ZEN TECH INTERNATIONAL BERHAD

REGISTRATION NO.: 200401027289(665797-D)

`

UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 JUNE 2026

ZEN TECH INTERNATIONAL BERHAD **Reg. No.: 200401027289(665797-D)**
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2026

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Revenue	**B1**	11,341	-	23,329	-
					-
Cost of sales		(10,485)	-	(21,332)	-
Gross profit		856	-	1,997	-
Other Income		6	-	6	-
Gain / (Loss) Foreign Exchange		5		26	
Administrative Expenses		(1,365)	-	(2,684)	-
Share Option Expense		-		(6,238)	
Depreciation of Fixed Assets		(1,291)	-	(2,810)	-
Depreciation of ROU Assets		(66)	-	(112)	-
Loss from Operations		(1,855)	-	(9,815)	-
Interest - Lease Liabilities		(18)	-	(37)	-
Interest - Borrowings		(22)	-	(32)	-
Loss before taxation		(1,895)	-	(9,884)	-
Taxation	B6	(21)	-	(35)	-
Loss after tax for the financial period		(1,916)	-	(9,919)	-
Loss attributable to:					
Owners of the company		(1,168)	-	(8,570)	-
Non-controlling interest		(748)	-	(1,349)	-
Loss for the financial period		(1,916)	-	(9,919)	-
Total Comprehensive Loss attributable to:					
Owners of the company		(1,168)	-	(8,570)	-
Non-controlling interest		(748)	-	(1,349)	-
Total Comprehensive Income Loss for the period		(1,916)	-	(9,919)	-
Loss per share (sen)					
Basic	B14	(0.04)	-	(0.27)	-

Notes:

1 The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flow and Statement of Changes in Equity should be read in conjuction with the Audited Financial Statements for the Financial Period Ended 31 December 2026 and the accompanying notes to the Interim Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	*As at 3 Months Ended* **31 March 2026** *unaudited* **RM'000**	*As at 18 Months Ended* **31 December 2025** *audited* **RM'000**
ASSETS			
Non-Current Assets			
Property, plant and equipment		43,727	45,598
Rights of Use Assets		1,739	1,923
Other investment		25	25
		45,491	47,546
Current Assets			
Inventories		1,780	3,976
Trade receivables		7,210	7,437
Other receivables, deposits and prepayments		6,062	4,972
Amount due from directors		-	-
Tax recoverable		200	409
Fixed deposit with a financial institution		47	47
Cash and bank balances		108	224
		15,407	17,065
TOTAL ASSETS		60,898	64,611
EQUITY AND LIABILITIES			
Equity			
Share capital		88,911	88,771
Reserve		6,238	8,851
Accumulated losses		(47,678)	(47,959)
Total equity attributable to owners of the Company		47,471	49,663
Non-controlling interest		(13,694)	(12,346)
Total equity attributable to owners of the Company		33,777	37,317
Non Current Liabilities			
Lease Liabilities		1,557	1,480
Deferred tax liabilities		-	-
		1,557	1,480
Current liabilities			
Trade payables		10,764	11,322
Other payables and accruals		9,369	9,272
Amount due to directors		2,260	1,905
Lease Liabilities		273	542
Short Term Borrowings	B10	2,621	2,492
Current Tax Liabilities		277	281
		25,564	25,814
TOTAL LIABILITIES		27,121	27,294
TOTAL EQUITY AND LIABILITIES		60,898	64,611
Net assets per share attributable to ordinary equity holders of the Company *(RM)*		0.01	0.02

Note:

1. The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flow and Statement of Changes in Euity should be read in conjuction with the Audited Financial Statements for the Financial Period Ended 31 December 2026 and the accompanying notes to the Interim Statements.

