.2025	30.06.2024
	RM	RM
At beginning of period/year	54,445	-
Recognised in profit loss (Note 11)	(94,998)	30,293
Underprovision of deferred tax in prior year (Note 11)	40,553	24,152
At the end of period/year	-	54,445

The deferred tax liabilities are in respect of taxable temporary differences arising from the qualifying property, plant and equipment's total capital allowances claimed in excess of corresponding accumulated depreciation.

### 30. TRADE PAYABLES

Trade payables are non-interest bearing and are generally on 90 days (2024: 90 days) credit terms.

### 31. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	31.12.2025	30.06.2024	31.12.2025	30.06.2024
	RM	RM	RM	RM
Other payables	6,257,082	2,076,922	4,168,971	492,379
Accruals	1,864,058	1,391,951	546,510	140,467
Deposits received	1,150,780	1,438,946	-	-
	<u>9,271,920</u>	<u>4,907,819</u>	<u>4,715,481</u>	<u>632,846</u>

Included within other payables of the Group and of the Company is an amount of RM3,500,000 (2024: RMNil), representing a loan obtained from a third party which was utilised by the Group to settle the outstanding consideration payable to the Vendor of Alpha Fintech Sdn. Bhd. arising from the acquisition completed on 17 June 2025 (Note 17(a)). The loan is unsecured, interest-free and repayable on demand.

### 32. BANK BORROWINGS

	Group	
	31.12.2025	30.06.2024
	RM	RM
Secured:		
Bank overdraft	567,007	645,912
Bankers' acceptance	1,925,051	2,267,000
	<u>2,492,058</u>	<u>2,912,912</u>

The Group's banking facilities amounting to RM2,492,058 (2024: RM2,912,912) are secured by the following:

- (i) Syarikat Jaminan Pembiayaan Perniagaan (SJPP) Berhad's guarantee under WSGS-1;
- (ii) Joint and Several Guarantee (JSG) to be executed by directors;
- (iii) personal guaranteed by a director of the company; and
- (iv) corporate guaranteed by holding company.

Bankers' acceptance bear interest at rates ranging from 3.46% to 3.51% (2024: 3.42% to 3.71%) per annum.

## FINANCIAL STATEMENTS

### 33. RELATED PARTY TRANSACTIONS

(a) Identify related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and 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. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Directors of the Company.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The Group and the Company have no significant related party transactions during the financial period.

(c) Compensation of key management personnel

Directors' remuneration of the Group and of the Company during the financial period/year is as follows:

	Group		Company	
	01.07.2024 to 31.12.2025 (18 months) RM	01.07.2023 to 30.06.2024 (12 months) RM	01.07.2024 to 31.12.2025 (18 months) RM	01.07.2023 to 30.06.2024 (12 months) RM
Executive directors:				
Fees	1,179,000	779,500	1,008,000	672,000
Salaries and other emoluments	1,567,883	999,913	144,000	96,000
Defined contribution plans	347,540	132,536	62,940	38,144
Social security contribution	10,152	5,377	4,061	2,317
	<hr/>	<hr/>	<hr/>	<hr/>
	3,104,575	1,917,326	1,219,001	808,461
Non-executive directors:				
Fees	740,000	420,000	740,000	420,000
	<hr/>	<hr/>	<hr/>	<hr/>
	3,844,575	2,337,326	1,959,001	1,228,461