ZEN TECH INTERNATIONAL BERHAD **Reg. No.: 200401027289(665797-D)**
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2026

	Share capital	Warrant Reserve	Non- Distributable Employee Share Option Reserve	*Accumulated losses*	*Attributable to owners of the Company*	Non-Controlling interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2024	88,495	14,548	8,851	(45,939)	65,955	(9,398)	56,557
Issuance of shares pursuant to the :							
- exercise of private placement	250	-	-	-	250	-	250
- exercise of detachable warrants	26	(13)		13	26		26
Expiring of warrant to ordinary shares		(14,535)		14,535	-		-
Total transaction wlth owners	276	(14,548)	-	14,548	276	-	276
Total comprehensive loss for the financial period	-	-	-	(16,568)	(16,568)	(2,948)	(19,516)
As at 31 December 2025	88,771	-	8,851	(47,959)	49,663	(12,346)	37,317
Issuance of shares pursuant to the:							
- cancellation of employee share option scheme	-	-	(8,851)	8,851	-	-	-
- issuance of new employee share option scheme	140						140
		-		-	-	-	-
Total transaction with owners	88,911	-	-	(39,108)	-	-	37,457
- Share Option Expenses	-	-	6,238.00			-	6,238
Total comprehensive loss for the period				(8,570)	(8,570)	(1,348)	(9,918)
As at 30 June 2026	88,911	-	6,238.00	(47,678)	(8,570)	(13,694)	33,777

Note:

1 The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flow and Statement of Changes in Euity should be read in conjuction with the Audited Financial Statements for the Financial Period Ended 31 December 2025 and the accompanying notes to the Interim Statements.

ZEN TECH INTERNATIONAL BERHAD Reg. No.: 200401027289(665797-D)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2026

	As at 3 Months Ended 30 June 2026 *unaudited* RM'000	18 Months Ended 31 December 2025 audited RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Loss before taxation	(9,884)	(19,290)
Adjustments for:		
Depreciation Property, plant and equipment	2,810	8,020
Depreciation Right-of-use assets	112	611
Loss on Disposal of Subsidiary	-	3,875
Impairement losses on:		
Investment in ssociate companies	-	6,125
Other receivables	-	203
Interest expense	40	284
Interest Income	-	(425)
Impairment Loss On Goodwill	-	-
Profit Gurantee arising from acquisition of		-
of Alpha Fintech Sdn. Bhd.	-	(2,300)
Share option expenses	6,238	
Operating profit before working capital changes	(684)	(2,897)
Net change in current assets	1,333	(1,400)
Net change in current liabilities	(246)	8,301
Cash used in operations	403	4,004
Income tax Paid	-	(200)
Interest received	-	426
Interest paid	(29)	-
Net cash generated used in operating activities	374	4,230
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(767)	(3,890)
Investment in Associate Company	-	-
Net cash generated from/(used in) investing activities	(767)	(3,890)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bankers acceptance	1,234	1,925
Repayment of bankers'acceptance	(1,223)	(2,267)
Proceeds from exercise of:		
- employees share issuance scheme	-	-
- private placement	140	251
- warrants	-	26
Repayment on lease liabilities	(269)	(584)
Interest paid	(127)	(284)
Advances from / (Repayment to) director	355	452
Net cash generated from financing activities	110	(481)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(283)	(141)
EFFECT OF CHANGE IN EXCHANGE RATE	50	38
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(296)	(193)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(529)	(296)
Cash and Cash equivalents comprises:-		
Fixed Deposits with a financial institution	47	47
Cash and bank balances	108	224
Less: Bank Overdrafts	(684)	(567)
	(529)	(296)

Notes:

1 The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flow and Statement of Changes in Euity should be read in conjuction with the Audited Financial Statements for the Financial Period Ended 31 December 2025 and the accompanying notes to the Interim Statements.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2026

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard 134 (MFRS 134): Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 (Appendix 9B part A) of the for the ACE Market and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

The explanatory notes attached to the unaudited interim financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial period ended 31 December 2025.

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

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

MFRS 18	Presentation and Disclosure in Financial Statements[1]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[1]
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures[1]
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]

1. Effective for annual periods beginning on or after 1 January 2027.
2. Deferred to a date to be determined and announced by MASB.