### 34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows used in financing activities.

	At 1 July RM	Financing cash flows RM	Non-cash changes (i) RM	At 31 December RM
<b>31.12.2025</b>				
<b>Group</b>				
Lease liabilities	2,606,899	(584,408)	-	2,022,491
Bank borrowings (excluding bank overdrafts)	2,267,000	(341,949)	-	1,925,051
Amount due to directors	1,452,548	452,291	-	1,904,839
	<b>6,326,447</b>	<b>(474,066)</b>	<b>-</b>	<b>5,852,381</b>
<b>Company</b>				
Lease liabilities	412,530	(115,263)	-	297,267
Amount due to directors	488,000	727,763	-	1,215,763
	<b>900,530</b>	<b>612,500</b>	<b>-</b>	<b>1,513,030</b>
<b>30.06.2024</b>				
<b>Group</b>				
Lease liabilities	2,377,633	(441,822)	671,088	2,606,899
Bank borrowings (excluding bank overdrafts)	2,327,519	(60,519)	-	2,267,000
Amount due to directors	355,172	1,097,376	-	1,452,548
	<b>5,060,324</b>	<b>595,035</b>	<b>671,088</b>	<b>6,326,447</b>
<b>Company</b>				
Lease liabilities	104,844	(146,338)	454,024	412,530
Amount due to directors	3,500	484,500	-	488,000
	<b>108,344</b>	<b>338,162</b>	<b>454,024</b>	<b>900,530</b>

(i) Non-cash changes included the modification of lease liabilities.

## 35. FINANCIAL INSTRUMENTS

### Classification of financial instruments

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

	Group		Company	
	31.12.2025	30.06.2024	31.12.2025	30.06.2024
	RM	RM	RM	RM
<b>Financial assets</b>				
<i>Fair value through profit or loss</i>				
Other investment	25,000	25,000	25,000	25,000
<i>At amortised cost</i>				
Trade receivables	7,437,298	8,501,423	-	-
Other receivables and refundable deposits	4,506,776	3,429,179	2,546,847	7,256,206
Amount due from directors	-	40,000	-	40,000
Amount due from subsidiary companies	-	-	5,438,679	6,909,105
Fixed deposits with licensed banks	47,400	47,400	-	-
Cash and bank balances	224,421	405,434	3,053	240,746
<b>Financial liabilities</b>				
<i>At amortised cost</i>				
Trade payables	11,321,631	6,184,735	-	-
Other payables and accruals	9,271,920	4,907,819	4,715,481	632,846
Amount due to directors	1,904,839	1,452,548	1,215,763	488,000
Bank borrowings	2,492,058	2,912,912	-	-
Lease liabilities	2,022,491	2,606,899	297,267	412,530

### Financial risk management objectives and policies

The Group and the Company are exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk.

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

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade receivables, other receivables, refundable deposits, amounts due from subsidiary companies, and financial guarantees given to licensed banks.

The management has in place a credit procedure to monitor and minimise the exposure of default. Receivables are monitored on a regular and an ongoing basis. Credit evaluations are performed on all customers requiring credit over certain amount.

For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company provides advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

Concentration profile

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group monitors various portfolios to identify and assess risk concentration.

The Group's major concentration of credit risk relates to the due from 1 (2024: 1) trade receivables which constituted 52% (2024: 72%) of its trade receivables as at end of the reporting period.

Exposure to credit risk

The carrying amount of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting its obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from trade payables, other payables and accruals, bank borrowings and lease liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

## FINANCIAL STATEMENTS

During the financial period from 1 July 2024 to 31 December 2025, the Group and the Company recorded a net loss of RM19,517,129 and RM11,514,800 and as at 31 December 2025, the Group's current liabilities exceeded its current assets by RM8,748,483. These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group and of the Company to continue as going concern.

### Analysis of financial instruments by remaining contractual maturities

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

Group	Weighted average effective interest rate %	Total carrying amount RM	On demand or within 1 years RM	Within 2 to 5 years RM	More than 5 years RM	Total contractual undiscounted cash flow RM
<b>31.12.2025</b>						
Trade payables		11,321,631	11,321,631	-	-	11,321,631
Other payables and accruals		9,271,920	9,271,920	-	-	9,271,920
Amount due to directors		1,904,839	1,904,839	-	-	1,904,839
Bank borrowings	3.46 to 3.51	2,492,058	2,492,058	-	-	2,492,058
Lease liabilities	3.00	2,022,491	459,600	1,714,300	-	2,173,900
		27,012,939	25,450,048	1,714,300	-	27,164,348
<b>30.06.2024</b>						
Trade payables		6,184,735	6,184,735	-	-	6,184,735
Other payables and accruals		4,907,819	4,907,819	-	-	4,907,819
Amount due to directors		1,452,548	1,452,548	-	-	1,452,548
Bank borrowings	3.42 to 3.71	2,912,912	2,912,912	-	-	2,912,912
Lease liabilities	3.00	2,606,899	459,600	1,838,400	565,300	2,863,300
		18,064,913	15,917,614	1,838,400	565,300	18,321,314

	Weighted average effective interest rate %	Total carrying amount RM	On demand or within 1 years RM	Within 2 to 5 years RM	More than 5 years RM	Total contractual undiscounted cash flow RM
<b>Company</b>						
<b>31.12.2025</b>						
Other payables and accruals		4,715,481	4,715,481	-	-	4,715,481
Amount due to directors		1,215,763	1,215,763	-	-	1,215,763
Lease liabilities	3.00	297,267	87,600	226,300	-	313,900
		6,228,511	6,018,844	226,300	-	6,245,144
<b>30.06.2024</b>						
Other payables and accruals		632,846	632,846	-	-	632,846
Amount due to directors		488,000	488,000	-	-	488,000
Lease liabilities	3.00	412,530	87,600	350,400	7,300	445,300
		1,533,378	1,208,446	350,400	7,300	1,566,146

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates risk will affect the Group's and the Company's financial position or cash flows.

Foreign currency risk

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

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise.

*Exposure foreign currency risk*

The Group's significant exposure to foreign currency (a currency which is other than functional currency of the Group) risk, based on carrying amounts as at end of the reporting period was:

	<b>Group</b>	
	<b>31.12.2025</b>	<b>30.06.2024</b>
	<b>RM</b>	<b>RM</b>
<b>Denominated in USD</b>		
Trade receivables	893,758	500,993
Bank balances	33,619	10,143
	927,377	511,136

*Foreign currency sensitivity analysis*

The following table details the Group's sensitivity to a 5% increase and decrease in the Ringgit Malaysia against United States Dollar. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel. A positive number below indicates a profit where the Ringgit Malaysia strengthens 5% against United States Dollar and vice versa.

	<b>Group</b>	
	<b>Increase/(Decrease)</b>	
	<b>Profit net of tax</b>	
	<b>31.12.2025</b>	<b>30.06.2024</b>
	<b>RM</b>	<b>RM</b>
<b>USD/RM</b>		
- strengthening of USD by 5% (2024: 5%)	35,240	19,423
- weakening of USD by 5% (2024: 5%)	(35,240)	(19,423)
	-	-

## FINANCIAL STATEMENTS

### Interest rate risk

The Group and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

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

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

	<b>31.12.2025</b>	<b>30.06.2024</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
<b>Fixed rate instrument</b>		
Lease liabilities	2,022,491	2,606,899
	<hr/>	<hr/>
<b>Floating rate instruments</b>		
Bank borrowings	2,492,058	2,912,912
	<hr/>	<hr/>
<b>Company</b>		
<b>Fixed rate instrument</b>		
Lease liabilities	297,267	412,530
	<hr/>	<hr/>

### **Fair values of financial instruments**

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

The fair value of lease liabilities is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the financial reporting period.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

#### (i) Policy on transfer between levels

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

(ii) Level 1 fair value

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

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

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

Fair value hierarchy

Fair value hierarchy of the Group and the Company is as follows:

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>Group and Company</b>				
<b>31.12.2025</b>				
Other investment	-	-	25,000	25,000
<hr/>				
<b>30.06.2024</b>				
Other investment	-	-	25,000	25,000
<hr/>				

**36. CAPITAL RISK MANAGEMENT**

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

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

## FINANCIAL STATEMENTS

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

	Group		Company	
	31.12.2025	30.06.2024	31.12.2025	30.06.2024
	RM	RM	RM	RM
Bank borrowings	2,492,058	2,912,912	-	-
Lease liabilities	2,022,491	2,606,899	297,267	412,531
Less: Cash and cash equivalents	(224,421)	(405,434)	(3,053)	(240,746)
Total net debts	4,290,128	5,114,377	294,214	171,785
Total equity	37,316,969	56,557,444	48,434,629	59,672,775
Gearing ratio	0.11	0.09	0.006	0.003