The adoption of these new MFRSs and amendments to MFRSs did not have any material impact on the interim financial report of the Group.

A2 Auditors'Report

Basis for Qualified Opinion section of in the Auditors' report, the financial statements for the financial year ended 31 December 2025 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.

As disclosed in Note 17 and Note 18 to the financial statements, on 17 June 2025 the Group and the Company completed the acquisition of a 70% equity interest in Alpha Fintech Sdn Bhd ("Alpha Fintech") for a total purchase consideration of RM10,000,000, of which RM6,500,000 was paid in cash in the prior financial year, and RM3,500,000 remains outstanding as at 31 December 2025 and is included within other payables.

On 2 July 2025, the Group and the Company entered into and completed a share swap arrangement with a third party under which a 40% equity interest in Alpha Fintech was exchanged for a 40% equity interest in Hiassets Group Sdn Bhd ("Hiassets") at an agreed value of RM3,500,000 each. Following the share swap, the remaining 30% interest in Alpha Fintech and the 40% interest in Hiassets have been accounted for as investments in associates total amounting to RM6,125,000. Management has subsequently reassessed the recoverable amount of investment in associate companies, which is lower than their carrying amount, and recognised impairment losses of RM6,125,000, resulting in a carrying amount of RMnil.

The audit procedures performed included, amongst others, inspection of both sale and share swap agreement, review of management's external due diligence reports and board documentation, and consideration of external legal opinions obtained by management and reviewed by auditor's expert did not enable them to obtain sufficient appropriate audit evidence as to the commercial substance of the above transactions or as to the basis on which the agreed values attributed to the equity interests exchanged were determined.

Consequently, the Auditors were unable to determine whether any adjustments might be necessary to:

- the measurement of the deemed consideration arising from the share swap, comprising the fair value of the 40% equity interest in Hiassets of RM3,500,000 and the 30% retained interest in Alpha Fintech of RM2,625,000, totalling RM6,125,000 as initial recognition as cost of the investments in associate companies. This was subsequently fully impaired, resulting in an impairment loss of RM6,125,000 and a loss on disposal of Alpha Fintech of RM3,875,000 for the financial period ended 31 December 2025 (Note 17 and 18);
- the recognition, measurement and presentation of the profit guarantee receivable of RM2,300,000 recognised by management as other income during the financial period, and its set-off against the outstanding purchase consideration of RM3,500,000 payable to the vendor of Alpha Fintech, resulting in a net payable of RM1,200,000 within other payables as at 31 December 2025 (Notes 7 and 31); and
- the adequacy and completeness of the related disclosures in the financial statements.

A3 Seasonal or cyclical factors

The principal business operations of the Group were not affected by any seasonal and cyclical factors.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 JUNE 2026

A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items of unusual nature , size or incidence which materially affecting assets , liabilities, equity, net income or cash flows of the Group for the financial period under review.

A5 Changes in Accounting Estimates

There were no changes in the estimates of amounts reported in the prior interim period of the current financial year or changes in the estimates of amounts reported in the prior financial years that have a material effect in the current quarter or financial year-to-date.

A6 Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares during the financial year-to-date under review: except for the changes in ordinary share capital as stated in note B8.

A7 Dividends Paid

No dividends were paid during the financial year-to-date.

A8 Segmental Reporting

(a) Segement Information is presented in respect of the Group's business segements which are based on the internal reporting structure presented to the management of the Company. The Group's princiapl segment businesses are Glove Manufacturing, Infomation Technology and Investment Holding.