### 37. CAPITAL COMMITMENT

	Group		Company	
	31.12.2025	30.06.2024	31.12.2025	30.06.2024
	RM	RM	RM	RM
Approved and contracted for:				
Investments (Note 17)	-	3,500,000	-	3,500,000
Capital work-in-progress	-	6,000,000	-	-

### 38. SUBSEQUENT EVENTS

Subsequent to the financial year-end, the following significant events occurred:

- (a) On 6 February 2026, the Company announced the cancellation of Employees Share Option Scheme ("ESOS") options originally granted on 14 March 2024 ("ESOS Cancellation"). These options remained unexercised as of 6 February 2026 and were cancelled upon mutual agreement with the respective Directors of the Company.
- (b) On 3 March 2026, the Company made a new offer of 623,879,694 ESOS options at an exercise price of RM0.005 per option to eligible persons, including 623,879,694 options to the Directors of the Company. The closing price of the Company's shares on the date of the offer was RM0.005. The accounting impact of the new ESOS offer, including the determination of fair value at grant date and the recognition of the related expense, will be reflected in the financial statements of the Group and of the Company for the financial year ending 31 December 2026.

### 39. MATERIAL LITIGATION

#### (a) Mohd Anuar Bin Mohd Hanadzlah vs Zen Tech International Berhad

The Company is the Defendant in a defamation suit filed on 16 July 2020 by Mohd Anuar Bin Mohd Hanadzlah, a former Non-Independent Non-Executive Director of the Company. The Plaintiff alleges that a Company Announcement published on Bursa Malaysia dated 18 March 2020 contained defamatory statements relating to his suspension and alleged potential misconduct and/or breach of fiduciary duties in his capacity as the then Group Managing Director. The Plaintiff claims the announcement tarnished his reputation and public image.

The Plaintiff seeks General Damages exceeding RM1,000,000, together with Compensatory Damages, Aggravated Damages and Exemplary Damages, with the quantum to be assessed by the Court.

The Company has entered its defence on the grounds that the announcement was made in compliance with the continuing disclosure obligations under Chapter 9 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, that it merely reported events occurring at the material time, and has raised the defences of fair comment and qualified privilege.

As at the date of these financial statements, the suit remains ongoing and has been fixed for trial on 2 July 2026, 3 July 2026 and 28 July 2026. The Directors have assessed that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The Company has meritorious defences and the outcome cannot be determined with reasonable certainty at this stage. Accordingly, no provision has been recognised in the financial statements.

#### (b) Zen Tech International Berhad vs Lim Kok Hoong & Sew Choon Onn

On 14 April 2025, the Company commenced legal proceedings against Lim Kok Hoong (1st Defendant) and Sew Choon Onn (2nd Defendant) via a Writ of Summons and Statement of Claim. The dispute arose from a Memorandum of Understanding dated 21 May 2019 entered into between the Company and the Defendants for the proposed purchase of all shares held by the Defendants in Aircomaster Sdn. Bhd. The Defendants had jointly and/or severally failed to remit the balance of the advance earnest deposit amounting to RM500,000 after the Company was informed that the said acquisition was not successful.

The Company sought payment of RM500,000, interest at 4% per annum from 10 March 2020 to the date of judgment, interest at 5% per annum from the date of filing to full and final settlement, together with general damages, aggravated damages and exemplary damages.

Subsequent to the financial period end, judgment in default was entered by the Court in favour of the Company, whereby the Defendants are obligated to pay the Company a total sum of RM500,000 plus interest in accordance with the terms of the default judgment. Notwithstanding the judgment obtained, the Directors have assessed the recoverability of the judgment sum with due consideration to the ability and financial capacity of the Defendants to satisfy the judgment. The amount will be recognised as a receivable only when the realisation of the income is virtually certain. The Directors will continue to monitor the enforcement and collection of the judgment sum.