	Software and System Intergration	Gloves Manufacturing	Corporate	Elimination	Total
	RM	RM	RM	RM	RM
6 Months Ended 30 June 2026					
Group Revenue					
External Sales	478	22,851	-	-	23,329
Results					
Profit / (Loss) from Operations					
Administrative Expenses	(294)	(1,917)	(581)	108.00	(2,684)
Depreciation - Property , Plant & Equipment	-	(2,776)	(34)	-	(2,810)
Depreciation - Rights of Use Assets	-	(52)	(60)	-	(112)
Interest Costs	-	(46)	(23)	-	(69)
Profit /(Loss) for the period before tax	101	(2,885)	(7,189)	89.00	(9,884)
Income Tax (Expenses) Credit	-	(35)	-	-	(35)
Profit /(Loss) for the period	101	(2,920)	(7,189)	89	(9,919)
Result:					
Segement Assets	4,090	100,342	52,222	(95,756)	60,898
Segement Liabilities	(19,438)	(24,521)	(4,882)	21,720	(27,121)

A9 Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A11 Capital commitments

	As at 30-Jun-26	As At 30-Jun-25
	RM'000	RM'000
Approved and contracted for :		
Investments	-	-

A12 Changes in contingent liabilities and contingent assets

The Group did not have any contingent liabilities, either secured or unsecured, or contingent assets as at 31 March 2026.

A13 Significant related party transactions

There were no items, transaction or event of a material and unusual nature which has arisen which would substantially affect the results of the Group and the Company for the period between 31 December 2025 and the date of this report.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES BERHAD FOR THE PERIOD ENDED 30 JUNE 2026

B1 Review of Group Performance

	Individual Quarter For the 3 months ended		Variance	Cumulative Quarter For the 3 months ended		Variance
	30-Jun-26 RM'000	30-Jun-25 RM'000	%	30-Jun-26 RM''000	30-Jun-25 RM'000	%
Revenue	11,341	-	-	23,329	-	-
Total Operating Expenses	(2,722)	-	-	(5,606)	-	-
Loss from Operations	(1,855)	-	-	(9,815)	-	-
Loss before tax	(1,895)	-	-	(9,884)	-	-
Loss for the period after tax	(1,916)	-	-	(9,919)	-	-

For the first quarter ended 31 March 2026, the group recorded revenue of RM11.98 million and a loss before taxation of RM8.017 million. The main contributor was the glove manufacturing segment, which contributed RM11.73 million in revenue and generated a loss of RM1.28 million. During the period, the software and Book Segment contributed RM 257 thousand in Revenue and a profit of RM 30 thousand. During the financial period the Company had granted ESOS to its Directors, and hence the Group had incurred Share Option Expenses of RM6.238 million.

B2 Financial Review Of Profit /(Loss) Before Taxation For Current Quarter Compared With Immediate Preceding Quarter

	Individual Quarter For the 3 months ended		Variance
	30-Jun-26 RM'000	30-Jun-26 RM'000	%
Revenue	11,341	-	-
Total Operating Expenses	(2,722)	-	-
Loss from Operations	(1,855)	-	-
Loss before tax	(1,895)	-	-
Loss for the period after tax	(1,916)	-	-

B3 Current Year Prospects

The software segment contributed profit to the group during the interim period ending 31 March 2026. The glove segment incurred losses during the period due to foreign exchange fluctuations and higher raw material costs. We are expecting an upward trend in the glove business, with the average selling price increasing during the forthcoming financial period as the cost of raw materials stabilises.

B4 Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

B5 Profit / (Loss) Before Tax

The profit / (loss) before tax is stated after charging / (crediting)

	Individual Quarter For the 6 months ended		Cumulative Quarter Period Ended	
	30-Jun-26 RM'000	30-Jun-25 RM'000	30-Jun-26 RM'000	30-Jun-25 RM'000
Profit before tax is arrived at after charging:				
Finance costs:				
- lease Libilities	(18)	-	(37)	-
- borrowings	(22)	-	(32)	-
Depreciation				
- property, plant & equipment	(1,291)	-	(2,810)	-
- right-of-use assets	(66)	-	(112)	-
		-		
and after Crediting:				
(Gain)/ Loss on foreign exchange				
- realised	5	-	26	-

B6 Taxation

For both the current quarter as well as financial year-to-date, tax is calculated on estimated assessable profits for the financial year.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter and financial year-to-date.

B8 Unquoted securities

There were no acquisitions or disposals of unquoted securities during the current quarter and financial year-to-date.

B9 Corporate proposals

There were no new corporate proposal

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES BERHAD FOR THE PERIOD ENDED 30 JUNE 2026

B10 Short Term Borrowings

The Group borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 March 2026 are as below:

	As at 30-Jun-26 RM'000	As At 30-Jun-25 RM'000
Secured		
Bank Overdraft	684	-
Bankers Acceptance	1,937	-
Total Short Term Borrowings	2,621	-

B11 Off Balance sheet Financial instruments

There were no off balance sheet financial instruments as at the date of this report.

B12 Changes in Material Litigation

a) On 16 July 2020, the Company was served with a Writ and Statement of Claim by its former Non-Independent and Non-Executive Director, Mohd Anuar bin Mohd Hanadzlah ("the Plaintiff"). The Plaintiff claimed that Zen Tech International Berhad ("Zen Tech") had made defamatory statements against the Plaintiff for, among others, its announcement in Bursa Malaysia Securities Berhad ("Bursa") over the suspension of the Plaintiff from his position in Zen Tech due to the alleged abuse of power and misconduct pending the outcome from the Investigative Working Group. Zen Tech had attempted to strike out the said Writ by its application under Order 18 Rule 19 of the Rules of Court 2012, which was then dismissed by the Kuala Lumpur High Court. At present, Zen Tech is appealing to the Court of Appeal to reverse the High Court decision on the merit that the announcement in Bursa was made in compliance and aligned to the requirements of Bursa. The Kuala Lumpur High Court has fixed the matter for trial from 22 June 2022 to 24 June 2022, which was later postponed to 25.11.2024. On 25.11.2024 the Company was called up for case management before Yang Arif Eddie Yeo Soon Chye ("Learned JC") at the High Court of Malaya at Kuala Lumpur.

b) The civil suit initiated by its former director Mohd Anuar Bin Mohd Hanadzlah vide Kuala Lumpur High Court Suit No.: WA-23NCvC-49-07/2020 has concluded its full trial on 28th July 2026.
The Court has directed solicitors of respective parties to file written submissions and the suit is scheduled for oral submission on 15th October 2026. Meanwhile, the Decision is scheduled for 29th October 2026 at 3:00 p.m.
The Board will make further announcement on the outcome of this suit after 29th October 2026

B13 Dividend payable

No interim ordinary dividend has been declared for the financial period under review.

B14 Earnings per share

The basic/diluted earnings per share are computed based on the net profit attributable to ordinary shareholders and the weighted average/adjusted weighted average number of ordinary shares outstanding during the year as follows:

	Current Quarter		Cumulative Quarter	
	30-Jun-26 RM'000	30-Jun-25 RM'000	30-Jun-26 RM'000	30-Jun-25 RM'000
Basic				
Profit/(loss) attributable to the shareholders of the Company (RM'000)	(1,168)	-	(8,570)	-
Weighted average number of ordinary shares in issue	3,159,450	-	3,159,450	-
Basic earnings/(loss) per ordinary share (sen)	(0.04)	-	(0.27)	-
Diluted				
Profit/(loss) attributable to the shareholders of the Company (RM'000)	(1,168)	-	(8,570)	-
Weighted average number of ordinary shares	3,159,450	-	3,159,450	-
Effect of dilution:				
Warrant B	-	-	-	-
Employees share option scheme	-	-	-	-
Adjusted weighted average number of ordinary shares	3,159,450	-	3,159,450	-
Diluted loss per ordinary share (sen)	(0.04)	-	(0.27)	-

B15 Authorisation for issue

The quarterly report was authorised for issue by the Board on 24 August 2026

ZEN TECH INTERNATIONAL BERHAD