#### (c) Yang Xiaowen vs Galactic Maritime (M) Sdn. Bhd. vs Zen Tech International Berhad

On 22 October 2025, the Company was served with an Originating Summons dated 17 October 2025 together with an Affidavit in Support affirmed by Yang Xiaowen ("Plaintiff"). The Company has

been named as the Fourth (4th) Defendant. The First (1st) Defendant is Galactic Maritime (M) Sdn. Bhd. (“GMMSB”), in which the Plaintiff is a director and shareholder.

The Plaintiff alleges that her shareholding in GMMSB was unlawfully reduced from 5,265,000 ordinary shares to 2,700,000 ordinary shares, with 2,565,000 ordinary shares purportedly transferred without her knowledge or consent. The Plaintiff refers to a public announcement dated 19 January 2017 by the Company stating that the Company had entered into a Share Sale Agreement with the Plaintiff for the acquisition of 2,565,000 ordinary shares in GMMSB for a total consideration of RM4,560,000. The Plaintiff denies having executed any Share Sale Agreement or share transfer forms in connection with the said transfer.

As at the reporting date, the Plaintiff is seeking pre-trial discovery of corporate, financial and share-related records only pursuant to Order 24 Rule 7A of the Rules of Court 2012. No substantive claim for damages has been filed against the Company. However, the Plaintiff has indicated an intention to consider initiating substantive proceedings upon review of the requested documents. Should such proceedings be commenced, the potential maximum exposure could include monetary claims up to RM4,560,000, an order for the return of shares, and/or legal costs arising from the defence of such proceedings.

Subsequent to the financial period end, the Company filed its affidavit in reply by 21 November 2025, with written submissions filed on 5 January 2026 and reply submissions on 19 January 2026. The hearing was fixed before the Judge on 29 January 2026. The Directors are of the view that the current proceedings relate solely to a pre-trial discovery application and it is premature to assess the probability or quantum of any potential outflow of resources at this juncture. No provision has been recognised in the financial statements.

#### 40. COMPARATIVE FIGURES

The previous reporting period covered a period of 12 months from 1 July 2023 to 30 June 2024. The current reporting period covers a period of 18 months from 1 July 2024 to 31 December 2025. Consequently, the comparative amount for the statements of comprehensive income, statements of changes in equity and statements of cash flows and related notes to the financial statements are not comparable.

Certain comparative figures in the prior year’s statement of profit or loss as shown below have been reclassified to enhance comparability with the current year’s presentation. As a result, certain line items have been amended on the face of the statement of profit or loss. The items reclassified were as follows:

	<b>As previously reported RM</b>	<b>Reclassification RM</b>	<b>As restated RM</b>
<b>Statement profit or loss from 1 July 2024 to 30 June 2025 (12 months)</b>			
Cost of sales	41,134,529	4,292,221	45,426,750
Administrative expenses	19,411,366	(4,292,221)	15,119,145

# ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2026

Total Number of Issued Shares : 3,137,450,287  
Class of Shares : Ordinary Shares  
Voting Rights : One vote for each ordinary share held

## DISTRIBUTION OF SHAREHOLDINGS AS AT 1 APRIL 2026

SIZE OF SHAREHOLDINGS	No. of shareholders	Percentage of shareholders (%)	No. of shares	Percentage of shares (%)
1 to 99	75	0.82	3,133	0.00
100 to 1,000	926	10.15	473,341	0.02
1,001 to 10,000	2,579	28.28	15,865,647	0.51
10,001 to 100,000	3,538	38.79	154,812,415	4.93
100,001 to less than 5% of Issued Shares	2,001	21.94	2,466,295,751	78.61
5% and above of Issued Shares	1	0.01	500,000,000	15.94
<b>TOTAL</b>	<b>9,120</b>	<b>100.00</b>	<b>3,137,450,287</b>	<b>100.00</b>

## DIRECTORS' SHAREHOLDINGS AS AT 1 APRIL 2026

No.	Names	Direct		Indirect	
		No. of Shares	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
1.	Dato' Zhang Li	16,339,936	0.52	-	-
2.	Siva Kumar Kalugasalam	960,604	0.03	-	-
3.	Chow Hung Key	177,600	0.01	-	-
4.	Edwin Silvester Das	-	-	-	-
5.	Zhang Yang	-	-	16,339,936 <sup>(1)</sup>	0.52
6.	Wong Kok Fong	-	-	-	-
7.	Dato' Zaidi bin Mat Isa @ Hashim	-	-	-	-

Notes:

<sup>(1)</sup> Deemed interested by virtue of his mother, Dato' Zhang Li's direct shareholding in the Company.

## ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2026

## LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2026

No.	Names	Direct		Indirect	
		No. of Shares	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
1.	-	-	-	-	-

## LIST OF TOP 30 SHAREHOLDERS/ DEPOSITORS AS AT 1 APRIL 2026

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
1.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	500,000,000	15.94
2.	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR VALUEVEST VENTURES SDN. BHD	135,169,000	4.31
3.	CHUA SIEW CHEN	105,448,600	3.36
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MICHAEL HENG CHUN HONG	96,977,400	3.09
5.	LING SHENG CHUNG	94,815,600	3.02
6.	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR DRB TRUST	63,000,000	2.01
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BEE YOOK (008)	61,394,700	1.96
8.	GAN SIONG PIEU	55,500,000	1.77
9.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FLORENCE LIM HUI LENG	45,484,000	1.45
10.	LAI WEI WEIN	33,000,000	1.05
11.	ANG BEE KEAN	30,000,000	0.96
12.	CARMEN QUAH	30,000,000	0.96
13.	GAN SMT SDN. BHD	25,065,100	0.80
14.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN POW CHOO @ WONG SENG ENG	25,000,000	0.80
15.	LIM SOON GUAN	21,600,000	0.69
16.	OOI PHUAY GIM	19,805,600	0.63
17.	LIEW THAU SEN	17,135,800	0.55
18.	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG LI	16,339,936	0.52
19.	ONG EE LING	15,535,100	0.50
20.	LEE SIONG YING	15,000,000	0.48
21.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG KEAR HUAT (8089889)	14,000,000	0.45
22.	ZEN HERITAGE CAPITAL SDN BHD	13,500,000	0.43

## ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2026

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
23.	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	13,298,100	0.42
24.	OOI CHEW WEI	13,000,000	0.41
25.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG KEAR HUAT (7003273)	12,720,000	0.41
26.	CHIA LEE LEE	12,500,000	0.40
27.	YIN YIT FUN	11,800,000	0.38
28.	PHOOI SEONG THIN	10,100,000	0.32
29.	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE KHA YIP	10,092,100	0.32
30.	TAN HUI KOON	10,000,000	0.32
	Total	1,527,281,036	48.71



**ZEN TECH  
INTERNATIONAL  
BERHAD**

**ZEN TECH INTERNATIONAL BERHAD**  
Registration No. 200401027289 (665797-D)  
(Incorporated in Malaysia)

**FORM OF PROXY**

<b>Number of Shares</b>	
<b>CDS Account No.</b>	

\* I/We ..... NRIC/Passport/Co. No. ....  
(full name in block letters)

of .....  
(full address)

Tel No. .... Email address ..... being a Member/

Members of ZEN TECH INTERNATIONAL BERHAD, hereby appoint (Proxy 1) .....

NRIC/Passport No. .... (full name in block letters) of .....

.....  
(full address)

Tel No. .... Email address ..... and/or failing \*him/her

(Proxy 2) ..... NRIC/Passport No. ....  
(full name in block letters)

of .....  
(full address)

Tel No. .... Email address ..... or failing whom, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting ("20<sup>th</sup> AGM") of ZEN TECH INTERNATIONAL BERHAD ("ZTIB" or "the Company") which to be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Friday, 26 June 2026 at 10:30 a.m. or at any adjournment thereof:

\*I/We direct \*my/our proxy to vote for or against the resolution to be proposed at the 20<sup>th</sup> AGM of the Company as indicated hereunder:

Ordinary Resolution		For	Against
1	To approve and ratify the additional payment of Directors' fees and other benefits payable of up to RM400,000 for the period commencing from 30 November 2024 until the conclusion of the 20 <sup>th</sup> AGM of the Company		
2	To approve the payment of Directors' fees and other benefits payable up to RM800,000 for the period commencing from the conclusion of the 20 <sup>th</sup> AGM up to the conclusion of the 21 <sup>st</sup> AGM of the Company.		
3	To re-elect Dato' Zhang Li, who retires in accordance with Clause 97.1 of the Company's Constitution and who, being eligible, has offered herself for re-election.		
4	To re-elect Chow Hung Keey, who retires in accordance with Clause 97.1 of the Company's Constitution and who, being eligible, has offered himself for re-election		
5	To re-appoint Messrs. Morison LC PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.		
6	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with an "X" or "√" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote / abstain at his/her discretion.

Dated this ..... day of ..... 2026

Signature / Common Seal of shareholder

\*strike out whichever is inapplicable

The proportions of *my/our holdings to be represented by *my/our proxy(ies) are as follows:	
Proxy 1	
No. of Shares : _____	Percentage : _____ %
Proxy 2	
No. of Shares : _____	Percentage : _____ %

**Notes:**

- A member, including an authorised nominee and an exempt authorised nominee which holds securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), may appoint one or more proxies to attend on the same occasion.
- Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for an 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.
- If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an attorney duly authorised.
- To be valid, the duly completed Form of Proxy must be deposited at the Company's Share Registrar, Aldpro Corporate Services Sdn Bhd, at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Form of Proxy, other than the particular of the proxy have been duly completed by the member(s).
- For the purpose of determining which member shall be entitled to attend the meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 15 June 2026. Only members whose name appears on the Record of Depositors as at 15 June 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her stead.
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 20<sup>th</sup> AGM will be put to a vote by way of poll.

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The Share Registrar of  
**ZEN TECH INTERNATIONAL BERHAD**  
[Registration No. 200401027289 (665797-D)]

c/o Aldpro Corporate Services Sdn Bhd  
B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
Wilayah Persekutuan, Malaysia

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**The Company's Share Registrar**  
**ZEN TECH INTERNATIONAL BERHAD**  
[Registration No. 200401027289 (665797-D)]

c/o **Aldpro Corporate Services Sdn Bhd**  
B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
Wilayah Persekutuan, Malaysia

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**REQUISITION OF PRINTED ANNUAL REPORT 2025**

To:

**Aldpro Corporate Services Sdn Bhd**  
B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
Wilayah Persekutuan, Malaysia  
Telephone No. : (603) 9770 2200  
Fax No. : (603) 2201 7774  
Email : admin@aldpro.com.my

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Attention : **Cik Nuraziqah / Pn. Martini**

I/We wish to request a copy of the printed Annual Report 2025 of Zen Tech International Berhad to be forwarded to me / us at the address started below:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Thank you.

Yours faithfully,

\_\_\_\_\_

Full Name : \_\_\_\_\_  
CDS Account No. : \_\_\_\_\_  
Contact No. : \_\_\_\_\_

**Note:**

*By completing, signing and returning this Requisition Form to the Company, you hereby agree that the Company and/or its service provider may collect, obtain, store, process and disclose the personal data that you have provided in this Requisition Form or which is otherwise collected from you or your authorised representative, to process your request.*







**ZEN TECH**  
**INTERNATIONAL**  
**B E R H A D**

Unit No. 53-6 The Boulevard,  
Mid Valley City,  
Lingkaran Syed Putra,  
59200 Kuala Lumpur,  
W.P. Kuala Lumpur.

[www.zentech.com.my](http://www.zentech.com.my)